



GENERAL INFORMATION



Registration number

2000/017147/07



Registered address

3rd Floor | Forum | I
Braam Park | 33 Hoofd Street |
Braamfontein



Postal address

PO Box 31565
Braamfontein
2017



Website

www.jhbproperty.co.za



Email Address

[clientservicingunit@
jhbproperty.co.za](mailto:clientservicingunit@jhbproperty.co.za)



Telephone number

+27 010 219 9000



Bankers

Standard Bank South Africa



Auditors

Auditor-General of
South Africa



Company Secretary

Gontse Dlamini

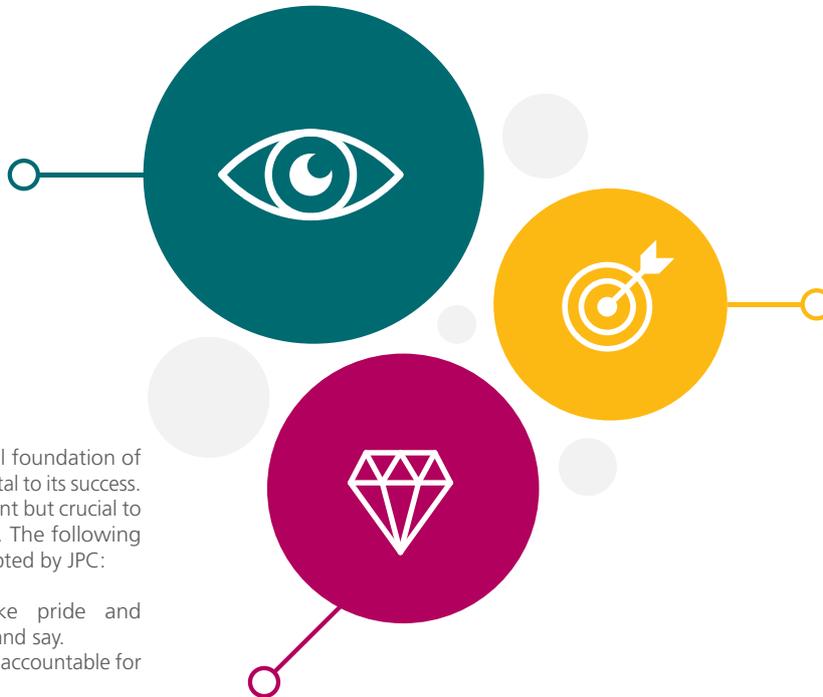
Vision

The City of Joburg Property Company's vision is to provide property management, property development, facilities management, property asset management, and outdoor advertising, in order to maximise the social, economic and financial benefit to the City of Johannesburg (CoJ) and support the CoJ's delivery objectives on a cost-competitive basis.

Values

Company values are the ethical foundation of JPC and are therefore fundamental to its success. Such values are not just important but crucial to the overall ascendancy of JPC. The following values were identified and adopted by JPC:

- **Professionalism:** We take pride and ownership in all that we do and say.
- **Accountability:** We are fully accountable for our work.
- **Responsibility:** We generate trust through the responsibility and accountability we demonstrate in our promises, actions and decisions.
- **Customer service:** We take delight in servicing our customers.
- **Trust:** We act with integrity at all times, providing quality service, and being reliable and responsible.



Mission

The City of Joburg Property Company (SOC) Ltd (JPC) is an agent of the CoJ, responsible for maximising the social, economic, and financial value of the CoJ's total property portfolio and enhancing the efficiency of its use. JPC provides property asset management, property management, facilities management, property development, and outdoor advertising, and interacts with the public in respect of the property portfolio. JPC supports the achievement of the CoJ's strategic priorities, including economic and social development and the CoJ's service delivery objectives.

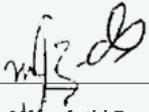


Johannesburg City Skyline

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Report:

- Was developed by the Management of JPC under the guidance of the Chief Executive Officer and considers all the relevant policies, legislation, and other mandates for which JPC (SOC) Ltd is responsible.
- Accurately reflects the performance that JPC has achieved in the 2024/25 financial year.



Mr Mfanafuthi Zondo
Acting Chief Financial Officer
Date of approval: 02/12/2025



Mr Musah Makhunga
Chief Executive Officer
Date of approval: 02/12/2025



Mr Simon Motha
Chairperson of the Board
Date of approval: 02/12/2025



Ms Catherine Setlhako
CoJ Legal
Date of approval: 02/12/2025



Mr Mathopane Masha
Executive Director: Economic Development
Date of approval: 08/12/2025



Cllr Nomoya Mnisi
Member of the Mayoral Committee: Economic Development
Date of approval: 23/01/2026

ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
CAF	Combined Assurance Forum
CAM	Combined Assurance Model
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CoJ	City of Johannesburg Metropolitan Municipality
CSI	Corporate Social Investment
DED	Department of Economic Development
DWS	Department of Water and Sanitation
EAC	Executive Adjudication Committee
EAP	Economically active population
EESD	Employment equity and skills development
EPWP	Expanded Public Works Programme
ERDMS	Electronic Records and Document Management System
ERM	Enterprise risk management
ESG	Environmental, social and governance
EXCO	Executive Committee
FLISP	Finance-Linked Individual Subsidy Programme
FY	Financial year
GCSS	Group Corporate and Shared Services
GDARD	Gauteng Department of Agriculture and Rural Development
GDHS	Gauteng Department of Human Settlements
GDS 2040	Joburg 2040 Growth and Development Strategy
GFIS	Group Forensic and Investigative Services
GRAP	Generally Recognised Accounting Practice
HCM	Human Capital Management
HR	Human Resources
IAR	Integrated Annual Report
ICRP	Inner City Rejuvenation Programme
ICT	Information communication technology
IDP	Integrated Development Plan

ACRONYMS

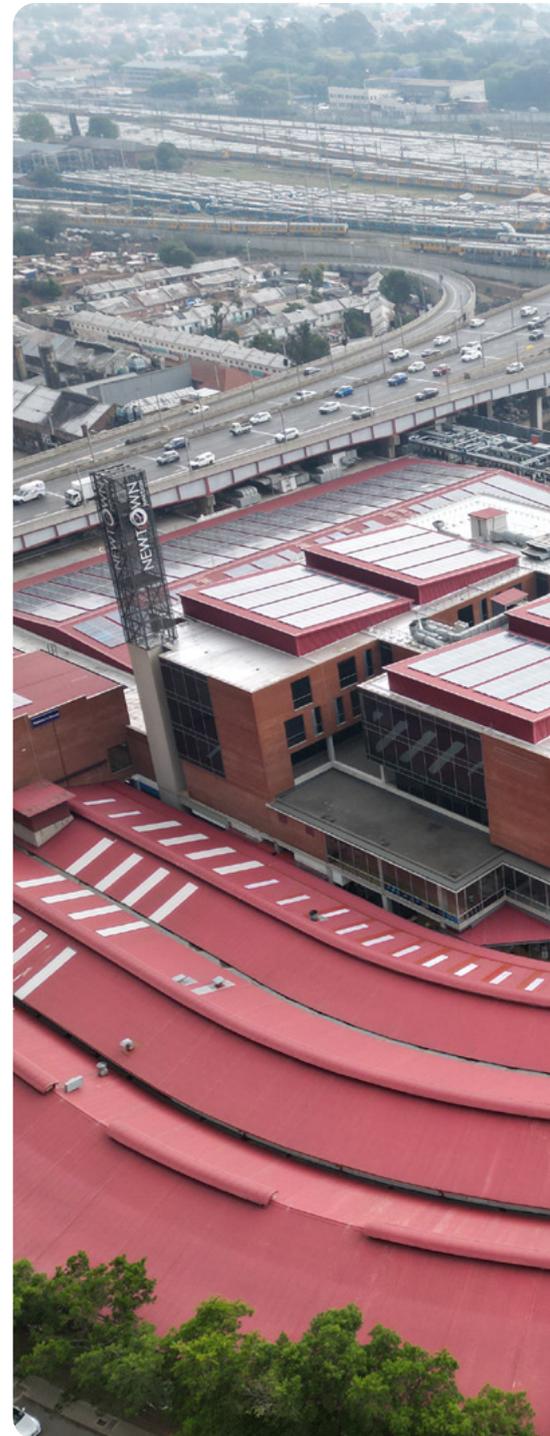
IIRC	International Integrated Reporting Council
IoDSA	Institute of Directors in South Africa
IRC	Integrated Reporting Committee
ISPPIA	International Standards for the Professional Practice of Internal Auditing
JDA	Johannesburg Development Agency
JMPD	Johannesburg Metropolitan Police Department
JPC	Joburg Property Company
JRA	Johannesburg Roads Agency
KPI	Key performance indicator
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MMC	Member of the Mayoral Committee
MOE	Municipal-owned entity
MSA	Local Government: Municipal Systems Act, No. 32 of 2000
MTC	Metropolitan Trading Company
OHSA	Occupational Health and Safety Act
PAIA	Promotion of Access to Information Act
PIMS	Property Information Management System
POPIA	Protection of Personal Information Act
PPP	Public-private partnership
R&M	Repairs and maintenance
RFP	Request for proposal
RFQ	Request for quotation
SAIBPP	South African Institute of Black Property Practitioners
SAPS	South African Police Service
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SDP	Site Development Plan
SEC, HR, and REMCO	Social and Ethics, Human Resources and Remuneration, and Transformation Committee
SETA	Sector Education and Training Authority
SLA	Service Level Agreement
SLS	Service level standard
SMMEs	Small, medium, and micro-enterprises
SOC	State-Owned Company
TEA	Temporary Emergency Accommodation
TIA	Traffic Impact Assessment
TMPL	Thabo Mbeki Presidential Library
TSD	Transactions and Service Delivery
UIFW	Unauthorised, irregular, fruitless and wasteful
UJ	University of Johannesburg
WULA	Water Use Licence Application
YTD	Year to date

TABLE OF CONTENTS

Acronyms	05		
Table of Contents	07		
List of Tables	08		
List of Figures	09		
About this Report	11		
Section 1: Scope	11		
Section 2: Materiality Determination Process	12		
Section 3: Assurance Process for the IAR	14		
Section 4: Board Responsibility and Approval of the IAR	16		
Chapter 1: Leadership and Corporate Profile	17		
Section 1: Member of Mayoral Committee's Foreword	18		
Section 2: Foreword by the Chairperson	19		
Section 3: Chief Executive Officer's Report	21		
Section 4: Financial Overview	23		
Section 5: Corporate Profile and Overview of the Entity	24		
Section 6: Strategic Objectives	32		
Section 7: Our Strategy and Business Model	37		
Chapter 2: Governance	41		
Section 1: Corporate Governance Statement & Structures	42		
Section 2: Directors' Profiles	51		
Section 3: Board and Committees Focus Areas	54		
Section 4: Directors' and Prescribed Officers' Remuneration	58		
Section 5: Company Secretarial Function	59		
Section 6: High-Level Organisational Structure	59		
Section 7: Executive Management Team	60		
Section 8: Governance of Stakeholder Relationships	62		
Section 9: Risk Management and Internal Controls	66		
Section 10: Internal Audit Function	75		
Section 11: Corporate Ethics and Organisational Integrity	75		
Section 12: Compliance with Laws and Regulations	75		
Section 13: Sustainability Report	77		
Section 14: Anti-Corruption and Fraud	78		
Section 15: Information and Communications Technology (ICT) Governance	79		
Section 16: Batho Pele Principles	82		
Chapter 3: Service Delivery & Performance	83		
Section 1: Organisational Performance	84		
Section 1.1: Highlights and Achievements	84		
Section 1.2: Service Delivery Challenges	85		
Section 1.3: Performance Against Predetermined Objectives	86		
Section 2: Core Business	90		
Section 2.1: Asset management	90		
Section 2.2: Commercial and City-Focused Intervention Projects	91		
Section 2.3: Acquisition and Municipal Unit	99		
Section 2.4: Mega Projects	100		
Section 2.5: Special Projects	107		
Section 2.6: Informal Trading	112		
Section 2.7: Information and Communication Technology	113		
Section 2.8: Client Business Operations	114		
Section 2.9: Communications and Marketing	118		
Chapter 4: Human Capital Management	121		
Section 1: Human Resources and Organisational Management	122		
Section 2: Human Capital Landscape	124		
Section 3: Key Vacancies	127		
Section 4: Employment Equity and Workforce Demographics	129		
Section 5: Employee Capacitation	132		
Section 6: Disciplinary Matters and Outcomes	133		
Section 7: Union Representation	134		
Section 8: Leave Provision	134		
Section 9: Employee Wellness	135		
Section 10: Employee Benefits	136		
Chapter 5: Financial Performance	137		
Section 1: Statement of Financial Position	138		
Section 2: Statement of Financial Performance	140		
Section 3: Cash Flow Statement	142		
Section 4: Capital Projects and Expenditure	143		
Section 5: Ratio Analysis	144		
Section 6: Irregular, Fruitless, and Wasteful Expenditure	145		
Section 7: Pending Litigation and Possible Liabilities	147		
Section 8: Insurance Claims Against/to JPC	147		
Section 9: Insurance Claims Against/to JPC	148		
Section 10: Statement of Amount Owed to Government Departments and Public Entities	148		
Chapter 6: Internal and External Audit	149		
Section 1: Internal Audit	150		
Section 2: Progress Made on the Annual Audit Plan and Resolution of Internal Audit Findings	151		
Section 3: Progress on the Resolution of the Auditor General's Findings	153		
Section 4: State of Internal Controls	154		
Appendices	155		
APPENDIX A : ANNUAL FINANCIAL STATEMENTS	155		
APPENDIX B : AUDITOR-GENERAL'S AUDIT REPORT	222		
APPENDIX G : RECOMMENDATIONS OF THE AUDIT AND RISK COMMITTEE	231		
APPENDIX J : DISCLOSURE OF FINANCIAL INTERESTS	234		
APPENDIX K : COMPLIANCE REGULATORY ASSESSMENT	236		

LIST OF TABLES

Table 1: JPC’s Short, Medium, and Long-Term Goals	36
Table 2: JPC Capitals	38
Table 3: Governance Structure and Key Elements	43
Table 4: King IV Application Register	48
Table 5: Composition of the Board	49
Table 6: Board Meeting Attendance	57
Table 7: Board Meeting Dates	57
Table 8: Non-Executive Directors’ and Independent ARC Member Emoluments	58
Table 9: Directors’ Emoluments	58
Table 10: Directors’ Municipal Accounts	59
Table 11: Stakeholder Relations with the Shareholder	63
Table 12: Stakeholder Relations with Investors, Commercial Partners, and Government	64
Table 13: Stakeholder Relations with Organised Labour	64
Table 14: Stakeholder Relations with Communities	65
Table 15: Stakeholder Relations with Employees	65
Table 16: Stakeholder Relations with the Media and the General Public	66
Table 17: Strategic Risk Overview	69
Table 18: JPC Strategic Risk Register	70
Table 19: Status of Compliance	76
Table 20: JPC Highlights and Achievements	85
Table 21: JPC KPI Achievements	87
Table 22: CoJ Property Portfolio	90
Table 23: Net Movements	90
Table 24: Number of Properties per Region per Year	91
Table 25: Stall Occupations by Informal Traders	112
Table 26: Performance of Service Level Standards	115
Table 27: Service Level Standards	116
Table 28: Outstanding Matters Arising	117
Table 29: Open and New Petitions	117
Table 30: Total Remuneration	124
Table 31: Executive Management Remuneration for FY 2024/25	125
Table 32: Key Vacancies	127
Table 33: Vacancy Rate	128
Table 34: Employment Equity and Workforce Demographics	129
Table 35: Racial Demographics	129
Table 36: JPC Workforce Demographics in terms of EAP	130
Table 37: Training and Development Initiatives	132
Table 38: Grievances	133
Table 39: External Disputes	134





LIST OF TABLES

Table 40: Union Representation Membership	134
Table 41: Pension Fund Membership	136
Table 42: JPC Employee Medical Aid Fund Membership	136
Table 43: Statement of Financial Position	138
Table 44: Statement of Financial Performance	140
Table 45: Statement of Cashflows	142
Table 46: Ratio Analysis of the Statement of Financial Performance	144
Table 47: Ratio Analysis of the Statement of Financial Performance	145
Table 48: Year-on-Year Movement of Fruitless and Wasteful Expenditure	145
Table 49: Year-on-Year Irregular Expenditure Movement	145
Table 50: Incidents Leading to Fruitless and Wasteful Expenditure	146
Table 51: Irregular Expenditure	146
Table 52: Insurance claims	147
Table 53: Control Environment Rating 2024/25	152
Table 54: Progress on Resolution of Audit Findings 2024/25	153
Table 55: Comparison of resolution rate findings	154

LIST OF FIGURES

Figure 1: Annual Report Structure	11
Figure 2: Criteria for Identifying Material Issues	12
Figure 3: JPC’s Approach to Materiality	13
Figure 4: JPC’s Combined Assurance Model	15
Figure 5: CoJ’s Property Types	25
Figure 6: Book Value	26
Figure 7: Seven Municipal Regions	27
Figure 8: Governance Framework	42
Figure 9: Tenure and Diversity	50
Figure 10: Board Demographics	50
Figure 11: Stakeholder Governance Structure	62
Figure 12: Monitoring and Reporting	63
Figure 13: Compliance Regulatory Requirements for the 2024/25 Financial Year	76
Figure 14: JPC ICT Governance Objectives	79
Figure 15: JPC ICT Governance Status	80
Figure 16: JPC KPI Achievements	84
Figure 17: High-Level Structure	87
Figure 18: Staff Turnover Rate End YTD	123
Figure 19: Gender Split	126
Figure 20: Racial Split	130
Figure 21: Roles and Responsibilities of Internal Audit	130

NAVIGATING OUR REPORT

Navigating our report

This Integrated Annual Report (IAR) has been designed for an enhanced digital experience and ease of use. The landscape layout supports readability on a range of devices, while the digital navigation capability will assist you, the reader, to easily move between different sections or topics by using the navigation bar at the top of each page or using the links indicated throughout the report.

The capitals: Our operations rely on and interact with a diverse range of capital resources, including:



Financial



Intellectual



Land & Environmental



Employees



Social & relationship

Strategic pillars (SP)

Financial Sustainability



Our Employees



Environmental



Social



Business Innovation



Technology



Governance



Material matters

Strategic influence and partnership



Business sustainability and operational efficiency



Transformation and uplifting our communities



Employee development and wellness, and company culture



Development and management of smart, safe, and sustainable precincts



Key stakeholder groups

Shareholder (CoJ)



Investors, commercial partners, and financiers



Organised labour



Communities



Our employees



Government, municipalities, regulators, and industry bodies



Media and public



Further information: This page reference icon is applied throughout the report to improve usability and shows the integration between relevant elements of this report. Additional information can be found online



ABOUT THIS REPORT

Section 1: Scope

The Joburg Property Company (SOC) Ltd (JPC), a wholly owned municipal entity of the City of Johannesburg (CoJ), presents its Integrated Annual Report (IAR) for the period 1 July 2024 to 30 June 2025. This report outlines the organisation’s strategic direction, governance, performance, operating context, risks, and future outlook.

The IAR is prepared in line with the principles of the Integrated Reporting Framework, aiming to deliver relevant, balanced, and stakeholder-focused insights. It reflects JPC’s commitment to transparency, accountability, and integrated thinking in both financial and non-financial performance.

Reporting Framework and Compliance

The report aligns with multiple statutory and best practice frameworks, including:

- Municipal Finance Management Act (MFMA) Circular 63
- Generally Recognised Accounting Practice (GRAP) standards
- Section 46(1) of the Municipal Systems Act, No. 32 of 2000

- International Integrated Reporting Council (IIRC)
- King IV Code on Corporate Governance
- National Treasury directives and regulations
- National Development Plan
- Joburg 2040 Growth and Development Strategy (GDS 2040)
- Integrated Development Plan (IDP)
- Service Delivery and Budget Implementation Plan (SDBIP)
- Companies Act, No. 71 of 2008

JPC continues to strengthen its alignment with these frameworks—particularly National Treasury’s MFMA Circular 63 and the Integrated Reporting Committee (IRC) of South Africa. Emphasis is placed on embedding sustainability disclosures and reporting on the six capitals: financial, human, intellectual, natural, manufactured, and social/relationship capital.

This IAR is structured around material issues that influence JPC’s ability to create value over the short, medium, and long term.

Supporting Documents and Feedback

As prescribed by our Shareholder, the CoJ, the entity annually publishes a single, consolidated integrated report. This IAR includes information that must be disclosed by the Board of Directors regarding governance, financial performance (as summarised in the 2024/25 Annual Financial Statements), and the Auditor General’s Audit Report.

The JPC 2024/25 IAR will be uploaded on the company website at www.jhbproperty.co.za. Your feedback is important to us and will help enhance our reporting processes. Accordingly, please direct feedback on this report, including stakeholder and media questions, to lsindane@jhbproperty.co.za for the attention of Lucky Sindane. Alternatively, please visit our website.

In preparing this IAR, we have endeavoured to present a holistic and integrated representation of the entity’s performance and its long-term sustainability. We remain committed to reporting transparently to our wide range of stakeholders. This report is structured as follows:



Figure 1: Annual Report Structure

Section 2: Materiality Determination Process

JPC applies the principle of materiality to guide the scope, timing, and depth of disclosures in this Integrated Report. A matter is considered material if it could significantly influence stakeholders’ assessments of the entity’s performance or its ability to create value in the short, medium, or long term.

Material issues are embedded across JPC’s operations in the following key ways:

- **Strategic Alignment:** Guides strategic decision-making by identifying emerging

issues early and turning potential risks into opportunities.

- **Performance Linkage:** Enhances understanding of how environmental, social, and governance (ESG) factors impact business outcomes.
- **Financial Relevance:** Quantifies materiality through recognised financial metrics, supporting compliance with accounting standards.
- **Stakeholder Engagement:** Shapes meaningful engagement strategies and fosters collaborative dialogue with key stakeholders.

- **Reporting Focus:** Informs the content and scope of external reporting to ensure relevance, transparency, and alignment with stakeholder priorities.

The material issues addressed in this report reflect stakeholder interests, organisational priorities, and the most significant risks and opportunities actively managed by JPC.

The following internal and external criteria were used to identify material issues:



Figure 2: Criteria for Identifying Material Issues

Our Approach to Materiality

The process we follow to determine the content of the report is ongoing throughout the year. This process encompasses: identifying matters relevant to our operating context (i.e. internal and external factors); prioritising matters according to their substantive impact on the organisation’s value creation activities and stakeholder interactions; integrating the prioritised matters into our reporting disclosures.

We followed a three-phased approach to identify our material matters:



Figure 3: JPC’s Approach to Materiality

ABOUT THIS REPORT

Materiality extends beyond the mere dimensions of the company's size and the components within its financial statements. It encompasses critical misstatements, whether individual or aggregate, which hold the potential to substantially impact the company. Qualitative materiality, based on the company's comprehensive risk assessment, is defined as follows:

- Any item or event mandating specific disclosure in accordance with legislation, the King IV Report, or established accounting standards.
- Any fact, omission, or misstatement that, in the Board's judgment, could influence the decisions or actions of the executive authority or Council.
- Any matter capable of significantly affecting the organisation's value creation potential across short-, medium-, and

long-term horizons.

- Any engagement in pertinent initiatives or programmes outside the approved strategic plan.
- All losses in respect of criminal conduct and any criminal or disciplinary steps taken because of such losses.
- Any instances of material irregular, fruitless, or wasteful expenditure.

JPC employs a structured strategic planning process through which the key determinants of value creation are identified and prioritised, and sets targets against them. These key determinants are the strategic focus areas that have a material impact on value creation for each of the entity's identified stakeholder groups.

The strategic focus areas, therefore, form the overarching strategic framework and context

for the material themes that are expanded on in this report. JPC's Board of Directors is of the view that the matters presented offer a balanced mix of information, allowing readers to assess the entity's performance and prospects.

The Board and management confirm that, to their knowledge, all reliable information has been disclosed and that no legal prohibitions against disclosing material information exist.

Description of the Reporting Boundary

The IAR covers JPC's performance for the 2024/25 financial year in all geographic regions in which the entity operates. The Annual Financial Statements (Appendix A) are prepared in accordance with GRAP. Any limitations will be disclosed in the relevant section.

Section 3: Assurance Process for the IAR

Our combined assurance model ensures that the information we provide, and our underlying processes, support the integrity of information used for internal decision-making, and the credibility and integrity of our reporting. Assurances are provided by management, the Board, our Internal Auditors, the external auditor (Auditor-General of South Africa), and other external assurance providers such as Group Performance Audit.

The Board takes overall responsibility for the

integrity of the IAR and ensures its compliance with the IIRC Framework by reviewing the final report and approving the material matters and themes to be included when reporting on the various content elements.

A Combined Assurance Model (CAM) is in place and has functioned throughout the year under review. JPC's CAM is designed to optimise the assurance provided over the strategic risks (pages 68 to 74), risk management, and internal financial controls.

The Audit and Risk Committee (ARC) monitors and reviews the entity's risk profile and the efficacy of management activities, and monitors adherence to Board-approved risk appetite and tolerance. Other Board committees perform additional risk oversight through rigorous analysis of management's assertions for their assigned risks, as disclosed in the corporate governance section.



In addition, the CAM is used to evaluate and assure various aspects of the business operations, including elements of external reporting. The entity’s internal audit provides a further line of assurance and co-ordinates the CAM. JPC’s CAM provides for four lines of defence as outlined in Figure 4.



Figure 4: JPC’s Combined Assurance Model

The Board considered the 2024/25 IAR, together with the Annual Financial Statements (AFS), in determining the completeness of the material matters addressed. It ascertained whether the minimum disclosure requirements prescribed in MFMA Circular 63 were adhered to and the whether the information presented was reliable and in line with the combined assurance process.

The Auditor-General of South Africa (AGSA) audits the company’s performance and AFS. JPC strives to continue refining its approach to integrated reporting in future reports to further align with international reporting standards and to promote consistency, accessibility, and accountability with respect to its multifaceted role in creating and sustaining value for all citizens of Johannesburg.



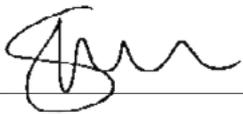
Erf 44 Far East Bank

Section 4: Board Responsibility and Approval of the IAR

The Board, supported by the ARC and executive management, affirms its accountability for the accuracy and integrity of the 2024/25 IAR, including the AFS and supporting disclosures.

Having applied its collective judgement, the Board is satisfied that the report presents a balanced and transparent view of JPC's integrated performance and value creation. It reflects material matters impacting the organisation's strategic delivery, resource utilisation, and long-term sustainability—aligned with the IIRC Framework.

This report is underpinned by a robust combined assurance process. Based on the reliability and completeness of the information presented, the Board approves the 2024/25 IAR as a true representation of JPC's performance and impact.



Mr Simon Motha
Chairperson of the Board



Mr Thapelo Mashamaite
Chairperson of the ARC



Ms Gontse Dlamini
Company Secretary





CHAPTER 1

Leadership & Corporate Profile



Section 1: Member of Mayoral Committee's Foreword

It is my honour to present the JPC Integrated Annual Report for the 2024/2025 financial year, a period that tested our resolve yet reaffirmed the critical role that property management plays in reshaping Johannesburg. As political leadership, we exercised close oversight and provided clear directives to the entity: to sharpen its focus on increasing revenue generation and accelerating the transformation of the outdoor advertising sector to ensure fairness, inclusivity, and greater returns for the City.

This year marked a historic milestone with the launch of the Orlando Ekhaya Towers and Power Park projects in Soweto. These catalytic developments signal a new era of township transformation—blending affordability, inclusivity, and innovation—while creating opportunities for students, communities, and small businesses. They are proof of how property investment can unlock dignity, stimulate the local economy, and reshape the spatial fabric of Soweto.

Equally transformative is the Thabo Mbeki Presidential Library (TMPL) development in Riviera, which will anchor the creation of the African Renaissance Precinct. Beyond its cultural and educational mandate, the TMPL is strategically positioned to drive economic development, cultural tourism, and social cohesion. By integrating mixed-use elements within a single precinct, it will stimulate surrounding property values, attract both

local and international visitors, and create sustainable employment opportunities. This development will serve as both a repository of African heritage and a catalyst for urban regeneration in Johannesburg, directly aligning with the City's broader objectives of unlocking high-impact investments, enhancing our metropolitan cultural landscape, and delivering measurable socio-economic benefits.

Looking forward, our political oversight will continue to ensure that JPC delivers on its dual mandate of financial sustainability and developmental impact. Together, we are committed to building a Johannesburg that is spatially just, economically inclusive, and globally competitive.

Looking ahead, JPC enters the 2025/26 financial year with a clear strategy to:

- Unlock new revenue streams through asset transactions.
- Leverage public land to crowd in private sector investment.
- Drive SMME empowerment and job creation.
- Optimise asset performance while deepening the City's developmental footprint.

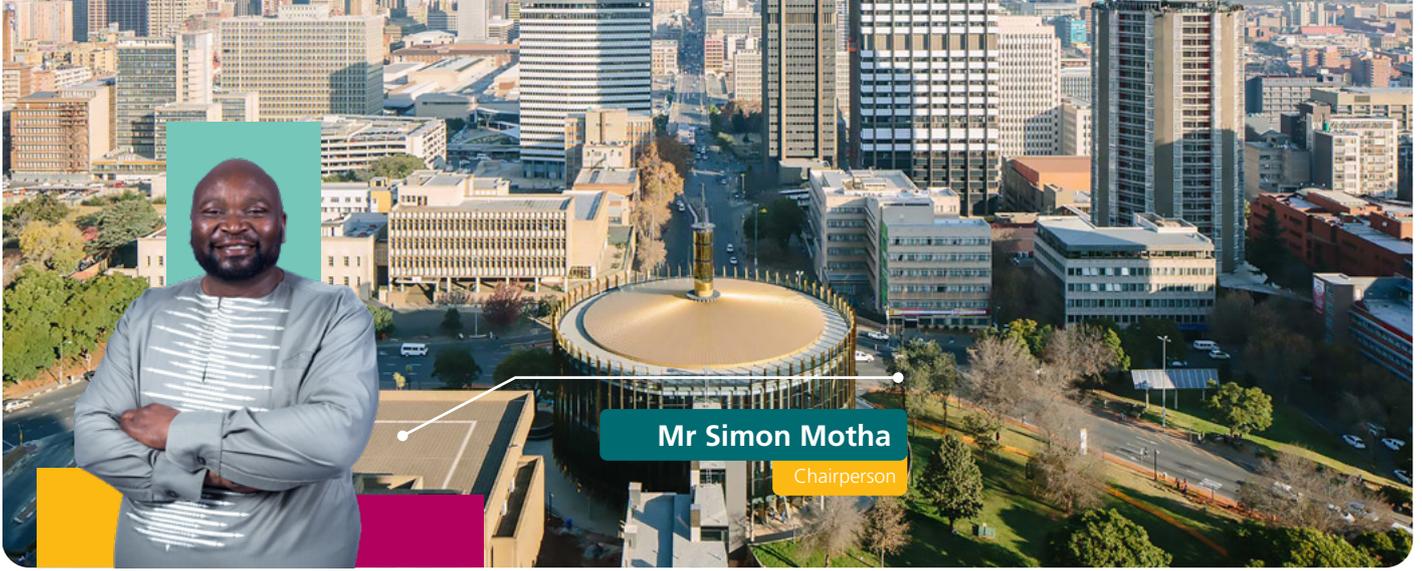
On behalf of the Shareholder, the City of Johannesburg, I wish to express appreciation to the JPC Board for its strategic guidance,

to management for its leadership and stewardship, and to all staff for their dedication to advancing our shared mandate. Through collaboration, discipline, and innovation, we will continue to transform the City's property portfolio into a driver of economic opportunity, spatial justice, and sustainable urban living—building a Johannesburg that works for all.

On behalf of the Shareholder, the CoJ, I wish to express appreciation to the JPC Board for its strategic guidance, to management for its leadership and stewardship, and to all staff for their dedication to advancing our shared mandate.

Through collaboration, discipline, and innovation, we will continue to transform the City's property portfolio into a driver of economic opportunity, spatial justice, and sustainable urban living—building a Johannesburg that works for all.

Cllr Nomoya Mnisi
MMC: Economic Development



Section 2: Foreword by the Chairperson

It is my privilege to present the Joburg Property Company's (JPC) Integrated Annual Report (IAR) for the 2024/25 financial year. This report provides a strategic account of the company's performance, challenges, and achievements across the full year. It reflects JPC's continued role in unlocking public land value, driving spatial transformation, and facilitating inclusive urban development within the CoJ.

JPC operates within a broader municipal environment marked by tightening fiscal constraints, rising service delivery expectations, and persistent infrastructure backlogs. As a result, JPC was called upon to deliver more with fewer resources. As the Board, we recognised this operating context and directed our governance oversight to assist the entity in remaining resilient, responsive, and results-driven.

Strategic Governance and Oversight

During the 2024/25 financial year, the Board focused on strengthening governance, improving performance oversight, and supporting management in dealing with fiscal and operational pressures. The CoJ's broader environment is marked by limited resources, high service delivery demands, and growing public expectations. In this context, the Board focused on ensuring that the entity delivered real value to residents. Our oversight was aimed at helping JPC unlock the full potential of its property portfolio to drive investment, grow revenue, and support inclusive development. We supported

management in making difficult trade-offs and reprioritising initiatives in response to tight budgets and changing needs.

By focusing on results, financial health, and stakeholder impact, we ensured that JPC's work goes beyond compliance—supporting service delivery, community upliftment, and long-term urban renewal. With the 2025/26 Business Plan approved, our role now shifts to enabling implementation through clear targets, stronger risk management, and tighter alignment between strategy and delivery.

Performance and Accountability

The Board played a proactive role in monitoring financial sustainability. While the reported investment spend of **R660 million** and a net surplus of **R114.5 million** are commendable, the Board remains concerned about underperformance in key financial indicators. Greater alignment is needed between financial planning and capital delivery to maximise developmental impact.

The corporate performance achievement of **75%** reflects progress in key areas, though we acknowledge the need to improve organisational performance, project pipeline readiness, internal capacity, and timely implementation—especially where flagship initiatives are concerned.

We also directed our attention to audit preparedness and compliance closure, ensuring that unauthorised, irregular, fruitless, and wasteful expenditure (UIFWE) matters

were resolved and findings from internal and external auditors addressed. This commitment to improved audit outcomes remains central to our assurance framework.

Leadership and Institutional Continuity

Stability at the executive leadership level remains a top priority for the Board. The recruitment process for the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), which involves Group Governance and the City, is currently underway. While recognising the complexity of this process, we are committed to ensuring it concludes with integrity, speed, and strategic alignment.

In the interim, the Board expresses its appreciation to Acting CEO Musah Makhunga for his principled leadership. His recognition by the South African Institute of Black Property Practitioners (SAIBPP) as one of the Top 100 Black Property Leaders for 2025 is a proud affirmation of the calibre of leadership we strive for within JPC.

Risk and Compliance: The Board drove the review of JPC's strategic risk profile, placing emphasis on land asset protection, regulatory compliance, and public-private partnership risks. This enabled sharper risk mitigation and alignment with service delivery imperatives.

Board Reflection and Governance Review: The Board actively reflects on its effectiveness, draws insights from governance lessons learned, and strengthens oversight mechanisms in preparation for the upcoming performance cycle.



Performance and Accountability: The Board monitored organisational delivery through regular performance reviews, flagging areas of underperformance while endorsing turnaround plans. We also ensured that financial reporting and audit processes were credible, timely, and compliant with legislative requirements.

Stakeholder Engagement and Impact: This period under review saw JPC deepen its engagements with both public and private sector stakeholders, laying the groundwork for collaborative projects and ensuring that developments meet the needs of the communities they serve.

Audit Assurance and Governance Accountability

As part of its fiduciary duties, the Board affirms its accountability for the accuracy and integrity of the 2024/25 IAR, including the Annual Financial Statements (AFS) and supporting disclosures. Having applied its collective judgement, the Board is satisfied

that the report presents a balanced and transparent account of JPC’s performance, strategy execution, and long-term value creation.

Throughout the year, the Board maintained close oversight of audit preparedness and financial compliance. We prioritised the resolution of all outstanding internal and external audit findings, including matters related to UIFWE. This progress reflects an improved internal control environment and stronger financial discipline.

Going forward, the Board remains committed to supporting management’s drive toward securing an unqualified audit outcome, underscoring our commitment to good governance, public accountability, and performance excellence within the CoJ.

Outlook and Appreciation

Looking ahead, the Board remains committed to ensuring that JPC strengthens its execution

capacity, deepens its developmental footprint, and drives performance excellence. We will continue to provide the governance oversight needed to guide the organisation in fulfilling its mandate under complex and dynamic conditions.

On behalf of the Board, I extend my sincere gratitude to the CoJ, our partners, Executive Management, and all employees for their contributions in a challenging yet progress-filled year. I am confident JPC is well positioned to build on this foundation and deliver greater public value in the years to come.

Mr Simon Motha
Chairperson of the Board





Mr Musah Makhunga

Chief Executive Officer

Section 3: Chief Executive Officer’s Report

The 2024/25 financial year marked a period of focused delivery, strategic repositioning, and resilience for JPC. Despite persistent fiscal constraints and a 29% vacancy rate that has limited our capacity to fill critical roles, the entity maintained momentum across key initiatives, demonstrating an unwavering commitment to public value and urban transformation.

Our efforts have laid a solid foundation for long-term impact, while preparing the pipeline for accelerated implementation in 2025/26 and sustained institutional performance, despite operational limitations. Institutional resilience was further reinforced through improved governance, a stronger audit resolution rate, and capability development.

Key highlights from the 2024/25 financial year include the following catalytic urban projects:

- **Launch of the Orlando Ekhaya Towers and Power Park Student Accommodation Phase 2** in Soweto signalled progress in inclusive urban regeneration and youth housing.
- **The Southern Farms Megacity reached site handover stage**, which was an anchor milestone for this project and a game-changer in regional spatial planning, housing provision, and economic stimulation within the City’s southern corridor.
- **A development agreement for the Thabo Mbeki Presidential Library was concluded**, with over **R1 billion**

investment secured on City-owned land, reinforcing JPC’s role in unlocking public land value.

- **Revenue Generation:** As at year-end 2024/25, JPC generated a total income of **R129 902 387.95**, reflecting consistent progress in unlocking property-based revenue streams that support municipal financial sustainability. The key contributors included **R55 352 358.28** from outdoor advertising and **R19 million** from cell mast rentals. These figures demonstrate the organisation’s strategic shift toward optimising underutilised assets, monetising high-value property opportunities, and supporting the CoJ’s revenue enhancement objectives. This performance not only contributes to JPC’s operational sustainability but also reinforces its role as a key enabler of inclusive urban development.

These initiatives are aligned with the City’s Integrated Development Plan and its broader goals of equitable growth, urban renewal, and youth empowerment.

Performance Overview and Strategic Value

JPC’s annual corporate key performance indicator (KPI) performance averaged **75% (i.e. 15 out of 20 KPIs achieved)**, reflecting solid delivery against strategic targets, with clear pathways for continued improvement. Key highlights include:

- **R5.5 billion** in investment attracted through property transactions and development initiatives
- **R660.4 million** in construction spend injected into the City of Johannesburg
- **100%** resolution rate of Auditor-General findings
- **97%** resolution rate of internal audit findings

These results demonstrate meaningful progress in repositioning JPC as a capable, ethical, and performance-driven municipal entity. The achievements underscore strong governance, commitment to value creation, and alignment with the City’s development priorities.

The lower-than-anticipated capital expenditure reflects prudent financial stewardship in anticipation of tighter fiscal conditions. The Board and management have taken a strategic approach, evaluating the feasibility and timing of key projects such as the Temporary Emergency Accommodation (TEA) initiative pending clarity on future funding streams. This disciplined decision-making ensures optimal resource utilisation while safeguarding service delivery imperatives.



Recognition

The entity's recognition by Topco Media as a Top Gender Empowered Company is not just an award; it is a clear signal of our commitment to transformation and inclusive leadership. This honour follows a rigorous review of gender representation at senior levels, forward-thinking policies, and strong succession planning. It positions JPC as a leader in public sector gender empowerment. This recognition matters because it:

- **Builds credibility:** Strengthens JPC's reputation with citizens, investors, and partners by aligning with national transformation and ESG goals.
- **Grows future leaders:** Confirms our investment in developing a diverse, capable leadership pipeline.
- **Drives compliance:** Shows clear alignment with employment equity, King IV, and good governance standards.
- **Inspires confidence:** Reassures the City, Council, and oversight bodies of JPC's leadership integrity and accountability.
- **Supports ESG goals:** Provides real proof of impact in our transformation and sustainability reporting.

This recognition demonstrates that transformation is integral to our leadership, not merely rhetoric. It is embedded in our culture, leadership, and strategy a competitive advantage for JPC and the City.

Stakeholder Engagement and Sector Influence

JPC continued to amplify its voice in the property and development sector, including taking a lead role in the SAIBPP Conference, reinforcing its brand as a collaborator and thought leader.

Human Capital Value Creation: Building an Agile, Inclusive, and Future-Ready Workforce

A core driver of JPC's performance this year has been our continued investment in people. With **1 147** employees capacitated through targeted development programmes, we have deepened internal capability, strengthened succession pipelines, and advanced institutional resilience. Strategic initiatives such as onboarding programmes, leadership development, wellness support, and the Culture and LeaderShift journey have not only enhanced productivity but also contributed to a decline in abscondment cases and the timely resolution of disciplinary matters.

Our commitment to a people-first strategy has also translated into measurable cost savings, with overtime expenditure reduced from **R27.1 million** to **R15.2 million**, without compromising service delivery. These savings reflect operational agility and disciplined resource management amid fiscal pressures.

This integrated approach to **human capital value creation** continues to position JPC as a high-performing, ethical, and future-ready organisation aligned with the City's development priorities.

Management has secured an **unqualified AGSA audit opinion**, reaffirming our strong commitment to sound governance, compliance, and responsible financial stewardship. This achievement is a critical indicator of organisational stability and credibility. Our priority now is to **fully address the twenty-five findings raised** and implement all AGSA recommendations to strengthen internal controls, enhance operational effectiveness, and close any identified gaps.

We remain **firmly committed to resolving every finding** and ensuring that corrective actions are embedded into

our processes. Our objective for the next audit cycle is clear: **to eliminate repeat findings entirely and continue improving the organisation's governance maturity and performance.**

Strategic Outlook for 2025/26

With the Business Plan approved and the pipeline aligned, JPC enters the new year focused on:

- **Unlocking new revenue streams** through asset transactions
- **Leveraging public land** to crowd-in private sector investment
- **Driving SMME empowerment and job creation**
- **Optimising asset performance and operational delivery**

Acknowledgements

I extend sincere appreciation to our dedicated employees, Board, and partners for their support and shared commitment. As we transition from planning to accelerated delivery, we remain focused on building a high-performing, ethical, and inclusive organisation that delivers value for the City and its residents.



Mr Musah Makhunga
Chief Executive Officer



Johannesburg City Skyline



Mr Mfanafuthi Zondo

Acting Chief Financial Officer

Section 4: Financial Overview

This foreword reflects the year-end overview of the Joburg Property Company's performance for the 2024/25 financial year.

During the year under review, the entity maintained both factual and commercial solvency, achieving a year-to-date net surplus of **R114.5 million**. However, financial sustainability remains a key priority. The persistent challenge of converting related-party debtors of over R1 billion into cash continues to constrain liquidity, underscoring the need for stricter collection mechanisms and enhanced revenue management.

Financial Performance Highlights – 2024/25

Revenue

- **Net Surplus: R114.5 million** achieved, maintaining factual and commercial solvency. The main contributors are as follows:
 - » Management fees are in line with expectations post finalisation of appointments and Service Level Agreements (SLAs), which translated to increased management fees for JPC in the 2024/25 financial year.
 - » Several outdoor advertising agreements are currently awaiting Executive Adjudication Committee (EAC) approval, which is delaying income generation. Consequently, the commission on outdoor advertising is slightly behind budget.
 - » Several land transaction awards have been issued. Facilitation fees materialised accordingly in the current year (2024/25).

Expenditure

Included in office operational expenses is office accommodation expenditure relating to alternative accommodation for departments that previously occupied the Metro Centre. The EAC has awarded the tenders, and the final process required by the Municipal Finance Management Act (MFMA) section 33 has been completed. A report was submitted to the Council, and expenditure will start once contracts have been finalised. The contract for the Newtown lease was finalised late in the 2024/25 financial year.

Through the prudent management of JPC's bank account, the entity has successfully avoided incurring any interest charges on expenditure.

Liquidity Challenge

Over **R1 billion** in related-party debtors remain outstanding, constraining cash flow. Moving forward, emphasis will be placed on continuing to improve solvency and liquidity ratios in the first quarter of the new financial year. As JPC does not receive regular payments from departments, the entity continues to struggle with converting related-party debtors of more than one billion rand into cash.

CAPEX Spend: 45% achieved against a 97% target due to halting the Temporary Emergency Accommodation (TEA) works, where the current-year allocation of **R22 million** could not be spent following outer-year budget cuts that would have created audit risks if works proceeded without funding certainty. In addition, the Inner City Rejuvenation Project stalled after unsuccessful price negotiations: while the City valuation placed the property at **R3.7 million**, the owner insisted on R7 million, a price unsupported by valuation. As a result, expropriation proceedings have now been

initiated, halting TEA works following outer-year budget cuts (**R22 million** at risk if spent).

To address these operational challenges experienced, supply chain management (SCM) reforms are being prioritised to strengthen compliance, improve efficiency, and close gaps that have historically contributed to irregular expenditure.

I am also pleased to confirm that no deviations were identified in the current year, reflecting strengthened internal controls and compliance discipline.

Audit Readiness

Governance improvements remain central to our financial strategy. The entity achieved a **100%** resolution rate of Auditor-General of South Africa (AGSA) findings and resolved 97% of internal audit findings, reflecting a culture of accountability and continuous improvement. These results provide a solid base as we prepare for the 2024/25 AGSA audit, where our focus is on meticulous execution with the clear intention of achieving an unqualified audit outcome.

Looking ahead, JPC will continue to implement measures to strengthen its financial sustainability, including tighter cost controls, disciplined cash-flow management, and exploring opportunities to diversify income streams beyond traditional sources. We remain committed to ensuring that JPC's financial stewardship supports operational efficiency, strengthens governance, and positions the entity to deliver long-term value to the CoJ and its residents.

Mr Mfanafuthi Zondo
Acting Chief Financial Officer



Section 5: Corporate Profile and Overview of the Entity

Who We Are

The City of Joburg Property Company (SOC) Ltd (JPC), established in 2000, is a dynamic company mandated to manage and develop the City of Johannesburg's (CoJ's) property assets to maximise both social and commercial opportunities for the Council.

We strive to be a catalyst for spatial transformation, economic growth, and investment attractiveness by advancing smart, safe, and sustainable property development projects. We achieve this by engaging in partnerships with the private sector and finding value creation opportunities through our purpose-driven approach to the utilisation of CoJ-owned land assets.

Core Mandate

We are dedicated to finding solutions to the developmental challenges facing CoJ, by utilising council-owned land assets to leverage private sector investment in public infrastructure. JPC, on behalf of the CoJ, **provides property asset management, property development and management, outdoor advertising, and facilities management.**

JPC derives its mandate from a signed Service Delivery Agreement (SDA) with its sole Shareholder and property owner, the CoJ, with JPC serving as the agent.

The SDA regulates JPC's mandate and services in respect of the following: financial matters (subsidy, budget allocation, and capital expenditure); performance reporting and monitoring; supply chain management and human resource matters; business plans and corporate targets; and service standards levels. The entity employs 1 476 people (as of 30 June 2025) and operates within seven regions of CoJ, as depicted in Figure 7 (page 27).

As of 30 June 2025, the entity had realised an investment spend of **R660 million**, which leveraged property development agreements worth **R5.5 billion**. These developments facilitated 1 019 job opportunities through

construction activities on projects within CoJ boundaries, including **Riverside View, Alan Manor, and Jabulani**, as part of efforts to redress spatial inequalities. Through these property transactions, JPC contributes to economic growth and the creation of job opportunities.

Johannesburg remains South Africa's economic engine, contributing approximately 16% to national GDP and 40% to Gauteng's provincial output. Despite its economic scale and opportunity, the City continues to grapple with structural socio-economic challenges including **unemployment, poverty, housing backlogs, and inequality that shape its developmental landscape.**

Key Demographic and Socio-Economic Indicators

- **Population:** Estimated at 5.6 million (2023), with a median age of 27, reflecting a predominantly youthful population.
- **Gender split:** Slightly more females (51%) than males (49%), highlighting the need for gender-responsive development policies.
- **Migration:** Johannesburg is a magnet for internal and cross-border migration, driving its diversity, but also straining service delivery and infrastructure.
- **Housing:** A dual landscape persists, ranging from high-end real estate to informal settlements, underscoring the urgency of spatial transformation.
- **Unemployment:** Estimated at 30%, with significant informal sector activity shaping local livelihoods.

Key Economic Sectors

- **Financial and business services:** Anchored by the Johannesburg Stock Exchange, the sector remains a continental leader.

- **Mining and manufacturing:** Though gold's dominance has waned, mining and industrial activity (metals, machinery, food processing) remain important.
- **ICT and innovation:** The City is fast becoming a technology hub, with growing investments in digital infrastructure and startups.
- **Retail and construction:** Driven by population growth and urbanisation, these sectors continue to offer employment and investment opportunities.
- **Real estate:** Urban renewal and catalytic precinct development drive demand for integrated property solutions.

This socio-economic context presents both risks and opportunities for JPC and requires a property strategy that is spatially just, socially inclusive, and economically enabling.

This demographic profile highlights CoJ as a dynamic and complex urban city marked by its diversity and rapid growth. These factors have significant implications for the spatial landscape, and JPC intends to influence and maximise opportunities that prevail within the property portfolio.

What Differentiates Us (Competitive Landscape)?

JPC manages CoJ's property portfolio, comprising **29 091** properties as of 30 June 2025, with a total value of **R10.555 billion**. The varied property portfolio encompasses diverse asset categories across the seven municipal regions, including residential, office, commercial, social (sports facilities and stadiums), and service delivery (clinics, fire stations, community centres) properties.



CoJ Property Portfolio Overview

Figure 5 depicts the top seven (7) property types based on zoning classification, accounting for 75% of all properties on the asset register:

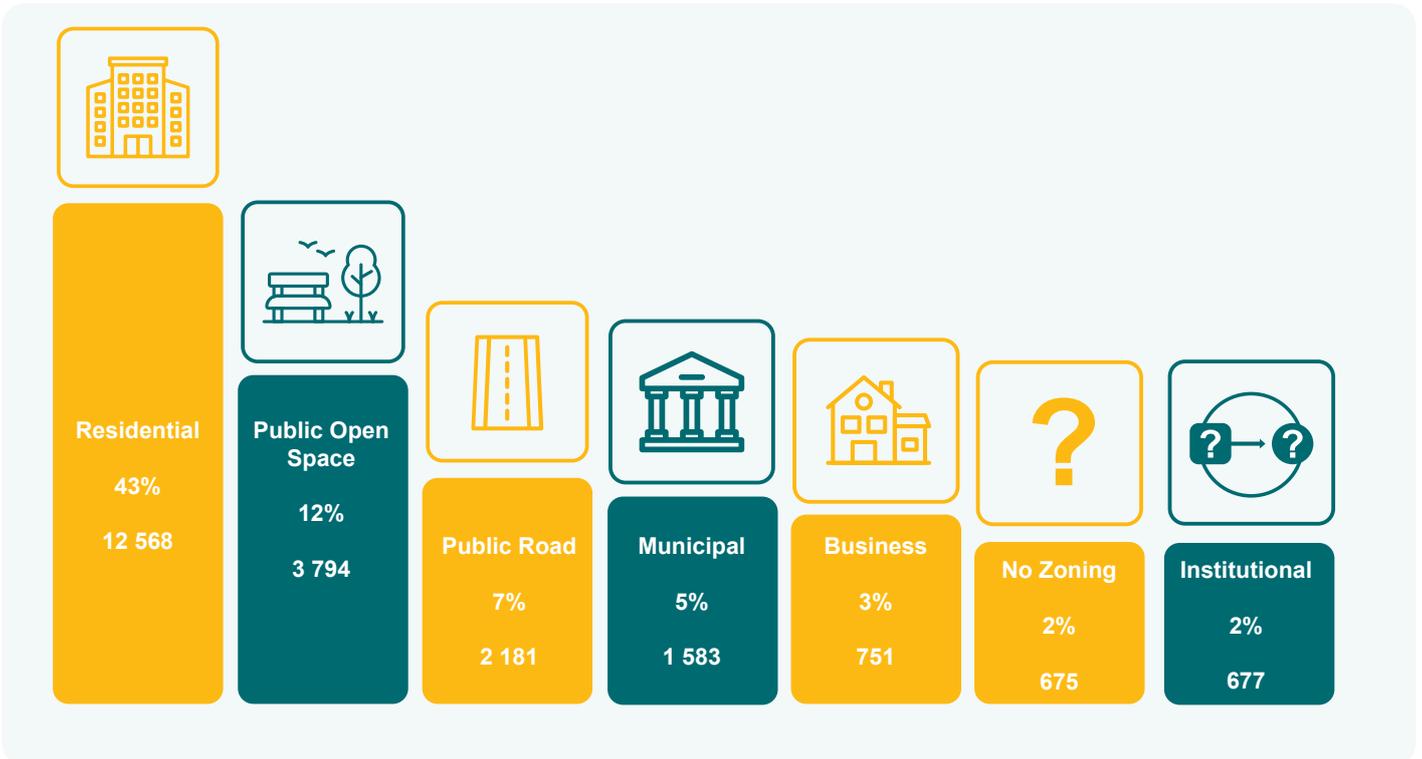


Figure 5: CoJ's Property Types





The other differentiating factor in respect of CoJ's portfolio is that the City must cater for service delivery and social obligations on its portfolio and strike a balance between economic and social benefits. Figure 6 represents the book value of properties not assigned for service delivery purposes:



Figure 6: Book Value

This varied property portfolio offers opportunities to address diverse regional spatial needs while driving the transformation agenda. JPC's distinctive traits and opportunities stem from several key factors:

- Pursuing social objectives:** The Land Regularisation Programme facilitates the transfer of residential properties to beneficiaries, aligns with the City's housing provision mandate, and fosters community development.
- Commercial enhancement:** Monetising public spaces through outdoor advertising improves City aesthetics, generates revenue, and contributes to urban vibrancy.
- Creating smart, safe, and sustainable spaces:** Partnering with the private sector while leveraging technology for property improvement attracts investment in innovative environmental and energy efficiency initiatives.
- Managing a diversified portfolio:** Different asset categories provide a resilient foundation, enabling value creation and focused investments in economic precincts while driving economic growth via property transactions.
- Supporting and uplifting communities:** Empowering youth and women while transforming the property sector strengthens social inclusion.
- Demonstrating robust development capability:** Our capacity for refurbishments and greenfield projects optimises asset quality, strengthens relationships, and extends core property life.
- Increasing social and economic impact:** Balancing financial returns with the CoJ's social and economic empowerment mandates ensures holistic impact.
- Promoting a healthy company culture:** Driven by our purpose and values, we focus on employees' wellness and opportunities for self-development.



Municipal regions within which we operate

JPC’s focus extends beyond finances, embracing social and economic empowerment in harmony with CoJ’s objectives. Figure 7 below depicts the seven municipal regions.

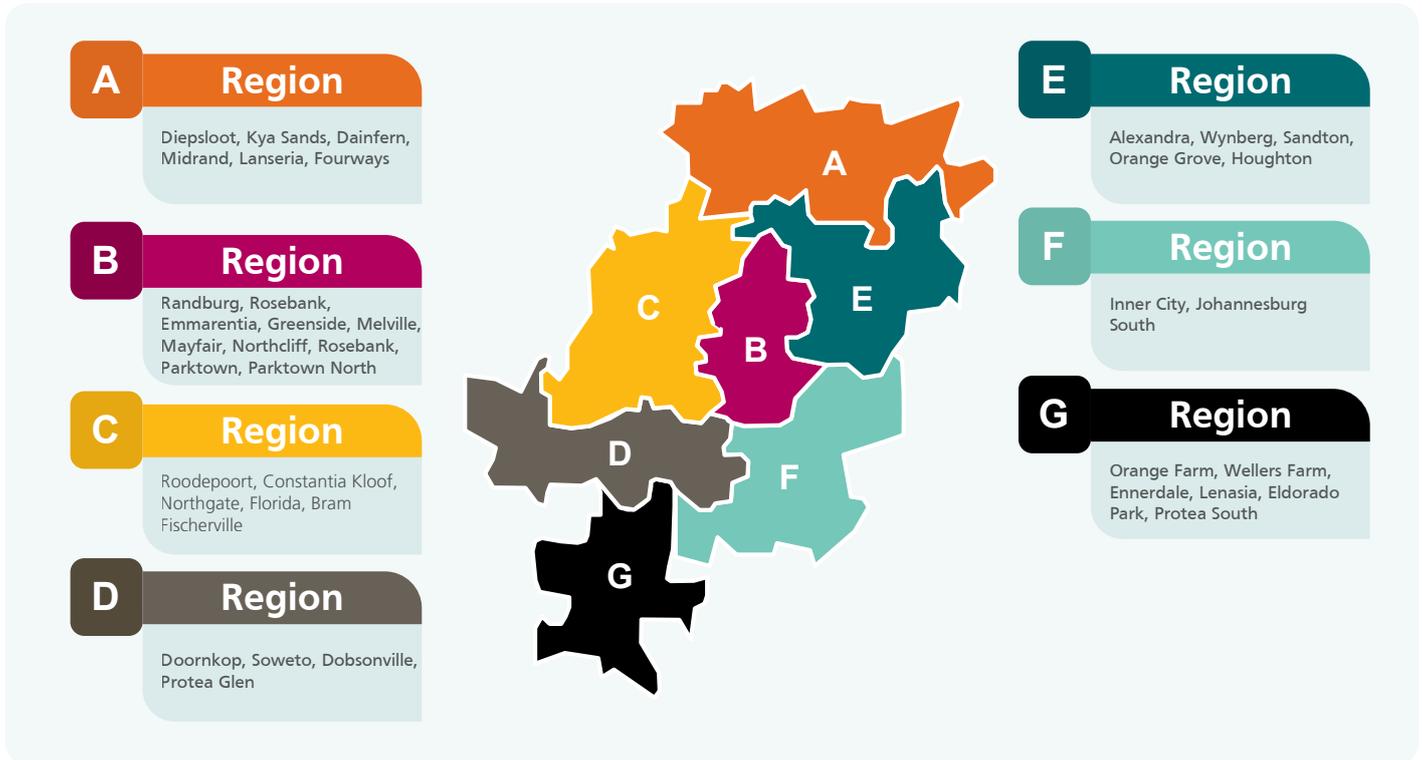


Figure 7: Seven Municipal Regions

Political Governance and Accountability

JPC’s political mandate and supervision stem from the Department of Economic Development (DED), overseen by the respective Member of the Mayoral Committee (MMC). The Group Governance Unit manages corporate governance, financial sustainability, and compliance reporting. The Council’s Portfolio Committee on Economic Development provides political scrutiny, while JPC aligns with the Economic Development Cluster for coordinated city growth efforts. JPC’s leadership reports strategic and operational matters to the Board of Directors, maintaining a fiduciary connection.





Significant Factors Affecting the Operating Environment

The entity must adopt an intentional transformational approach when addressing factors that affect its operating environment. These include:

- **Considering political dynamics and changes in leadership** that influence policy direction and resource allocation.
- **Tackling spatial inequalities** and the impact of the apartheid legacy.
- **Investing in infrastructure to accommodate urbanisation and migration:** Rapid urbanisation puts pressure on existing infrastructure.
- **Navigating the balancing act** between high-value and affordable housing or accommodation developmental projects.
- **Monitoring socio-cultural shifts:** Demographic trends, lifestyle changes, and social values shape communities' preferences, labour dynamics, and market demand.
- **Attending to security and safety:** Crime rates and public safety impact both business operations and quality of life, affecting workforce well-being, property protection, and investor confidence.
- **Addressing land invasions and illegal occupations:** These issues have significant financial repercussions, encompassing asset losses and the costs associated with relocating and securing properties to mitigate future encroachments. This situation is aggravated by increasing homelessness, which casts a shadow on social development projects already undertaken, while adding pressure for sustainable temporary accommodation interventions.
- **Responding to the demand** for environmentally sustainable commercial and industrial properties, as well as **preserving green spaces and promoting biodiversity** within the urban environment.
- **Supporting innovation hubs and incubators** to foster entrepreneurship and technological innovation: Partnerships with the private sector and academic institutions are key to driving technological advancements.
- **Consulting stakeholders** as an integral part of the policy-making process.
- **Pursuing economic empowerment and inclusive growth strategies** as crucial priorities.
- **Ensuring efficient and equitable service delivery**, particularly in underserved areas, as a priority.
- **Attending to water and loadshedding** disruptions.



Council Chambers wall art & stairway



Our Response to the Impact of External Factors on the Operating Environment

JPC is proactive in navigating a dynamic operating environment that is constantly reshaped by various global and local drivers, as well as macroeconomic factors specific to South Africa.

While we may have limited direct control over these factors, we carefully analyse trends to inform our strategic decisions.

This enables us to capitalise on opportunities that contribute to our long-term sustainability and value creation. Our intention is to position ourselves strongly for the upcoming decade of growth by demonstrating our agility in responding to key external factors and considerations.

Balancing growth and development with sustainability and social equity is essential for the entity's continued progress and prosperity. JPC can continue to create value by advancing sustainability and innovation within the property sector, while growing its diverse property portfolio and maintaining financial sustainability.

The following prioritised matters are expected to have a significant influence on value creation in the short, medium, and long term:

MATERIAL MATTER 1



Strategic influence and long-term investment partnership within CoJ boundaries

Importance to our business

For long-term business sustainability, it is imperative to manage and optimise a sustainable capital structure, create operational resilience and efficiencies, ensure effective real estate management and development, and build strong relationships with our stakeholders.

Our strategic response

Securing long-term investment partners for future developments.

The capitals:



Strategic pillars:



Stakeholders:



Time frame: short, medium, and long term

MATERIAL MATTER 2



Business sustainability and operational efficiency

Importance to our business

For long-term business sustainability, it is imperative to create operational resilience and efficiencies, ensure effective property management and development, and build strong relationships with our stakeholders.

Our strategic response

Developing a precinct-focused portfolio offering sustainable community space in established nodes in line with the service delivery framework.

The capitals:



Strategic pillars:



Stakeholders:



Time frame: short, medium, and long term

MATERIAL MATTER 3



Changing macro environment and socio-political conditions

Importance to our business

Our operations are affected by the South African economy, which is currently challenged by social unrest, high unemployment levels, low business and consumer confidence, escalating costs, rising inflation, and interest costs impacting residents' affordability.

Our strategic response

Remaining focused on our purpose and vision as we navigate and make strategic decisions through the changing macro environment and socio-political conditions.

The capitals:



Strategic pillars:



Stakeholders:



Time frame: short, medium, and long term



MATERIAL MATTER 4



Transformation and uplifting our communities

Importance to our business

Our transformation focus includes sustainable and impactful solutions for our employees, suppliers, and the communities we serve. Our precincts approach plays a key societal role in serving and uplifting the surrounding communities.

Our strategic response

Developing and managing smart, safe, and sustainable precincts (i.e. mixed-use developments) where people can work, live, and play in a safe environment

The capitals:



Strategic pillars:



Stakeholders:



Time frame: short, medium, and long term

MATERIAL MATTER 5



Employee development and wellness, creating the desired culture

Importance to our business

Our employees are paramount to our long-term value-creation journey. Their expertise and specialist skills drive the sustainability, efficiency, and relevance of our property.

Our strategic response

Implementing effective human capital practices by creating a work environment where all employees feel safe, respected, valued, fully engaged, and equipped with all the necessary tools to perform their duties to their best ability.

The capitals:



Strategic pillars:



Stakeholders:



Time frame: short, medium, and long term





General macro environment

Macro and industry environment specific to environmental resources

Unpacking the context

Our response

Unpacking the context

Our response

Business operations and social impact

- Geopolitical risk
- Social unrest
- Business and consumer spend under pressure
- High unemployment rate and skills shortage

Financial resilience

- Ongoing business diversification through investing in opportunities complementary to our real estate portfolio and in line with our strategy
- Adopting flexible leasing options

Unreliable service delivery due to loadshedding

Macro trends

- Unreliable service delivery
- Water and electricity disruptions, including loadshedding

Industry trends

- Slow development approval processes
- Slow energy solution approval processes

- Ongoing development of efficient and sustainable buildings
- Concerted effort to fast-track regulatory approvals

Social impact

- Our precincts continue to play a key role by serving the surrounding communities
- Supporting the growth of small, medium, and micro-enterprises (SMMEs) in the property sector, which in turn creates job opportunities and drives transformation in the industry

Impact of climate change macro trends

- Reducing carbon emissions with businesses targeting net zero emissions by 2050

Industry trends

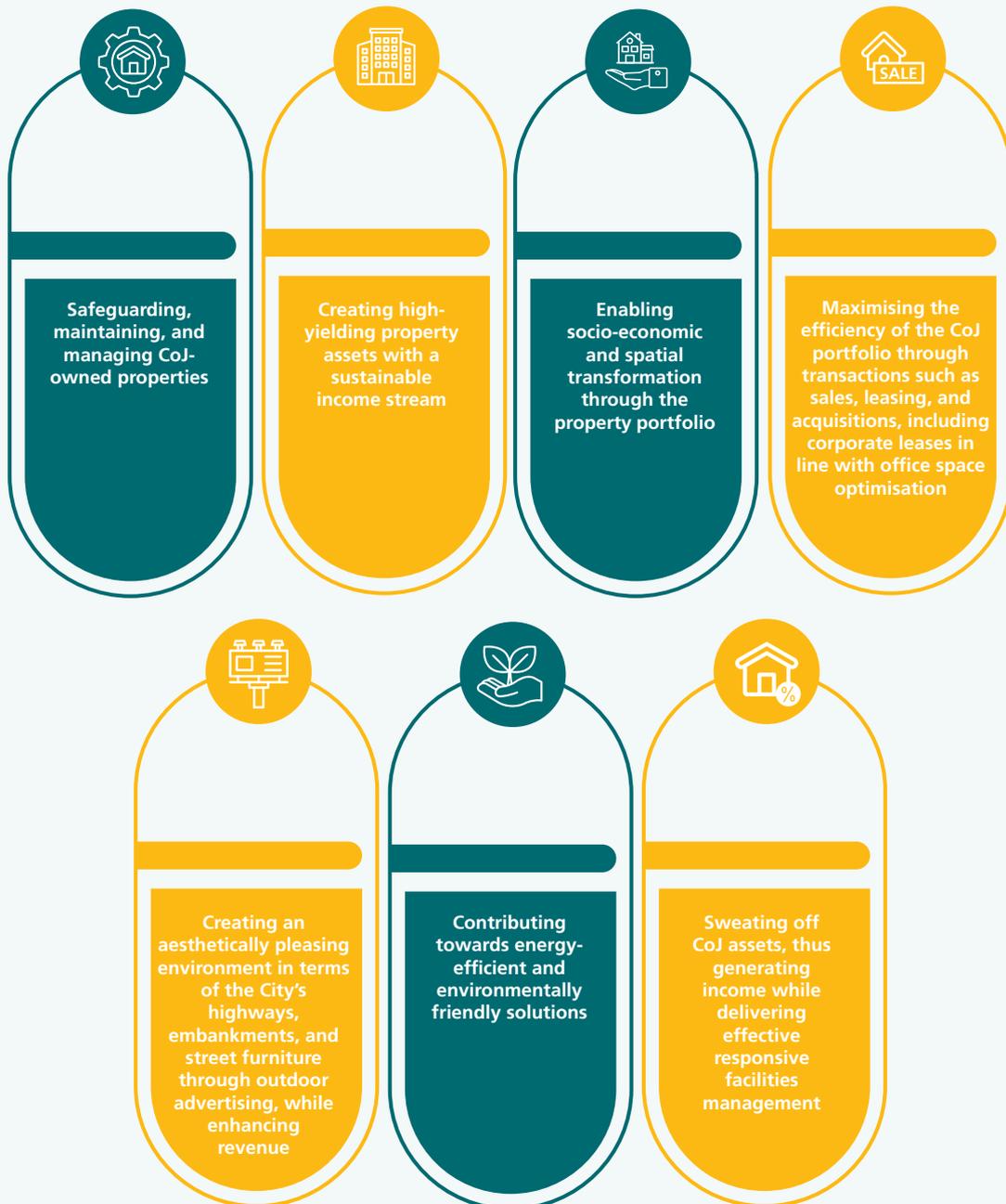
- Transitioning to more efficient and sustainable buildings
- Generating green energy

- Increased focus on green energy solutions, retrofitting of LED lights, rapidly deploying photovoltaic systems in response to unreliable energy supply
- Ongoing development of efficient and sustainable buildings



Section 6: Strategic Objectives

JPC's corporate strategy is aligned with the Growth and Development Strategy 2040 (GDS 2040), the Integrated Development Plan (IDP), and the mayoral priorities. JPC recognises and emphasises its role as an economic and social property company to achieve positive developmental outcomes. JPC is responsible for maximising the social, economic, and financial value of CoJ's property portfolio by managing it optimally through:





Strategic Alignment and Review

The Board, guided by management, reviews the strategy annually to evaluate business opportunities and risks. JPC remains committed to serving its stakeholders whilst maximising returns for CoJ.

JPC has adopted a strategy rooted in ensuring that CoJ's property portfolio, which is the foundation of the business, remains strong and continues to provide a strategic springboard to generate new income streams from investment attraction opportunities and enable expansion.

JPC continues to manage the City's assets in ways that optimise their values over the long term and in the process, ensures that it manages a portfolio that is optimally balanced in respect of commercial developments and social projects, and is fit-for-purpose.

The task at hand is to repurpose or dispose of non-core assets to improve the quality and relevance of JPC's portfolio. The disposal programme continues to play a vital role in rebalancing and streamlining the portfolio through transfers of ownership between municipalities based on boundary or service delivery requirements, as well as land regularisation, to issue title deeds to residents. While this is a gradual process, the entity is

shifting the current balance of the portfolio towards a precinct-focused strategy, aiming to build stronger business ecosystems and bring social cohesion through the implementation of a mixed-use developments concept. The intention is to further de-risk its portfolio by ensuring that its core assets are less dependent on non-renewable energy sources, thus mitigating the impact of water and electricity disruptions.

The strategic intent is to continue to generate shared value for potential investors and JPC's shareholder through a co-investment strategy that focuses on identifying, creating, and packaging investment attraction opportunities and partnership initiatives. These opportunities and initiatives positively impact the economy, society, and the environment.

The strategy is anchored by these strategic pillars:

- **Financial Sustainability:** Transform and unlock opportunities, increase income generation, create value, and leverage the changing environment.
- **Environmental:** Smart, safe and sustainable spaces.
- **Business Innovation:** Optimising CoJ's property portfolio.

- **Technology:** Advancing technological solutions, digitisation, and automation of processes.
- **Social:** Contribute to our communities impactfully through stakeholder engagement and consultation.
- **Our Employees:** Engage and build talent.
- **Governance:** Protect the interests of the entity, shareholder, and stakeholders through good governance practices.

In addition, the entity has taken cognisance of King IV Report's principles 4 and 5, which postulate that the governing body should:

- Appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development are all inseparable elements of the value creation process.
- Ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and the organisation's short, medium and long-term prospects (Table 1).





Strategic Goal: To Maximise the Return on City-Owned Land

Short-Term Goals

- Address revenue leakage on outdoor advertising.
- Address the illegality and identify high-potential outdoor advertising nodes for expansion.
- Participate in industry events, conferences, and awards to build strategic partnerships.

Medium-Term Goals

- Implement recycling programmes for outdated advertising materials.
- Expand technological investments and optimise operational efficiency.
- Introduce pilot projects for digital and interactive billboards.

Long-Term Goals

- Invest in digital billboards and interactive displays.
- Improve and strengthen JPC's financial position.

STRATEGIC PILLAR

Financial Sustainability

- Provide targeted training programmes and workshops to address skill gaps and enhance competencies.
- Launch a recognition and rewards programme.
- Regularly assess and adjust strategies based on feedback and performance data.

- Inculcate a high-performance culture.
- Incorporate cultural values into performance evaluations and reward systems.
- Develop and implement diversity and inclusion initiatives, including training and policies.
- Train leaders to model collaborative, innovative, and inclusive behaviours; improve internal communication channels.

- Invest in staff to sustain optimal performance and a service-focused culture.
- Encourage ethical behaviour and social responsibility through comprehensive ethics training, clear policies, and community engagement initiatives.
- Encourage a mindset of innovation at all levels by providing resources, time, and incentives for creative problem-solving and experimentation.

Employees

- Replace incandescent and fluorescent bulbs with energy-efficient LED lighting.
- Perform a comprehensive energy audit to identify major areas of energy consumption and potential savings.

- Install energy monitoring systems to track real-time energy usage and identify areas for further improvement.
- Conduct ongoing education and awareness programmes to promote energy conservation practices among employees.

- Improve the energy efficiency of buildings through better insulation, energy-efficient windows, and smart building technologies.

Environmental



Strategic Goal: To Maximise the Return on City-Owned Land

Short-Term Goals

- Gain efficiencies and service quality through IT standardisation.
 - Update or replace outdated software and systems to improve performance and security.
- Enhance IT governance frameworks and ensure compliance with industry standards and regulations through updated policies and procedures.

Medium-Term Goals

- Launch digital transformation projects that include automating processes, enhancing customer experiences, and integrating new technologies.
- Introduce advanced data analytics and business information tools to enhance decision-making, forecasting, and performance tracking.
- Assess and improve network infrastructure to ensure reliable and fast connectivity for all users.

Long-Term Goals

Use technology for effective and efficient operations.

STRATEGIC PILLAR

Technology

- Reclaim hijacked properties.
- Accelerate conversion or repurposing of properties.
- Implement the Lease Renewal Programme.
- Re-evaluate property values and amend lease values and tenure.
- Address current maintenance constraints.

- Optimise property maintenance and upkeep.
- Commercialise public spaces.
- Acquire strategic land.
- Increase energy efficiency and sustainability: Reduce operating costs and enhance the environmental performance of properties.
- Perform regular property inspections and assessments to identify areas for improvement and ensure properties remain in excellent condition.

- Commercialise the asset base.
- Expand the property portfolio strategically.
- Promote sustainable property development: Focus on sustainable development practices, incorporating green building techniques, energy-efficient designs, and sustainable materials in new property developments.
- Achieve efficiency gains from smart property technologies.

Business Innovation

- Establish customer and stakeholder satisfaction needs.
- Enhance community engagement and promote inclusivity.

- Integrate CSR initiatives into the business strategy.
- Increase participation rates and assess the impact of community engagement activities.
- Develop comprehensive stakeholder engagement plans that include regular communication, collaboration opportunities, and alignment with stakeholder interests.

- Foster collaborative partnerships:
- Build strategic partnerships with key stakeholders, including suppliers, industry groups, and community organisations, to drive mutual growth and success.

Social

Integrate social responsibility and sustainability into business practices, including environmental initiatives and ethical business practices.



Strategic Goal: To Maximise the Return on City-Owned Land

Short-Term Goals

- Establish a clear governance framework.
- Enhance the Board's effectiveness.
- Improve transparency and communication.
- Ensure regulatory compliance.
- Strengthen internal controls.
- Promote ethical conduct and corporate responsibility.

Medium-Term Goals

- Foster a culture of ethical practices.
- Increase stakeholder engagement.
- Optimise decision-making processes.
- Strengthen governance structures.

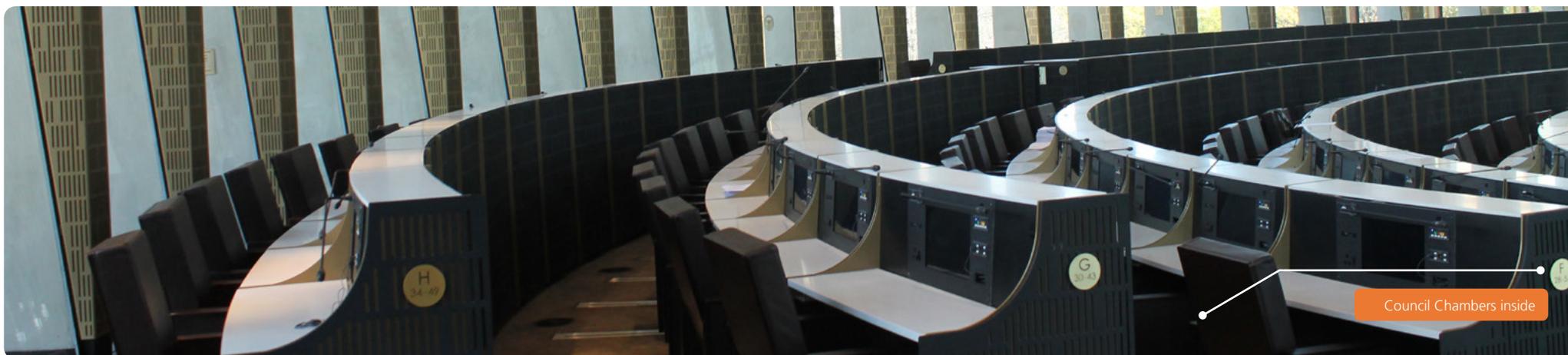
Long-Term Goals

- Enhance ethical culture and corporate responsibility.
- Strengthen global governance influence.
- Integrate sustainability into governance.
- Foster innovation in governance practices.
- Promote long-term stakeholder value.
- Enhance stakeholder trust and engagement.

STRATEGIC PILLAR

Good Governance

Table 1: JPC's Short, Medium, and Long-Term Goals





Section 7: Our Strategy and Business Model

How we create and preserve value

Our impact on the capitals

JPC has considered the capitals identified in the International Integrated Reporting Framework and determined that the following capitals play an interrelated role in our business, some as inputs and others in the form of outcomes:



To operate, our business requires financial capital, which consists of subsidies in the form of equity invested by the shareholder. Our financial capital increases or decreases based on our financial performance and the execution of our financial objectives. The various elements of our financial capital, and our financial performance, are discussed under the financial reporting in **Chapter 5**.

Our human capital comprises our employees, whose skills and wellness are essential for the optimal running of our business. We have a diverse workforce in terms of gender, race, age and tenure.

JPC aims to ensure fair and equitable remuneration and the creation of a healthy working environment. Our workforce, employment equity, and wellness are discussed in **Chapter 4**.

Our social and relationship capital includes our relationships with customers, suppliers, communities and the public in general. The unique relationships JPC is sustaining with its various stakeholders are outlined in **Section 5 of Chapter 2**. Our unique stakeholder relationships are critical to our ability to create value.

Our intellectual capital entails our brand visibility and reputation, as well as the

innovative ways in which we use information, technology and organisational knowledge, systems, policies, and procedures.

Land and Environment includes all land parcels that are CoJ-owned and managed by us, such as parks, public buildings, and undeveloped land. Our strategies for developing land in a way that balances economic, social, and environmental needs include promoting mixed-use developments, green building standards, and renewable energy use.





Capital	Inputs	Outputs	Desired outcome
 <p>Financial</p>	<ul style="list-style-type: none"> Portfolio operational costs: repairs and maintenance. CAPEX budget spend 2023/24 financial year 	<ul style="list-style-type: none"> Smart, safe and sustainable spaces Unique mixed used developments; work-live-play environments 	<p>Long-term sustainable growth</p>
 <p>Social & Relationship</p>	<ul style="list-style-type: none"> Developing strong stakeholder relations Delivering transformation impact 	<ul style="list-style-type: none"> Through our business activities of investing, creating spaces, leasing and managing our assets, as well as recycling disposing assets, we aim to create value across our capitals 	<p>Contribute meaningfully to our communities</p>
 <p>Intellectual</p>	<ul style="list-style-type: none"> Brand visibility Stakeholder experience journey Digital transformation journey and digital platform 	<ul style="list-style-type: none"> Improve quality of life for residents 	<p>Unlock opportunities and generate growth in an innovative and agile way</p>
 <p>Human</p>	<ul style="list-style-type: none"> 1 476 employees (FY2024/25) Diverse workforce by gender, race, age, and tenure Employee remuneration FY2024/25: R573 780 235 FY2023/24: R521 310 471 	<ul style="list-style-type: none"> Employee engagement 	<p>Purposefully embed our company culture to encourage diversity and thriving employees</p>
 <p>Land & Environment</p>	<ul style="list-style-type: none"> Increased the economic value of properties through improved land use, sustainable practices, and the enhancement of natural assets 	<ul style="list-style-type: none"> Efficient, cost-effective and sustainable green buildings 	<p>Ensure a positive impact within our environment</p>

Table 2: JPC Capitals





We have consistently focused on strategic decision-making to strive for long-term value for JPC stakeholders

Our strategy at a glance

Our strategy is guided by our purpose and vision, while also considering the present operational challenges we face.

When formulating our strategy, we embrace a continuous process that ensures our plans remain dynamic and adaptable to the ever-changing business landscape.

Our ultimate objective is rooted in ensuring that CoJ's property portfolio, which is the foundation of our business, remains strong and continues to provide us with a strategic springboard to generate new income streams from investment attraction opportunities and enable expansion.

Our business model serves as the framework for allocating capital inputs in our day-to-day business operations through to how we generate value-driven outcomes



Our strategic pillars and business activities

Maximise social, economic, and financial benefits to CoJ

What we do

Planning

Identify, and package investment attraction opportunities and partnership initiatives

Building

Create smart, safe and sustainable spaces. Unlock unique opportunities for development

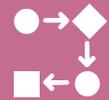
Managing

Lease properties and manage facilities

Disposal

Dispose of non-core assets

These activities have a ripple effect



Enabled by



Shareholder



Our employees



Business diversification (innovation)

Underpinned by

Environment



Social



Governance



Technology





Our business model plays a crucial role in ensuring that we realise our strategic priorities and provide clear direction to our employees and stakeholders.

To consistently create and preserve value, we closely monitor the interdependencies among our inputs and adjust our business plans to mitigate any changes in the availability, quality, or affordability of these inputs.

To drive business success and remain sustainable, we consider how our business activities transform the inputs into outputs (what we generate from our value-adding

activities) and our desired outcome (benefits or impacts of our activities on the capitals), discussed in the strategic performance scorecard.

Our decisions are made with the best interests of our stakeholders in mind, requiring strategic trade-offs to ensure that we position our business for growth and resilience.

Key to this process is ensuring trade-offs between capitals are positive for stakeholders. Where any negative impact is unavoidable, we strive to mitigate it as far as possible to preserve value.

Importantly, we ensure that we are transparent in our engagements and communications with stakeholders.

Our strategic pillars form the basis of our business activities (Table 2 page 38) and are delivered through strategic objectives through our KPIs (see strategic performance scorecard on **page 87-89**). In each capital section, we have outlined the strategic pillar's intended outcomes, KPIs and actions for the 2024/25 financial year and beyond.





CHAPTER 2 Governance



Section 1: Corporate Governance Statement & Structures

Governance Overview

Robust and ethical governance remains a cornerstone of JPC’s ability to deliver long-term value and public impact. In an evolving municipal environment marked by fiscal pressure, rising accountability demands, and service delivery imperatives, our governance approach ensures strategic clarity, institutional resilience, and effective oversight.

The Board serves as the custodian of governance, with its work firmly guided by the principles of King IV, the Companies Act, the Municipal Finance Management Act (MFMA), and the Municipal Systems Act. Our committees are structured to support decision-making that upholds integrity, aligns with JPC’s mandate, and supports the City of Johannesburg’s transformation agenda.

JPC’s governance practices are embedded in its culture, processes, and leadership behaviours. Internal controls and risk management systems are continuously reviewed to promote compliance, ethical conduct, and performance-driven outcomes across all levels of the organisation.

Governance Philosophy and Framework

Our philosophy of clear governance is not merely a compliance function; it is a strategic enabler. It anchors our commitment to ethical leadership, transparency, and the protection of public value. The Board and Executive Management are aligned in ensuring that all decisions reflect JPC’s purpose, values, and vision, while responding to stakeholder expectations and the City’s broader developmental goals.

JPC’s governance framework supports integrated thinking by aligning strategic objectives with risk, performance, and accountability mechanisms. It defines our relationship with the Shareholder, the City of Johannesburg (CoJ), through key legal documents including the Shareholder Compact and the Service Delivery Agreement (SDA). These tools set out performance standards, delivery expectations, and oversight provisions.

During the year under review, the Board actively assessed and enhanced its governance systems to ensure alignment with best practice, legislation, and the latest trends in public sector governance. These include:

- Strengthened Board independence and oversight to reinforce transparency and fiduciary accountability.
- Closer alignment with King IV principles, with a focus on ethical leadership and stakeholder inclusivity.
- Integration of performance and risk reporting, enabling the Board to make data-informed, impact-focused decisions.

Our approach to governance continues to evolve in response to the City’s changing operating context, affirming our commitment to ethical conduct, public value, and sustainable municipal performance.

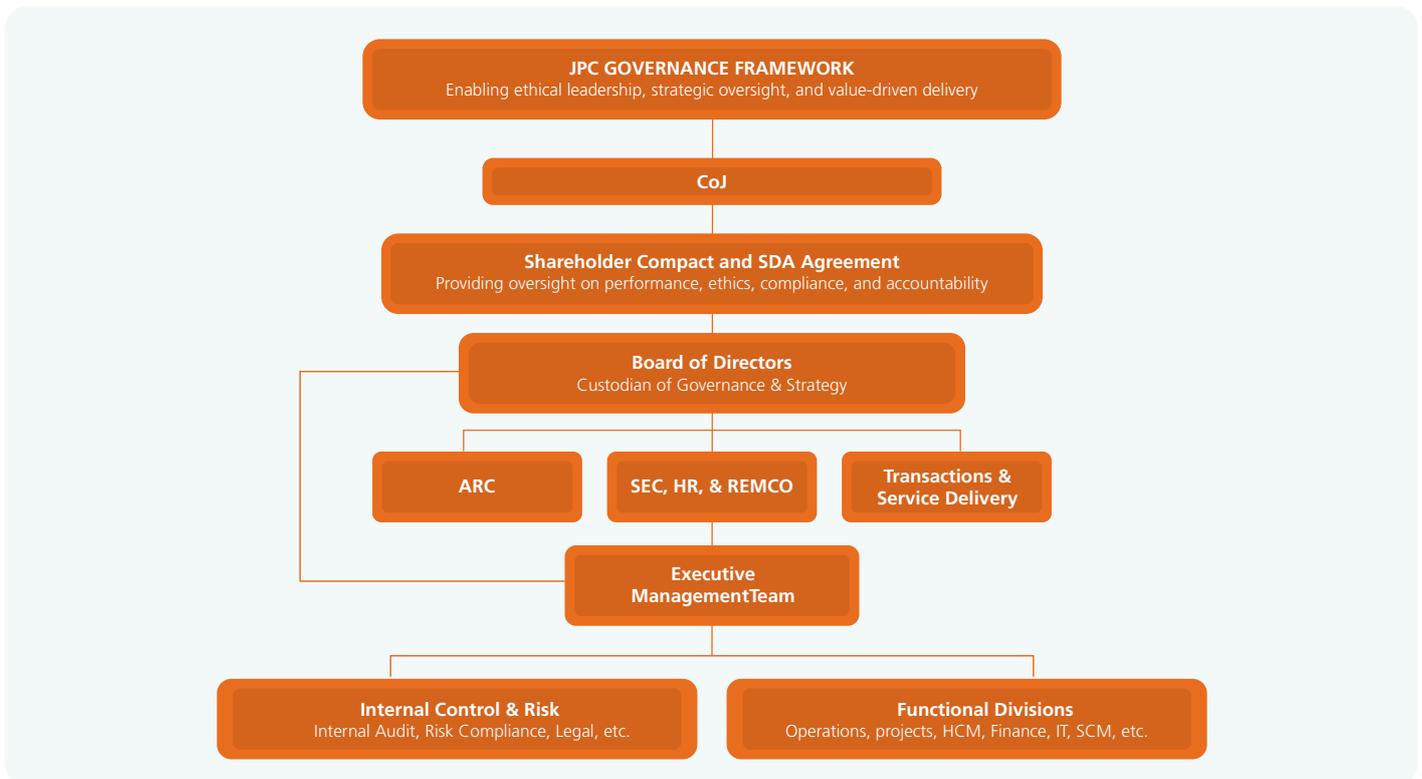


Figure 8: Governance Framework



Element	Purpose
Shareholder Compact and SDA	Defines strategic goals, KPIs, and CoJ's expectations of JPC
Board of Directors	Provides governance oversight, approves strategy, and monitors results
Board Committees	Supports specialised oversight: risk, HR, ethics, investments, and governance
Executive Management	Executes strategy and policy, oversees day-to-day operations
Internal Control Functions	Ensures legal compliance, risk mitigation, and audit readiness

Table 3: Governance Structure and Key Elements

Governance Arrangements

JPC falls under the Department of Economic Development, which provides strategic direction on key business issues and reports to the office of the relevant MMC, who exercises political oversight. JPC is part of the Economic Development Mayoral Cluster Committee, which coordinates and integrates all departments and entities responsible for economic development in the City.

Oversight Committees

The Council's Section 79 Portfolio Committee on Economic Development provides political oversight of JPC's operations. On a quarterly basis, the Committee reviews the performance of the Department of Economic Development and its entities, of which JPC is one. The Committee also produces oversight reports and poses questions, to which JPC replies in writing and presents its responses at the committee sessions. JPC also reports on a similar basis to the CoJ Group Performance Audit Committee, the CoJ Group Audit Committee, and the Municipal Public Accounts Committee. JPC duly attends all these committee meetings and responds in full to all JPC matters raised at these forums.

Implementation of the King Code of Corporate Governance

JPC applies King IV governance principles to entrench and strengthen recommended practices in its governance structures. The Board and the Executive team remain committed to the principles of openness, integrity, and accountability advocated by the King Code on Corporate Governance. Through its processes, the Shareholder and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters.

King IV Application Register

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of four governance outcomes. The desired governance outcomes are listed in Table 4, together with the practices we have implemented, as well as the progress made towards achieving the 17 principles in meeting those outcomes. We have followed an "apply and explain" principle, as recommended by King IV, in demonstrating how we have applied the principles and explaining any instances where we have not.



Riversideview



Governance Outcome	King IV Principle	Requirement	Confirmation Documentation
<p>Governance Outcome 1: Ethical Culture</p>	<p>Principle 1: Leadership</p> <p>The governing body should lead ethically and effectively.</p>	<p>JPC's Board of Directors is JPC's governing body. The Directors hold one another accountable for decision-making and behave ethically, as characterised in King IV.</p>	<p>An employee Code of Conduct and Ethics policy is in force throughout the entity. All Directors and employees are obligated under the Code to act with honesty and integrity to maintain the highest ethical standards.</p> <p>Declarations of interest are managed in line with the Companies Act 71 of 2008, and Directors are required to disclose any shareholdings and additional directorships on an annual basis.</p>
	<p>Principle 2: Organisational Ethics</p> <p>The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The Board has a fiduciary duty to act in good faith, with due care and diligence, and in the best interests of the entity and its stakeholders. The Board is the primary body responsible for the corporate governance values of the entity.</p>	<p>The employee Code of Conduct and Ethics sets the minimum standards expected of all JPC employees. The market by-laws set the minimum standards expected of JPC's agents and suppliers.</p>
	<p>Principle 3: Responsible Corporate Citizenship</p> <p>The governing body should ensure that the organisation is seen to be a responsible corporate citizen.</p>	<p>The Board approves the strategy and priorities of the business, as set out in its integrated annual report. Through stakeholder engagement and collaboration, JPC is committed to finding lasting solutions to sustainability challenges.</p> <p>The Board, with the support of the Social, Ethics and Transformation Committee, oversees and monitors how the entity's activities affect its status as a responsible corporate citizen. It reports annually on the entity's sustainability and transformation activities.</p>	<p>Integrated Annual Report</p>





Governance Outcome	King IV Principle	Requirement	Confirmation Documentation
<p>Governance Outcome 2: Performance and Value Creation</p>	<p>Principle 4: Strategy and Performance</p> <p>The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development are all inseparable elements of the value creation process.</p>	<p>The Board informs and approves JPC's strategy, which is aligned with the Shareholder's mandate and the value drivers of JPC's business. The Board oversees and monitors management's implementation of the strategy and business plan on a quarterly basis.</p>	<p>Integrated Annual Report</p>
	<p>Principle 5: Reporting</p> <p>The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium-, and long-term prospects.</p>	<p>The Board, through the Independent Audit Committee (IAC), ensures that the necessary controls are in place to ensure and safeguard the integrity of all financial information and reporting documentation. The entity ensures its financial statements are prepared in accordance with applicable accounting standards and legislative requirements.</p>	<p>Integrated Annual Report and Audited Financial Statements</p>
<p>Governance Outcome 3: Adequate and Effective Control</p>	<p>Principle 6: Primary Role and Responsibilities of the Governing Body</p> <p>The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>The Board meets once a quarter. Should an important matter arise between scheduled meetings, additional meetings are convened upon granting permission by the Shareholder and respective Portfolio MMC.</p>	<p>The Board has an approved charter, which it reviews annually. The charter clearly defines its governance responsibilities, including its role, responsibilities, membership requirements, and procedural conduct.</p> <p>Group Shareholder Policy</p>
	<p>Principle 7: Composition of the Governing Body</p> <p>The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its governance role and responsibilities objectively and effectively.</p>	<p>The Shareholder assesses the adequacy of the Board's composition annually to ensure it is still fit for purpose and has the right balance of knowledge, skills, experience, diversity, and independence.</p>	<p>Board assessments executed annually</p>



Governance Outcome	King IV Principle	Requirement	Confirmation Documentation
<p>Governance Outcome 3: Adequate and Effective Control</p>	<p>Principle 8: Committees of the Governing Body</p> <p>The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.</p>	<p>Committees are to be established to assist the Board in discharging its responsibilities. The committees of the Board comprise the Audit and Risk Committee (ARC) and the Social and Ethics, Human Resources and Remuneration, and Transformation Committee (SEC, HR, and REMCO), as well as the Transactions and Service Delivery (TSD) Committee.</p>	<p>Shareholder Compact Board Charter Committees' Terms of Reference</p>
	<p>Principle 9: Evaluation of the Performance of the Governing Body</p> <p>The governing body should ensure that the evaluation of its own performance and that of its committees, its chair, and its individual members support continued improvement in its performance and effectiveness.</p>	<p>The effectiveness of the performance of the Board, its committees, individual Non-Executive Directors, and the Chairperson is assessed annually by the Shareholder, assisted by the Company Secretary.</p>	<p>Board Assessments Group Shareholder Policy</p>
	<p>Principle 10: Appointment and Delegation to Management</p> <p>The governing body should ensure the appointment of, and delegation to, management, role clarity, and effective exercise of authority and responsibility.</p>	<p>The Board plays a role in the appointment and recommendation of the CEO and CFO roles to the Shareholder.</p>	<p>Group Shareholder Policy</p>
	<p>Principle 11: Risk Governance</p> <p>The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The ARC assists the Board with the governance of risk. JPC's enterprise risk management and combined assurance framework, together with other group policies and procedures, inform its risk management culture.</p>	<p>Integrated Annual Report.</p>



Governance Outcome	King IV Principle	Requirement	Confirmation Documentation
<p>Governance Outcome 3: Adequate and Effective Control</p>	<p>Principle 12: Technology and Information Governance</p> <p>The governing body should govern technology and information in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>Information management is an important part of JPC’s business and is essential to the strategy, performance, and sustainability of the entity.</p>	<p>Integrated Annual Report</p>
	<p>Principle 13: Compliance Governance</p> <p>The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes, and standards in a way that supports the organisation in operating ethically and being a good corporate citizen.</p>	<p>JPC is committed to conducting its business in compliance with all applicable laws and regulations.</p> <p>Safety, health, and environmental laws are all identified as key legal compliance areas and therefore receive the necessary attention on an ongoing basis.</p>	<p>Group Policies and Procedures</p>
	<p>Principle 14: Remuneration Governance</p> <p>The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term.</p>	<p>Independent approval and overseeing of the overall remuneration structure is delegated by the Board to the Remuneration Committee.</p>	<p>Board Charter Committee Terms of Reference (Remuneration Committee)</p>
	<p>Principle 15: Assurance</p> <p>The governing body should ensure that assurance services and functions enable an effective control environment, supporting the integrity of information for internal decision-making and external reporting.</p>	<p>The Board, supported by the ARC, ensures an effective control environment, which supports the integrity of information.</p>	<p>Committee Terms of Reference (ARC) Audited Financial Statements Integrated Annual Report</p>



Governance Outcome	King IV Principle	Requirement	Confirmation Documentation
<p>Governance Outcome 4: Trust, Good Reputation, and Legitimacy</p>	<p>Principle 16: Stakeholders</p> <p>In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interest of the organisation over time.</p>	<p>JPC has identified its stakeholder groups and actively balances their legitimate and reasonable needs, interests, and expectations.</p>	<p>Group Shareholder Policy Service Delivery Agreement Shareholder Compact Union Agreements</p>
	<p>Principle 17: Institutional Investors</p> <p>The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and the creation of value by the companies in which it invests.</p>	<p>JPC is a municipal state-owned entity and does not have any institutional investors; therefore, this principle does not apply.</p>	<p>Not Applicable.</p>

Table 4: King IV Application Register

Delegation of authority

In line with our commitment to accountable leadership and sound governance, the JPC Board operates within a structured delegation of authority that ensures clarity, balance, and effectiveness in decision-making. The Board Charter and Delegation of Authority Framework guide how responsibilities are assigned, enabling Directors to carry out their oversight roles with independence and appropriate authority.

To avoid undue influence and ensure a balance of power, no single Director holds disproportionate sway over Board processes

or decisions. The three Board committees, namely the Audit and Risk Committee (ARC), Social and Ethics, Human Resources and Remuneration Committee (SEC, HR, and REMCO, and the Transactions Service Delivery Committee (TSD) are properly constituted, compliant with legislative requirements, and governed by reviewed terms of reference that reflect evolving governance standards.

Day-to-day strategy implementation is delegated to Executive Management, led by the CEO, with performance monitored

against clear KPIs. The SEC, HR, and REMCO plays a key role in overseeing leadership performance, talent management, and transformation outcomes to ensure strategic alignment and delivery accountability.

This structured delegation supports agile execution while maintaining rigorous Board oversight and reinforcing JPC's commitment to transparency, ethical leadership, and value creation.



Board Composition

As at the date of this report, the JPC Board operates as a unified leadership structure, comprising 10 Non-Executive Directors and two Executive Directors. This structure enables strong independent oversight, balanced with executive insight.



Following the resignation of Ms Sivuyisiwe Gwebani, effective 31 March 2025, the current composition continues to reflect the necessary depth of skills, diverse perspectives, and strategic leadership needed to guide JPC’s mandate of inclusive urban development and value creation for the CoJ.

The composition of the Board adheres to the provisions of the Memorandum of Incorporation. The JPC Board of Directors, as constituted on 30 June 2025, is as follows:

Simon Motha (Chairperson of the Board)	Sandy Collophen	Ntombikayise Tini	Thapelo Mashamaite
Mxolisi Zondo	Moeketsi Rabodila	Tshepang Thatelo	Musah Makhunga: (ACEO) (effective 30 December 2024)
Fulufhelo Ratshikhopha	Yolisa Ngxabazi	Bettycourt Teffo	Mfanafuthi Zondo: (ACFO) (effective 1 April 2025)

Table 5: Composition of the Board

Board Diversity

At JPC, diversity is not simply a compliance requirement but is also recognised as a strategic asset that enhances governance quality, decision-making, and stakeholder confidence. The Board and Shareholder have adopted a deliberate policy framework that advances meaningful diversity across multiple dimensions: gender, race, culture, generational mix, professional expertise, and industry experience.

This inclusive composition ensures that the Board reflects the society it serves, while also bringing a rich tapestry of perspectives to guide strategic oversight, ethical leadership, and sustainable value creation. Diversity at Board level strengthens the ability to interrogate complex issues, support robust debate, and enable more agile and informed decision-making in a dynamic municipal context.



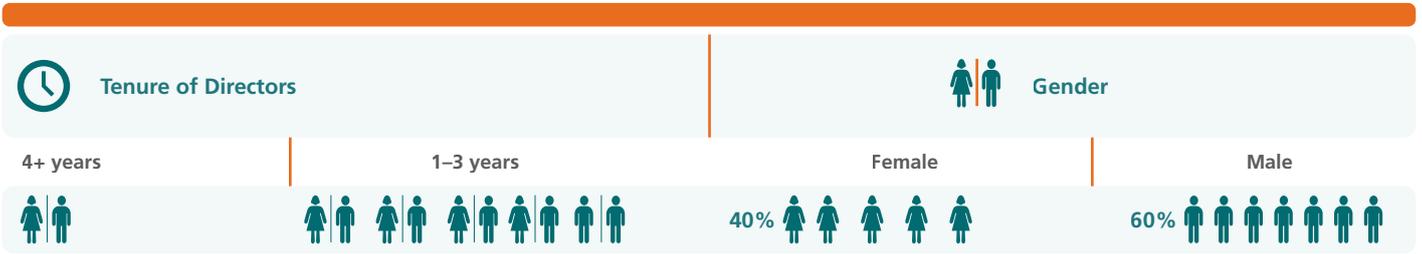


Figure 9: Tenure and Diversity

JPC’s commitment to transformation is exemplified by its diverse Board composition—currently, 40% of Directors are women and from previously disadvantaged groups. This intentional representation is not only a reflection of national equity priorities but also a critical enabler of inclusive, high-impact governance.

This leadership diversity played a pivotal role in JPC being recognised by Topco Media as a **Top Gender Empowered Employer**—an accolade earned through a rigorous review of gender representation, inclusive policies, and succession planning for future female leaders.

Directors are appointed for a maximum term of three years, with tenure reviewed annually during the Annual General Meeting or Special Meetings to ensure continued alignment with performance expectations and governance principles. Currently, 7 out of 10 Non-Executive Directors are serving their second term, offering valuable continuity, institutional memory, and strategic stability—while maintaining accountability, renewal, and alignment with JPC’s transformation objectives.

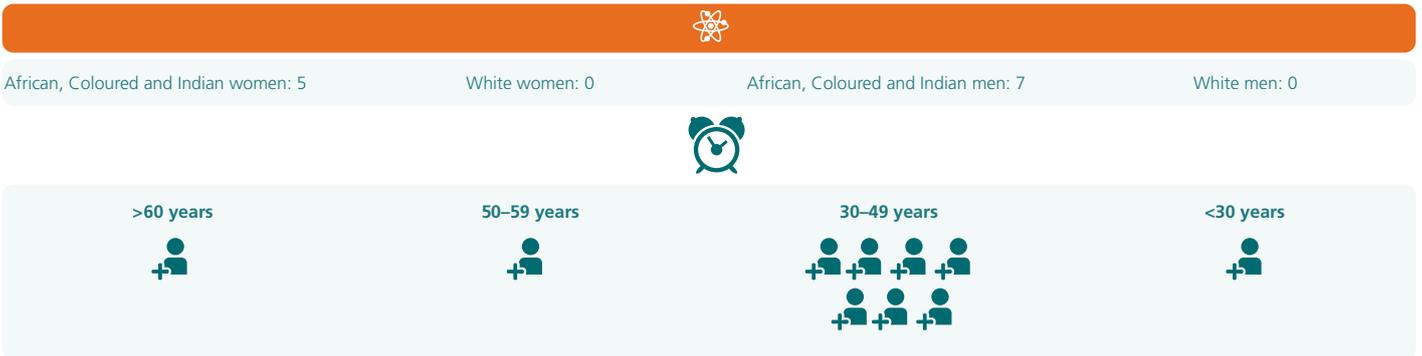


Figure 10: Board Demographics

The current age distribution of JPC’s Board reflects a strategic shift toward generational inclusion and youth empowerment. The majority of Board members (70%) are aged between 30–49 years, while 10% are under 30 and 20% fall within the age group of 50 and above—significantly highlighting JPC’s and the Shareholder’s commitment to nurturing young leadership.

This profile affirms the intention to blend experience with emerging talent, creating a governance structure that is both agile and future-focused. By actively including younger professionals in decision-making roles, JPC is not only investing in long-term succession planning but is also championing transformation and relevance in the evolving public sector landscape.



Council Chambers



Section 2: Directors' Profiles

Our Leadership: Non-Executive Directors



Simon Motha (49)

Reappointed: 31 July 2024

Qualifications:

B-Tech Bridging
Advanced Certificate in Municipal Governance
National Certificate in Municipal Governance
Current Studies: BCom

Skills and Expertise:

Managing risk in a municipal context
Policy development and forensic investigation expertise

Professional Memberships: N/A



Tshepang Thatelo (34)

Reappointed: 31 July 2024

Qualifications:

LLB Law
Practical Legal Training
Junior Examination Training (Property Law)

Admitted Attorney and Conveyancer of the High Court

Skills and Expertise:

Property law, Conveyancing

Professional Memberships: IoDSA



Fulufhelo Ratsikhopho (33)

Reappointed: 31 July 2024

Qualifications:

BCom Law
Compliance Management Certificate

Skills and Expertise:

Risk & Compliance

Professional Memberships: IoDSA



Thapelo Mashamaite (33)

Appointed: 31 July 2024

Qualifications:

Master of Commerce (Candidate), with expected completion in March 2026
Bachelor of Commerce
BCom Risk Management
International Treasury Management
Management Development Programme

Skills and Expertise:

Regulatory Exam Level 5 (RE 5) FAIS

Professional Memberships: IoDSA



Bettycourt Teffo (56)

Reappointed: 31 July 2024

Qualifications:

Senior Teachers Diploma
Sales & Marketing Certificate
Computer Certificate
Project Management Certificate

Skills and Expertise:

Project management, Development planning

Professional Memberships:

IoDSA





Our Leadership: Non-Executive Directors

Ntombikayise
Tini (31)



Reappointed: 31 July 2024

Qualifications:

Matric

Skills and Expertise:

Sales experience

Professional Memberships: N/A



Sandy
Collophen (45)



Appointed: 31 July 2024

Qualifications:

Advanced Diploma in Executive Secretarial & Computer Studies
Junior Bookkeeping to trial balance (NQFS)

Telephonic technique and time management
Invest in Excellence
Politics

Skills and Expertise:

Oracle, Microsoft Office, and Masterpiece Manager

Professional Memberships: IoDSA



Moeketsi
Rabodilla (62)



Appointed: 31 July 2024

Qualifications:

Bachelor of Arts
MBA – Master of Business Administration

Skills and Expertise:

Corporate governance, strategic planning, risk management, laws and regulations, strategic leadership, operations planning and operationalisation, financial planning, executive management, performance management, and monitoring and evaluation

Professional Memberships: N/A



Mxolisi
Zondo (29)



Reappointed: 31 July 2024

Qualifications:

MA Diplomatic Studies (in progress)
BA Honours International Relations
Bachelor of Political Studies

Skills and Expertise:

Public policy and research, social impact; strategic partnerships and governmental affairs

Professional Memberships: IoDSA



Yolisa
Ngxabazi (41)



Appointed: 31 July 2024

Qualifications:

Executive MBA
Advanced Trial Advocacy Training
Practice Management Training
Information Technology
Infrastructure Library
LLB

Skills and Expertise:

Leadership, advisory, stakeholder management, analysis, research & corporate administration skills, corporate governance and regulatory compliance

Professional Memberships: IoDSA





Our Leadership: Non-Executive Directors

Sivuyiswe Gwebani (35)



Resigned: 31 March 2025

Qualifications:

Master's in Technology (ICT Management)
BCom Honors in Business Information (NQF8)
BCom Information Technology Management (NQF7)
Agile Project Management Foundation Certificate.
ISTQB – ISEB Certificate Tester Foundation Level

Skills and Expertise:

Software testing & quality assurance. Developing project strategies. Ensuring project deadlines. Assess projects and adhere to frameworks

Professional Memberships: IoDSA



Ellen Rakodi (35)



Retired: 31 July 2024

Qualifications:

Grade 12

Skills and Expertise:

Problem solver, team builder, decision maker and always wants to see good results

Professional Memberships: IoDSA



Sabelo M'tolo (34)



Retired: 31 July 2024

Qualifications:

Post-graduate Diploma in Finance
Bachelor of Commerce
Master of Commerce
Certificates – Strategic Thinking & Implementation.

Skills and Expertise:

Strategy, analytics, research, team engagement, business improvement, CVM, strategy delivery and stakeholder management

Professional Memberships: IoDSA



Key to committees

-  ARC Audit and Risk Committee
-  SEC, HR REMCO Social and Ethics, Human Resources and Remuneration and Transformation Committee
-  TSD Transactions and service delivery

The Company Secretary has certified in terms of Section 88(2)(e) of the Companies Act No. 71 of 2008 that all statutory returns have been submitted to the Registrar of Companies



Board Assessment

A formal assessment of the Board is conducted annually by the Shareholder, assisted by the Company Secretary. The outcome indicated that the Board manages the current business effectively and has incorporated an increased focus on the future and sustainability. Key themes emerging as focus areas for improvement include enhanced alignment and improved communication between the Shareholder and the entity.

Disclosure of Interest

The Directors declare their interest at each Board meeting for any item in the agenda lined up for discussion, including annual disclosure of any business interests, shareholding, and directorships. During the period under review, no conflicts of interest were recorded. The attendance registers and declaration of conflict of interest records are kept on file, open for scrutiny by the Office of the Company Secretary.

Section 3: Board and Committees Focus Areas

Matters considered by the Board during FY25

The Board is satisfied that it has fulfilled its responsibilities for the reporting period in terms of its approved charter.

Key matters resolved and approved

- Annual Report and Annual Financial Statements
- Budget and Business Plan
- Service Delivery Agreement
- Shareholder Compact
- Compliance Management
- Strategic Risk Register
- Internal Audit Three-year Rolling Plan
- Delegation of Authority Framework
- Framework for Facilities Management
- Human Capital Strategy
- Finance Policies (Cost Containment Policy and Debtors Policy, among others)
- Supply Chain Management Policy
- Enhancement of Board committees' respective Terms of Reference
- IT governance reports
- Legislative and Regulatory Report





Ms Yolisa Ngxabazi
Chairperson

SEC, HR, & REMCO Committee

Five (5) Non-Executive Directors

- Ms Yolisa Ngxabazi
- Ms Ntombikayise Tini
- Ms Sandy Collophen
- Ms Bettycourt Teffo
- Mr Moeketsi Rabodila

The mandate of the Social and Ethics, Human Resources and Remuneration, and Transformation Committee (SEC, HR, and REMCO) includes the statutory duties of a social and ethics committee, in accordance with applicable regulations.

The committee assists in determining the key components of remuneration, Human Capital Management (HCM), and performance review criteria.

In addition, it evaluates, monitors, and makes appropriate recommendations to the Board in terms of its scope and mandate.

Matters Reviewed and Recommended

- Human Capital Management Strategy
- Employment Equity Strategy
- Bonus payments
- Reporting of remuneration and implementation
- Recommendation to Board for the appointment of the Acting CFO
- Management of stakeholder engagement

Key focus areas for FY25

- Promoting good corporate citizenship
- Enhancing ethical leadership and conduct practices
- Strengthening stakeholder relationships and corporate social investment (CSI)
- Managing communication and marketing-related matters
- Providing oversight of ethics management
- Overseeing the Diversity and Inclusion Forum
- Human Capital Management
- Reputational Management
- Marketing and communications
- Ethics Management



Mr Thapelo Mashamaite

Audit and Risk

Two (2) Non-Executive Directors

- Mr Thapelo Mashamaite
- Mr Fulufhelo Ratshikhopha

Four (4) Independent Audit Committee (IAC) Members

- Ms Yongama Pamla-Dhludhlu
- Ms Rachel Makwela
- Mr Motsamai Karedi
- Mr Khethukuphila Ngubane

The Audit and Risk Committee (ARC) maintains an effective working relationship with management and other Board committees.

The internal audit and risk management function assists the ARC with its review of risk management controls and procedures.

Matters Reviewed and Recommended

- Integrated Annual Report and Annual Financial Statements
- Budget and Business Plan, including the mid-term adjusted budget plan
- Acquisition Plan
- Strategic Risk Register
- The financial position and performance of the business are reviewed quarterly
- Risk and Compliance

Key focus areas for FY25

- Addressing risk management, information and technology, cyber security, and governance matters
- Enhancing corporate accountability and associated risk
- Ensuring adequate processes are in place to safeguard the company's assets



**Mxolisi Zondo
Chairperson**

**Transactions and Service
Delivery**

Four (4) Independent Non-Executive Directors (NEDs)

- Mr Mxolisi Zondo
- Ms Tshepang Thatelo
- Ms Bettycourt Teffo
- Mr Simon Motha

The Transactions and Service Delivery (TSD) Committee considers and recommends transactions for acquisitions, developments, and disposals for approval.

Matters Reviewed and Recommended

Consider and recommend to the Board and Council for approval of the following:

- Alienation of properties
- Acquisition of property sales and developments
- Amending, acquiring, and/or cancellation of servitudes
- Property donations
- Leases, mixed use, and management agreements
- Office Space Optimisation (OSO) and Accommodation
- Monitor compliance with Property Legislation

Key focus areas for FY25

- Evaluate and monitor progress and returns on investments made on transactions

Attendance at Board Meetings

The Board demonstrated overall meeting attendance at 100%, which affirms the Board’s commitment to its responsibilities.

The Board and committees meet quarterly and on an ad hoc basis as required. These meetings are scheduled annually in advance, along with a two-day strategic planning session for the Board to develop strategy aimed at navigating the current challenging operating environment facing the company.

Details of attendance of Board and committee meetings for the 2024/25 financial year are set out in Tables 6 and 7.





The Board meets quarterly, and additional meetings are convened when necessary for urgent matters or statutory obligations.

Name	Board		Audit and Risk Committee		Transactions & Service Delivery Committee		SEC, HR & REMCO	
	O	S	O	S	O	S	O	S
Mr Simon Motha	4/4	7/7			4/4	1/1	1/4	0/1
Mr Sabelo Mtolo*	1/4	0/7	1/4	0/5				
Mr Sivuyisiwe Gwebani#	3/4	5/7			2/4	1/1		
Ms Tshepang Thatelo	4/4	7/7			3/4	1/1	1/4	0/1
Ms Ellen Rakodi*	1/4	0/7						
Mr Thapelo Mashamaite	3/4	7/7	3/4	3/5				
Ms Yolisa Ngxabazi	3/4	7/7					3/4	1/1
Mr Mxolisi Zondo	4/4	7/7	0/4	2/5	4/4	1/1		
Ms Sandy Collophen	3/4	7/7					3/4	1/1
Ms Bettycourt Teffo	4/4	7/7			4/4	1/1	4/4	1/1
Ms Ntombikayise Tini	4/4	7/7					4/4	1/1
Mr Moeketsi Rabodila	3/4	7/7					3/4	1/1
Mr Fulufohelo Ratshikhopha	4/4	7/7	4/4	5/5	1/4	0/1		
Ms Yongama Pamla-Dhludhlu (IAC)			4/4	5/5				
Ms Rachel Makwela (IAC)			3/4	5/5				
Mr Khethukuphila Ngubane (IAC)			3/4	5/5				
Mr Motsamai Karede (IAC)			3/4	5/5				
Xola Lingani (IAC)*			1/4	0/5				
Thabang Chiloane (IAC)*			1/4	0/5				

Legend	O		S		*		#		IAC	
	Ordinary scheduled meetings	Special meetings	Retired members 31.07.24	Resigned member 31.03.25	Independent Audit Committee Member					

Table 6: Board Meeting Attendance

Ordinary Board Meeting	Special Board Meeting	Ordinary ARC	Special ARC	Ordinary TSD Meeting	Special TSD Meeting	Ordinary SEC, HR & REMCO Meeting	Special SEC, HR & REMCO Meeting
23.07.24	27.08.24	11.07.24	19.08.24	18.07.24	21.02.25	18.07.24	20.01.25
23.10.24	19.09.24	21.10.24	22.08.24	22.10.24		22.10.24	
23.01.25	27.02.25	17.01.25	22.11.24	15.01.25		15.01.25	
24.04.25	28.11.24	22.04.25	24.02.25	16.04.25		16.04.25	
	30.12.24		26.06.25				
	26.03.25						
	30.06.25						
4	7	4	5	4	1	4	1

Table 7: Board Meeting Dates



Section 4: Directors' and Prescribed Officers' Remuneration

Directors' remuneration is regulated through the CoJ's Group Policy on Governance. This includes fees paid to Non-Executive Directors and independent ARC members for the period 1 July 2024 to 30 June 2025 (Table 8), as well as emoluments for attendance at meetings (Table 9).

Name of Director	Designation	YTD Directors' Payments as at June 2025
Mr Simon Motha	Chairperson of the Board	R310 000.00
Mr Thapelo Mashamaite	Chairperson (ARC)	R274 000.00
Ms Sivuyisiwe Gwebani#	Chairperson (TSD)	R11 922.36
Mr Mxolisi Zondo	Chairperson (TSD)	R212 000.00
Ms Yolisa Ngxabazi	Chairperson (SEC, HR, & REMCO)	R110 000.00
Ms Bettycourt Teffo	Non-Executive Director	R242 434.78
Ms Tshepang Thatelo	Non-Executive Director	R228 434.78
Ms Ntombikayise Tini	Non-Executive Director	R192 000.00
Mr Fulufhelo Ratshikhopha	Non-Executive Director	R268 000.00
Ms Sandy Collophen	Non-Executive Director	R184 000.00
Mr Moeketsi Rabodila	Non-Executive Director	R166 000.00
Mr Sabelo Mtolo*	Non- Executive Director	R44 000.00
Ms Ellen Rakodi*	Non-Executive Director	R20 000.00
Independent Audit Committee Members		
Ms Yongama Pamla-Dhludhlu	Independent Audit Committee Member	R84 000.00
Ms Rachel Makwela	Independent Audit Committee Member	R88 000.00
Mr Khethukuphila Ngubane	Independent Audit Committee Member	R64 000.00
Mr Motsamai Karedi	Independent Audit Committee Member	R80 000.00
Mr Xola Lingani*	Independent Audit Committee Member	R8 000.00
Mr Thabang Chiloane*	Independent Audit Committee Member	R16 000.00
Total Payments		R2 602 791.92
Legend	#	Resigned member (31.03.25)
	*	Retired member (31.07.24)

Table 8: Non-Executive Directors' and Independent ARC Member Emoluments

Type of Meeting	Fees: 01 July 2024 to 30 June 2025		
Board			
Chairman – Meeting	R16 000	Member – Meeting	R12 000
Audit and Risk Committee			
Chairman – Meeting	R10 000	Member – Meeting	R8 000
Transactions and Service Delivery Committee			
Chairman – Meeting	R10 000	Member – Meeting	R8 000
Social and Ethics Committee, REMCO and Transformation			
Chairman – Meeting	R10 000	Member – Meeting	R8 000

Table 9: Directors' Emoluments



Name and Surname	Designation	Municipality	Account Status as at 30 June 2025	Arrears
Mr Simon Motha	NED	Not a Municipal account holder	–	–
Mr Thapelo Mashamaite	NED	City of Johannesburg	Current	Account in arrears; arrangement in place
Mr Musah Makhunga	ACEO	City of Johannesburg	Current	–
Mr Mfanafuthi Zondo	ACFO	City of Johannesburg	Current	–
Mr Fulufhelo Ratshikhopha	NED	Not a Municipal account holder	–	–
Ms Ntombikayise Tini	NED	Not a Municipal account holder	–	–
Mr Moeketsi Rabodila	NED	Not a Municipal account holder	–	–
Ms Bettycourt Teffo	NED	Not a Municipal account holder	–	–
Mr Mxolisi Zondo	NED	Not a Municipal account holder	–	–
Ms Sandy Collophen	NED	Not a Municipal account holder	–	–
Ms Yolisa Ngxabazi	NED	City of Johannesburg	–	Account in arrears; arrangement in place
Ms Tshepang Thatelo	NED	City of Tshwane	Current	–
Ms Yongama Pamla-Dhludhlu	IAC	City of Johannesburg	–	–
Ms Rachel Makwela	IAC	Not a Municipal account holder	–	–
Mr Khethukuphila Ngubane	IAC	City of Johannesburg	Current	Account in arrears; arrangement in place
Mr Motsamai Karedi	IAC	City of Johannesburg	–	–

Table 10: Directors' Municipal Accounts

Section 5: Company Secretarial Function

Company Secretary

The Company Secretary is responsible for developing systems and processes to support the Board of Directors to perform its functions efficiently and effectively. The Company Secretary is also responsible for all statutory returns due to the Companies and Intellectual Property Commission. The Company Secretary advises the Board on legal and governance-related matters, the requirements of the Companies Act, and other relevant regulations and legislation. In addition, the Company Secretary provides guidance to the Executive on all governance matters with respect to the efficacy of Board resolutions. This function acts as a link between the Board of Directors and the Executive management as well as the Board and the Shareholder.

Declaration by the Company Secretary

In terms of section 88(2)(e) of the Companies Act, 2008, I hereby declare that, to the best of my knowledge and belief, the Joburg Property Company (SOC) Limited has lodged with the Registrar of Companies, for the financial year ended 30 June 2025, all such returns and notices as are required of a state-owned company in terms of the Companies Act, and that all such returns and notices appear to be true, correct and up to date.



Ms Gontse Dlamini
Company Secretary (JPC)

2/12/2025

Date

Section 6: High-Level Organisational Structure

Refer to Chapter 4: Human Resources and Organisational Management for an overview of the Organisational Structure on page 123 (Figure 18).



Section 7: Executive Management Team

Our Leadership - Executive and Non-Executive Directors

Musah Makhunga
CEO



Expertise and Experience:

Business plan development, strategy management and implementation, strategic and operational risk assessment, reporting, evaluation and monitoring, management of transformation initiatives company-wide.

Qualifications:

BCom (Hons) SA Government Procurement and Law

Professional Membership:

N/A

Mfanafuthi Zondo
CFO



Expertise and Experience:

Financial Management and Reporting, Accounting Standards, Technical Financial Advice, Group financial reporting, Group Annual Financial statements, technical advice on GRAP accounting standards and other legislative requirements

Qualifications:

Bachelor of Accounting Science (Wits)
Higher Diploma in Accounting (Wits)

Professional Membership:

CA (SA)

Gontse Dlamini
Company Secretary



Expertise and Experience:

Legislative compliance, governance, subsidiary company management, investor relations, corporate reporting, ethics management, corporate planning and budgeting, corporate governance and administration

Qualifications:

LLB, Diploma in Industrial Relations Management, Chartered Secretaries Qualification, Property Development and Investment, Project Management

Professional Membership:

IoDSA

Tshepo Mokotaka
GM Legal



Expertise and Experience:

Admitted Strategic legal advice, operational transitional compliance, vetting strategic agreements and legal documentation, legal risks, legal/litigation strategy, drafting and providing legal advice, legal processes and procedures

Qualifications:

BA (Political studies and Sociology) LLB, Postgraduate Certificate in Provincial and Local Government Law; Postgraduate Diploma in Labour Law

Professional Membership:

Legal Practice Council
Admitted Attorney

Shyma Pillay
Acting GM: Mega Projects



Expertise and Experience:

30 years' experience in property development (all aspects); project management, management/education

Qualifications:

Bachelor of Pedagogics (University of Durban Westville), Honours Degree in Education (UNISA), Masters Public and Development Management (Wits University), MFMA (Wits University), SAPOA – Property Development Programme (UCT Graduate School of Business, Project Management (Campus College)

Professional Membership:

N/A



Our Leadership – Executive and Non-Executive Directors

Sizeka Tshabalala
GM: Commercial & City Focused Intervention Projects



Expertise and Experience:

Property management and development facilitation expertise; provision of overall leadership and strategic, Informal Trading, Acquisitions; property portfolio performance monitoring; land packaging for development purposes; enhancement of the utilisation of the City's property portfolio

Qualifications:

MBA (Henley), Post Graduate Diploma Property Management and Development (Wits University), National Diploma: Commercial Practice

Professional Membership:

N/A

Sifiso Mabizela
GM: Internal Audit



Expertise and Experience:

Internal and external audit, risk and compliance

Qualifications:

B Com (Accounting), BCompt (Hons), and CTA Chartered Accountant (RSA), Municipal Executives Finance Management Course (Wits Business School)

Professional Membership:

SAICA, Institute of Internal Auditors (IIA) CA

Ogotlhe Satheke
GM: Human Capital Management



Expertise and Experience:

Human capital strategy development and implementation, transformation, change leadership, talent management, Total Rewards, leadership and high potential development, employee value proposition and culture strategist

Qualifications:

Master of Business Administration (MBA), Post Graduate Diploma in Business Management (PGDIP), Global Executive Development

Professional Membership:

Institute of People Management

Sipho Mizobe
GM: Leasing



Expertise and Experience:

Internal and external audit experience, business planning development, strategic and operational risk assessments, accounting and financial management reporting and disclosure

Qualifications:

B Com (Accounting), BCompt (Hons), and CTA Chartered Accountant (RSA)

Professional Membership:

SAICA, IIASA, IoDSA

Simphiwe Ngejane
Acting GM: Cleaning Services & Facilities Management



Expertise and Experience:

Project management, asset management; Asset Register; policy formulation; local government finance and administration; management of informal economy; formulation of policies and procedures for property, plant, and equipment in line with GRAP; implementation of the tracking system for CoJ movable assets; SAP Asset, Accounting Module; Land Information System

Qualifications:

Post Graduate Diploma Public Management, Local Government Finance Diploma, Municipal Finance Management Programme Certificate, Higher Certificate in Advanced Project Management, Property Finance and Investment Certificate

Professional Membership:

Chartered Institute of Government Finance Audit and Risk Officers



Section 8: Governance of Stakeholder Relationships

Key stakeholder relationships

Our stakeholder engagement approach is driven by the identification of the key groups that we impact and that have an impact on our business. It is a multi-faceted approach, in that the nature and degree of engagement varies to meet specific stakeholder groups' needs.



Figure 11: Stakeholder Governance Structure

Stakeholder engagements and regional committee participation

In the reporting period, the entity prioritised stakeholder engagement as a cornerstone of its business strategy. Key initiatives and outcomes include:

- **Regular Stakeholder Engagements:** These include IDP meetings, Ward Councillor Forums, and site visits, which enhance transparency, educate stakeholders on JPC's processes, and build trust with communities.
- **Stakeholder Feedback Mechanisms:** These entail attendance and active participation in various stakeholder engagements while ensuring the implementation of robust feedback mechanisms to

capture stakeholder insights and preferences, ensuring continuous improvement in service delivery.

- **Customised Engagement Strategies:** These involve tailored engagement strategies based on stakeholder segmentation, leading to enhanced satisfaction and deeper partnerships with all stakeholders.

In the 2024/25 financial year, the stakeholder management team actively and proactively participated in several engagements. Going forward, we seek to maintain effective and transformative relationships with our stakeholders, which is essential for the organisation to function optimally.



Monitoring and Reporting



Figure 12: Monitoring and Reporting

The Shareholder: City of Johannesburg

Our Shareholder mandates us to deliver on the City's priorities and ensure JPC's internal strategic objectives are in line with the City's mayoral priorities and other plans and policies.

<p>How we Engage</p> <p>Regularly scheduled engagement with the Executive Mayor, Members of the Mayoral Committee (MMCs), Councillors, and Executive Directors.</p> <p>Strategic engagements between the City and JPC to report on annual business plans, i.e. Council, Mayoral and Sub-Mayoral Meetings, Mayoral and EMT Lekgotlas, etc.</p> <p>Regional roadshows, regional visible service delivery</p>	<p>Material Interests</p> <p>Opportunities: Acquiring/developing modern well-located projects that address spatial transformation</p> <p>Policy and regulatory frameworks</p> <p>Liquidity ratios and capital project execution</p> <p>Reporting and compliance</p> <p>Revenue and financial sustainability</p> <p>Strategy execution</p>
<p>Desired Outcome</p> <p>Maximise returns on property portfolio</p>	<p>The Value that JPC Creates</p> <p>Optimises the property portfolio while yielding economic, financial, and social returns for the CoJ</p>

Table 11: Stakeholder Relations with the Shareholder



Investors, Commercial Partners, and Government

Key investing opportunities with the CoJ could lead to opportunities for economic growth. Innovation through partnerships is an essential mechanism for enhancing the quality and scope of service while reducing costs. These stakeholders include the property industry, Heritage Council, outdoor advertising industry, government institutions (national, provincial, and state-owned entities), and informal traders, among others.

<p>How we Engage</p> <p>Commercial networks and business interactions</p>	<p>Material Interests</p> <p>Investment opportunities</p> <p>Impact on the community</p> <p>Opportunities: Public-private participation Long-term sustainable return on investment Trust and transparency</p>
<p>Desired Outcome</p> <p>Investor confidence</p>	<p>The Value that JPC Creates</p> <p>Providing investors with a secure investment underpinned by high-quality physical property assets diversified by sector, geography, and income streams</p> <p>Adherence to high levels of corporate governance</p> <p>Transparent reporting</p> <p>Effective internal control environment</p>

Table 12: Stakeholder Relations with Investors, Commercial Partners, and Government

Organised Labour

JPC engages with organised labour through applicable collective agreements and established forums.

<p>How we Engage</p> <p>Local Labour Forum</p> <p>Meetings</p> <p>Correspondence</p> <p>Other relevant structures</p>	<p>Material Interests</p> <p>Employee wellbeing</p> <p>Organisational policies and regulations</p> <p>Occupational Health and Safety Act (OHSA)</p> <p>JPC Strategy</p> <p>Compliance and labour law</p> <p>Opportunities: Partnership to drive organisational change and create a conducive environment.</p>
<p>Desired Outcome</p> <p>Value-adding relationships and sound relations</p>	<p>The Value that JPC Creates</p> <p>Non-discriminatory and safe working environment</p>

Table 13: Stakeholder Relations with Organised Labour



Communities

JPC’s activities affect the lives of communities in and around the jurisdiction of the CoJ. JPC actively promotes economic growth through property-related transactions.

How we Engage	Material Interests
<ul style="list-style-type: none"> Community-based forums Regional accelerated service delivery meetings CoJ roadshows Client services walk-ins 	<ul style="list-style-type: none"> Socio-economic impact on communities Relationship with community representatives, e.g. Councillors Property and land appropriation Support small, medium, and micro enterprises (SMMEs) and entrepreneurial opportunities Opportunities: Co-production initiatives and CSI Local job creation Local business development Education and skills development
Desired Outcome	The Value that JPC Creates
<ul style="list-style-type: none"> Creating long-term relationships with our communities Positive impact 	<ul style="list-style-type: none"> Projects enabling SMMEs

Table 14: Stakeholder Relations with Communities

Employees

Our employees contribute to the sustainability of our business and enable the achievement of its strategic objectives.

How we Engage	Material Interests
<ul style="list-style-type: none"> Managing our talent through our HR processes of recruiting the right people, rewarding them, and retaining them to ensure that we meet stakeholder expectations Productive and competent workforce Retention of key staff Ethical leadership 	<ul style="list-style-type: none"> Trust and transparency Job security Fair remuneration, recognition, and reward for performance Learning, development, and career progression A non-discriminatory and safe work environment Flexible work environment
Desired Outcome	The Value that JPC Creates
<ul style="list-style-type: none"> Employer of choice 	<ul style="list-style-type: none"> Fair remuneration and non-discriminatory workplace Employment and career development opportunities Learning and development programmes aimed at fostering employee engagements, broadening our employees’ skill base, and developing skills for future leadership

Table 15: Stakeholder Relations with Employees





Media and the General Public

Our print, broadcast, and electronic social media ensures transparent access to information relating to JPC’s performance, including large-scale economic and developmental achievements and potential failures.

<p>How we Engage</p> <ul style="list-style-type: none"> Media enquiries and press releases Participation in section-specific events and publications Business interactions City communication campaigns 	<p>Material Interests</p> <ul style="list-style-type: none"> Perceived lack of transparency and information availability Request for information as per legislation Public matters Supply chain management (SCM) tenders and requests for proposals
<p>Desired Outcome</p> <ul style="list-style-type: none"> Create equity and unlock equal opportunity 	<p>The Value that JPC Creates</p> <ul style="list-style-type: none"> Sharing information on land processes Education and media campaigns

The company maintained a healthy working relationship with various government departments, such as National Treasury, the Gauteng Provincial Government, and sister departments within the CoJ.

The methods of engagement vary from one stakeholder to another and may include workshops, JPC quarterly reports, attendance at meetings, indabas, business breakfast meetings, and briefing sessions. JPC has continued to participate in innovative ways and has maintained online platforms to drive stakeholder engagements. Physical interaction is also used when necessary.

Table 16: Stakeholder Relations with the Media and the General Public

Attention was paid to the environment within which JPC operates, taking cognisance of the fact that it is fluid and that stakeholders’ needs are diverse and conflicting, which requires a balanced and objective approach. The implication for JPC is to continue to strive for improvement with respect to stakeholder engagement and management initiatives.

Section 9: Risk Management and Internal Controls

JPC conforms to the risk management principles contained in King IV, including compliance and assurance, as well as combined assurance, in accordance with the provisions of the MFMA and the following risk management standards:

- **Strategy, Performance, and Reporting:** Appreciate that JPC’s core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development are all inseparable elements of the value creation process.
- **Risk Governance:** Govern risk in a way that supports JPC in setting and achieving its strategic objectives.
- **Compliance Governance:** Govern compliance with applicable laws and adopted, non-binding rules, codes, and standards in a way that supports JPC in operating ethically and being a good corporate citizen.
- **Assurance:** Ensure that the assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and for the organisation’s external reports.

- **Combined Assurance:** Assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions. The Board has delegated to the Audit and Risk Committee the responsibility for overseeing that these arrangements are effective.

Approach to Risk Management

Enterprise risk management (ERM) is a critical component of the company’s strategic management. It enables the achievement of the business’s strategic objectives and long-term sustainable growth.

The CoJ’s ERM Framework is consistent with relevant standards, including ISO 31000, the ERM Framework of the Committee of Sponsoring Organizations of the Treadway Commission, and the King IV Report. The framework provides a structured, dynamic and consistent approach to managing company risks, as mandated by section 95(c)(i) of the MFMA.



Risk and opportunities

Over the past decade, we have made significant strides in maturing the risk and assurance practices throughout our operations

Risk and opportunity management underpins our value creation process

Effective risk and opportunity management underpins our ability to create long-term value. Guided by the principles of **King IV**, our risk and assurance framework is **fit-for-purpose** and tailored to the complexity of our business.

This integrated approach spans compliance, environmental (including climate change), social, governance, and technology risks. Importantly, it recognises that risk management is not only about mitigating threats but also about unlocking opportunities where effective risk practices reduce downside exposure while opening pathways for competitive and sustainable advantage.

Progress on our risk management journey

Our approach has matured from informal practices to structured, integrated systems that embed risk and assurance across the organisation. Oversight is provided by the Audit and Risk Committee (ARC) and the Combined Assurance Forum (CAF), ensuring accountability from the Board and Non-Executive Directors through to EXCO, senior management, and Internal Audit.

Through the combined assurance model, described on page 15 (Figure 4), ARC evaluates both the effectiveness of risk management and the strength of internal controls, ensuring governance discipline and resilience across the Group.

Delegation of risk management

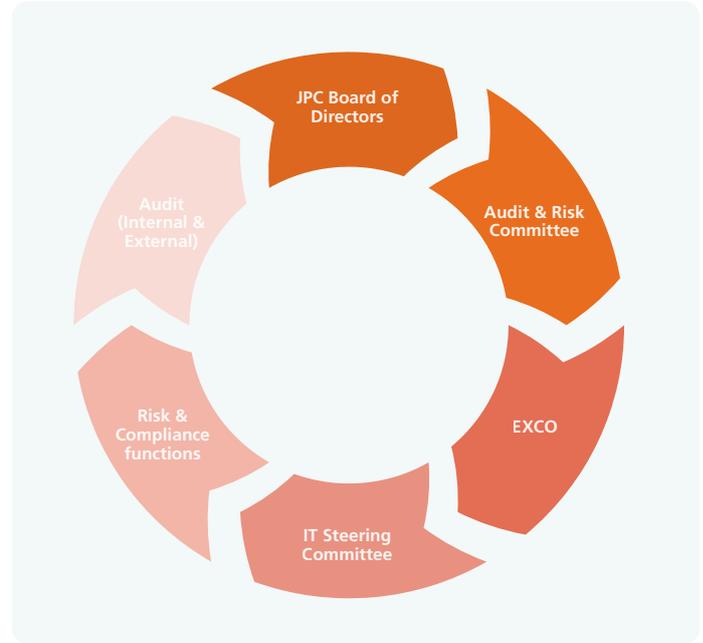
The organisational diagram presented on the right reflects how we have structured our business to execute our risk management and combined assurance responsibilities.

Governance structure

Within the governance structure, we have embedded clear accountability. Oversight responsibilities are assigned to the ARC, while day-to-day risk management is carried out by management.

Board of Directors and ARC

Our Board sets the tone for risk management and assumes ultimate accountability. The ARC, on behalf of the Board, provides oversight, while management implements and manages risk on a daily basis.



Executive Management

Our management is charged with the responsibility of taking appropriate risk, within the risk framework approved by the Board. Management is also responsible for ensuring that ERM is effective in addressing our group risk profile. Progress oversight on the execution of this mandate is provided quarterly through the CAF.

The ARC receives quarterly risk reports detailing the status of existing and emerging risk, and provides the Board with updates.

Risk owners

Our risk owners comprise our employees, who are directly accountable for ensuring risks are managed effectively by implementing actions to mitigate the risks.

Risk and compliance function reporting to the Board

Our risk and compliance office, with the support of our CEO, designs and implements policies and procedures for managing risk and promoting a culture of risk awareness and control across our business. However, it is not the owner of risk, but rather the custodian of the risk management and combined assurance processes.





Rating of top residual risks

Our business's primary emerging risk is climate change. Our management examines various climate-related scenarios within the business context to identify and analyse specific risk relating to climate change that would threaten the achievement of our goals, including JPC's impact on the environment and the effect of severe weather events on our assets.

In our risk management programme, all identified risks undergo comprehensive analysis to understand their context, drivers, and potential consequences. Each risk is assessed and rated at both an inherent level (prior to implementing controls) and a residual level (after controls are in place). The risk level is determined based on its impact on our business and its likelihood of occurrence. Risks with a residual risk score equal to or greater than 9 out of 25 are reported in the table below:

2024/2025 Residual Risks	2023/2024 Residual Risks
1. Financial Instability	1. Inability to maximise revenue
2. Disempowered facilities management	2. Inadequate facilities management
3. Loss of value of City-owned land and properties	3. Loss of value of City-owned land and properties
4. Non-compliance with legislation, policies, and procedures	4. Unhygienic conditions prevailing at CoJ buildings
5. Failure to attract, retain, and expand investment	5. Non-compliance with legislation, policies, and procedures
6. Lagging digital and innovative ICT infrastructure, applications, and tools to respond to the mandate and security incidents	6. Inability to attract investment
7. Negative public perception/reputational and brand damage	7. Inadequate contract management
8. Inadequate acquisition and disposal of strategic land parcels	8. Inadequate information communication technology (ICT) delivery and electronic storage system
9. Insufficient capacity and misalignment of skills for current business model and demand	9. Negative public perception
10. Inefficiencies in adaptation to climate change	10. Inadequate acquisition of land to support CoJ's Spatial Development Framework
	11. Insufficient capacity and misalignment of skills for current business model and demand
	12. Incomplete asset register
	13. Environmental, social and governance (ESG) risk

LEGEND Very High High Moderate Low



Movement in residual risks

Our risk profile evolves over time. Some movements are driven by changes to the risk itself, its context, or the effectiveness of its mitigation. As such, risks reflected in our top risk profile are expected to change over time. Our 2025/26 top risk profile reflects eight (8) changes to the risks disclosed in our 2025/26 top risk profile. These are elaborated on below:

Risk 2023/24	Risk 2024/25	Motivation
1 Inability to maximise revenue	1 Financial sustainability	Renaming the strategic risk provides a broader, more strategic lens that captures not only revenue generation, but also expenditure management, liquidity, solvency, cost optimisation, and long-term financial resilience.
2 Inadequate facilities management	2 Disempowered facilities management	The renaming of the risk addresses the issue that this is being seen as a “technical shortcoming” to a strategic capacity challenge.
6 Inability to attract investment	5 Failure to attract, retain, and expand investment	The change relates to renaming of the risk in order to widen the scope to reflect the full investment lifecycle—from attraction, to retention, to reinvestment and expansion.
8 Inadequate information communication technology (ICT) delivery and electronic storage system	6 Lagging digital and innovative ICT infrastructure, applications, and tools to respond to the mandate and security incidents	The renaming shifts the risk from being about basic delivery gaps to a more strategic concern about digital readiness, innovation, and security.
9 Negative public perception	7 Negative public perception/reputational and brand damage	Renaming the risk to “Negative Public Perception / Reputational and Brand Damage” strengthens its strategic framing by showing that public sentiment is not an end in itself, but a driver of reputation, brand value, and long-term organisational performance. It provides the Board and management with a clearer lens on the potential consequences and necessary mitigations.
10 Inadequate acquisition of land to support CoJ’s Spatial Development Framework	8 Inadequate acquisition and disposal of strategic land parcels	The risk was renamed to “Inadequate Acquisition and Disposal of Strategic Land Parcels” to reflect the full lifecycle of land management required by JPC and the City: acquiring land where needed, and disposing of strategic parcels to unlock development, investment, and transformation opportunities. This broader, more precise framing improves strategic alignment with the SDF, governance expectations, and the City’s financial and developmental priorities.
13 Environmental, social and governance (ESG) risk	10 Inefficiencies in adaptation to climate change risk	The renaming from “ESG Risk” to “Inefficiencies in Adaptation to Climate Change” narrows the focus to a material, high-impact risk for JPC and the City: the ability (or failure) to adapt assets, operations, and strategies to climate-related challenges. It makes the risk more actionable, measurable, and aligned with both the City’s mandate and global best practice.
4 Unhygienic conditions prevailing at CoJ buildings		These risks were removed because they were either fully mitigated, consolidated into broader risks, outdated due to shifts in the operating context, or reassigned to operational risk registers
7 Inadequate contract management		
12 Incomplete asset register		

Table 17: Strategic Risk Overview



JPC Strategic Risk Register

R1 Financial Instability		Residual risk rating	R2 Disempowerment Facilities Management		Residual risk rating
Impact	FY24/25 key risk developments		Impact	FY24/25 key risk developments	
Critical	Inability to recover revenue from City department for facilities management, cleaning services, meaning we are trading insolvency	High	Critical	<ol style="list-style-type: none"> 1. Imposition of statutory fines for non-compliance with OHSA 2. Possible legal suit for allegedly wrongful death 3. Property hijackings 4. Attraction of criminal syndicates 5. Injuries or loss of life to staff or members of the public 6. Building evacuation due to uninhabitable conditions 7. Reputational damage 	Very High
Controls		Risk movement	Controls		Risk movement
<ol style="list-style-type: none"> 1. JPC has signed a service delivery agreement with CoJ which is aligned to financial recovery model with plans for revenue 2. Signed SLA with the Department willing to pay for the service rendered on the behalf of the CoJ. 3. Land/Property Management Procedure, Supply Chain Management Policy 4. (MFMA) Assets transfer regulation ATR (4.1) Supply Chain Management Policy 5. Negotiated % as per the SDA regulated (5.1) Financial Turnaround Strategy 6. Budget Prioritisation 7. Monthly monitoring of liquidity ratios (7.1) Monthly tracking of the financial ratio 8. Monthly tracking and monitoring of capital expenditure 9. Debt collection strategy/policy 	<ol style="list-style-type: none"> 1. Review SDA to align to financial model (1.1) Review and negotiate the revenue structure for JPC as defined in the SDA 2. Motivate for the re-allocation of budget to JPC to eliminate recovery model 3. Develop and implement a new masterplan that is aligned 4. Finalise and submit for approval Section 8 request (Delegation of City Manager in respect of transaction) 5. Finalisation of Outdoor Advertising lease agreements 6. Review Financial Turnaround Strategy (i.e. growth of outdoor income; increase land) 7. Continue monitoring existing control 8. Review, renew and finalise leases for all informal trading, social and commercial leases 	No movement	<ol style="list-style-type: none"> 1. Implementation of planned repairs and maintenance conducted as when and when required 2. Reaction maintenance teams to attend to infrastructure failure on short term basis. <ul style="list-style-type: none"> • Facilities Management/ Maintenance Strategy in place • Capex projects implementation 3. Asset Management Plan and Budget. 4. CoJ SHE Committee. Constant engagement with Department of Labour and Employment in addressing non-compliance notices to directives 5. Performance of surveys on the condition of all property, plant and equipment, in order to allow the assessment of the required repairs and maintenance of facilities managed by JPC in line with the Service Level Standard 6. Property condition assessment conducted. Results and recommendations reported at City Structures 7. Review SDA to align to financial model 8. Procedure for Facility Management 	<ol style="list-style-type: none"> 1. Finalise Panel of Service Provider for OHASA assessments and Condition based Assessment. Asset Life Cycle Management 2. Facilities assessment and quarterly conditional assessment of all the facilities. 3. Development of a detailed 3-tiered facility management plan. 4. Preventative maintenance programmes and proactive implementation of repairs and maintenance strategies. 5. Occupant engagement programmes to encourage proactive reporting. 6. Implement energy efficiency practices and technologies. 7. Skills development and training. i.e. safety and compliance training. 8. Emergency response plans. 9. Develop and implement energy sustainability programmes. Quarterly monitoring 10. Monitoring suppliers and contracts management. 11. Facilities management software. 12. Develop and implement energy sustainability programmes 	No Movement
Controls enhancement projects			Controls enhancement projects		
<ul style="list-style-type: none"> • Turnaround strategy • Permit system (DED) 			<ul style="list-style-type: none"> • Repair and maintenance strategies 		



R3 Loss of value of city-owned land and properties
Impact **FY24/25 key risk developments**

Residual risk rating

R4 Non-compliance with legislation, policies, and procedures
Impact **FY24/25 key risk developments**

Residual risk rating

Critical	<ol style="list-style-type: none"> 1. Sterilisation of illegally occupied CoJ land, as CoJ becomes unable to lease or develop the land 2. CoJ land/properties falling into decay and unable to attract investors or bidders 3. Overstating the asset register with assets that have degenerated in value 4. Inability to collect appropriate or agreed rentals from leased immovable assets 5. Service delivery protests 6. Poor service delivery
----------	---

High

Critical	<ol style="list-style-type: none"> 1. Lack of consequence management 2. Ineffective contract management 3. Mismatch of staff recruited and placed 4. Lack of training and keeping abreast with relevant legislation and by-laws.
----------	--

Very High

Controls **Opportunities**

Risk movement

Controls **Opportunities**

Risk movement

<ol style="list-style-type: none"> 1. Joint operations with SAPS, and other law enforcement agencies 2. Implementation of facilities management plan 3. Physical security at the entrance 4. CCTV surveillance 5. Security needs analysis conducted and submitted to Group Finance 6. SLA between JMPD and MTC for security technology 7. Comprehensive legislative framework that governs the property processes, caters for the use of vacant properties to avoid misuse 8. Lease agreements 	<ol style="list-style-type: none"> 1. Implementation of the Revitalisation Programme. 2. Engage the provincial and national governments as partners in providing solutions for the turnaround strategy to reclaim Joburg. 3. Partner with private sector
--	---

No movement

<ol style="list-style-type: none"> 1. Taking action in terms of the Disciplinary Policy and Procedure and Code of Ethics and Conduct 2. Supply Chain Management Policy 3. Quarterly JPC Compliance Checklist in place to assist with areas of non-compliance 4. Training and awareness 	<ol style="list-style-type: none"> 1. Provide training to promote awareness and knowledge of new legislation. 2. Conduct Compliance risk assessment 3. Develop and implement Contract Management framework 4. Implementation of SCM reforms strategy and institutionalise demand management planning 5. Ensure adequate skills of potential employee during recruitment
--	--

No movement

Controls enhancement projects

Land Invasion Strategy

Approval and adoption of a hybrid model (insourcing and outsourcing)





R5 Failure to attract, retain, and expand investment

Impact **FY24/25 key risk developments**

- | | |
|----------|--|
| Critical | <ol style="list-style-type: none"> 1. Inadequate economic infrastructure 2. Bottlenecks in decision making processes/bureaucratic hurdles 3. Slow and uncoordinated decision making and approval processes leading to delays in take-off and implementation of partnerships 4. Inadequate processes to incentivise investors 5. Deterioration of buildings inclusive of invasions |
|----------|--|

Residual risk rating

Very High

R6 Lagging digital and Innovation ICT Infrastructure applications and tools to respond to the mandate and security incidents

Impact **FY24/25 key risk developments**

- | | |
|-------|---|
| Major | <ol style="list-style-type: none"> 1. Lack of budget for ICT infrastructure and digital transformation 2. Outdated system / lack of innovative systems 3. Lack of integrated systems 4. Misplacement of ICT function in the structure 5. CoJ ICT standardised governance model limits innovation |
|-------|---|

Residual risk rating

Very High

Controls

Opportunities

Risk movement

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Asset Management Plan in place. JPC searches for developers nationally and even internationally 2. MFMA <ul style="list-style-type: none"> • Assets transfer regulations ATR • Supply Chain Management Policy 3. Repackaging property transactions to address the market conditions and needs <ul style="list-style-type: none"> • Created investors prospectus for the properties being released to the market 4. Implementation of Maintenance Plan and repairs and maintenance conducted as and when required <ul style="list-style-type: none"> • Reaction maintenance teams to attend to infrastructure failures on short term basis. • Facilities Management/Maintenance Strategy in place • Capex projects implementation 5. Signed collaboration and partnership agreements <ul style="list-style-type: none"> • Supply Chain Management Policy | <ol style="list-style-type: none"> 1. Motivate for land preparation budget 2. Finalise and submit for approval Section 8 request (Delegation of the City Manager in respect to transaction less than R10mil) 3. Do a proper prospectus for each piece of land on a large scale, street by street, not block by block. Ready to sell prod that already has all plans, SHRA funding, design, incentives, etc. approved. 4. Sell off non-core assets 5. Buy in the future nodes as planned by Council |
|---|---|

No movement

Controls

Opportunities

Risk movement

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Prioritisation of ICT budget allocation 2. ICT governance Framework <ul style="list-style-type: none"> • Refreshment of the outdated ICT environment, existing ICT infrastructure • The systems (e.g. PIMS) are in place that employee can utilised legacy system, New system currently being developed. Digital transformation strategy, Phase 2 underway 3. Smart City Technical Steering Committee to monitor and integrate the departmental/entity smart City initiatives | <ol style="list-style-type: none"> 1. Implement ICT infrastructure renewal plan 2. Review ICT strategy i.e. finalise the implementation plan for system automation and integration. With various phases for time management, fleet services, marketing, legal services, facilities system, contract management etc. 3. Implementation of Sage System 4. Research, develop interventions that integrate with CoJ 's Smart City programme 5. SLA signed with the Group ICT to assist with the following: <ul style="list-style-type: none"> • IT Software and Helpdesk: Microsoft 365 licences have been supplied to JPV for all users, JPC IT will continue to support the CoJ centralised IT framework in leveraging shared software and services • IT hardware |
|---|---|

No movement

Controls enhancement projects

Consequence management awareness workshops

Controls enhancement projects

Investors' property summit



R9 Insufficient Capacity and Misalignment of Skills for Current Business Model and Demand

Impact **FY24/25 key risk developments**

Critical	<ol style="list-style-type: none"> 1. Unfunded vacancies 2. Moratorium on HR capacitation from CoJ 3. Absence of a proper work force plan 4. Inappropriate placement of individuals without training and reskilling
----------	---

Residual risk rating

Very High

R10 Inefficiencies in Adaptation to Climate Change

Impact **FY24/25 key risk developments**

Major	<ol style="list-style-type: none"> 1. Funding constraints on retrofitting older buildings to meet new resilience standards
-------	---

Residual risk rating

High

Controls **Opportunities**

<ol style="list-style-type: none"> 1. Critical vacancies are prioritised to minimise the impact on service delivery 2. Employees are assigned to act in vacant positions 3. Review of organisational design 	<ol style="list-style-type: none"> 1. Review Human Capital Strategy and Operating Model 2. Develop and implement an integrated Talent Management System and Process 3. Review and implement updated Human Capital Policies and Procedures 4. Develop a Line Management Guide in relation to HR processes 5. Capacitate Human Capital in line with reviewed structure
--	---

Risk movement

No movement

Controls **Opportunities**

None	<ol style="list-style-type: none"> 1. Perform regular energy audits to identify inefficiencies and areas for improvement and establish benchmarking programs to track and compare building energy performance. 2. Implement and monitor smart energy efficiency initiative and promote low water 3. Implement rainwater harvesting and greywater recycling to reduce water and energy use in municipal buildings. Promote low-flow fixtures and solar water heating to reduce energy required for water heating. 4. Prioritise eco-friendly construction materials that improve insulation and reduce energy consumption. 5. Implement sustainable procurement policies for energy-efficient office equipment and appliances. 6. Conduct energy efficiency training programmes for municipal staff and building occupants. Launch public awareness campaigns on energy conservation and green building practices. 7. Engage in public-private partnerships (PPPs) to finance and implement green energy initiatives. 8. Capacitate and upskill the Facilities Management Department on green economy initiatives, requirements, and laws.
------	---

Risk movement

No movement

Controls enhancement projects

Rebranding stakeholder engagement initiatives

Controls enhancement projects

Land strategy

Table 18: JPC Strategic Risk Register



Section 10: Internal Audit Function

Refer to page 149 in Chapter 6 for an overview of our internal audit function and details on the progress made on the Audit Plan.

Section 11: Corporate Ethics and Organisational Integrity

Ethical leadership is key to our ability to deliver on our value-creation commitment. The company's values—professionalism, accountability, responsibility, customer service, and trust—provide an ethical foundation and are fundamental to our success. JPC management encourages employees to live the company's values.

JPC has a Code of Conduct and Ethics, endorsed by the Board, which applies to all Directors and employees. The Code is regularly reviewed and updated to ensure that it reflects the highest standards of behaviour and professionalism. In summary, the Code aims to ensure that JPC conducts its business in line with the highest ethical standards. A comprehensive ethics strategy is vital in ensuring we achieve our ethical goals.

Conflict of Interest

The annual declaration of interest by all employees of JPC is overseen by the HR Department, and a status report for the 2024/25 financial year is outlined in Chapter 4: Human Resources and Organisational Management (page 122).

Section 12: Compliance with Laws and Regulations

JPC's compliance universe comprises **54 pieces of legislation** (40 core and 14 generic), which guide the entity's governance and operations.

The Board and Executive Management focus primarily on the **core legislation**, ensuring that accountability, governance, and service delivery are carried out within a robust legal and regulatory framework. In line with **Section 121(2)(c) of the MFMA** and **Section 18(1)(d) of the MSA**, the Annual Report serves as a key instrument of transparency, enabling the City to account to communities on governance, administrative, and financial performance.

Governance and Oversight

- The Board embraces the principles of **King IV** and the City's **Corporate Governance Protocol**, upholding integrity, accountability, transparency, and ethical leadership.
- Oversight is exercised through the **Audit and Risk Committee (ARC)** and the **Group Risk and Assurance Services (GRAS)** division, which monitor compliance monthly and quarterly.
- A **priority regulatory register** highlights key legislation for compliance reporting, including the MFMA, Companies Act, and Occupational Health and Safety Act.
- A **corporate governance checklist (King IV)** is maintained and reported through the Integrated Annual Report.

Assurance and Reporting

- Compliance monitoring is integrated into **the combined assurance model**, incorporating self-assessments, internal audit reviews, and ARC oversight.
- The entity reports to the **ARC, Board, and City** on compliance with priority legislation.
- During the year under review, **no fines or penalties were issued** against the company, and no directors or executives were held liable for non-compliance.



Statement of Compliance

The Board confirms that JPC has complied with all applicable laws, codes, and standards relevant to its operations, and continues to strengthen governance arrangements. The entity operates strictly within its **delegation of authority**, which is reviewed regularly to remain aligned with legislative and business requirements.

Our year-end compliance regulatory assessment is depicted in **Figure 13** (see Appendix K for details).

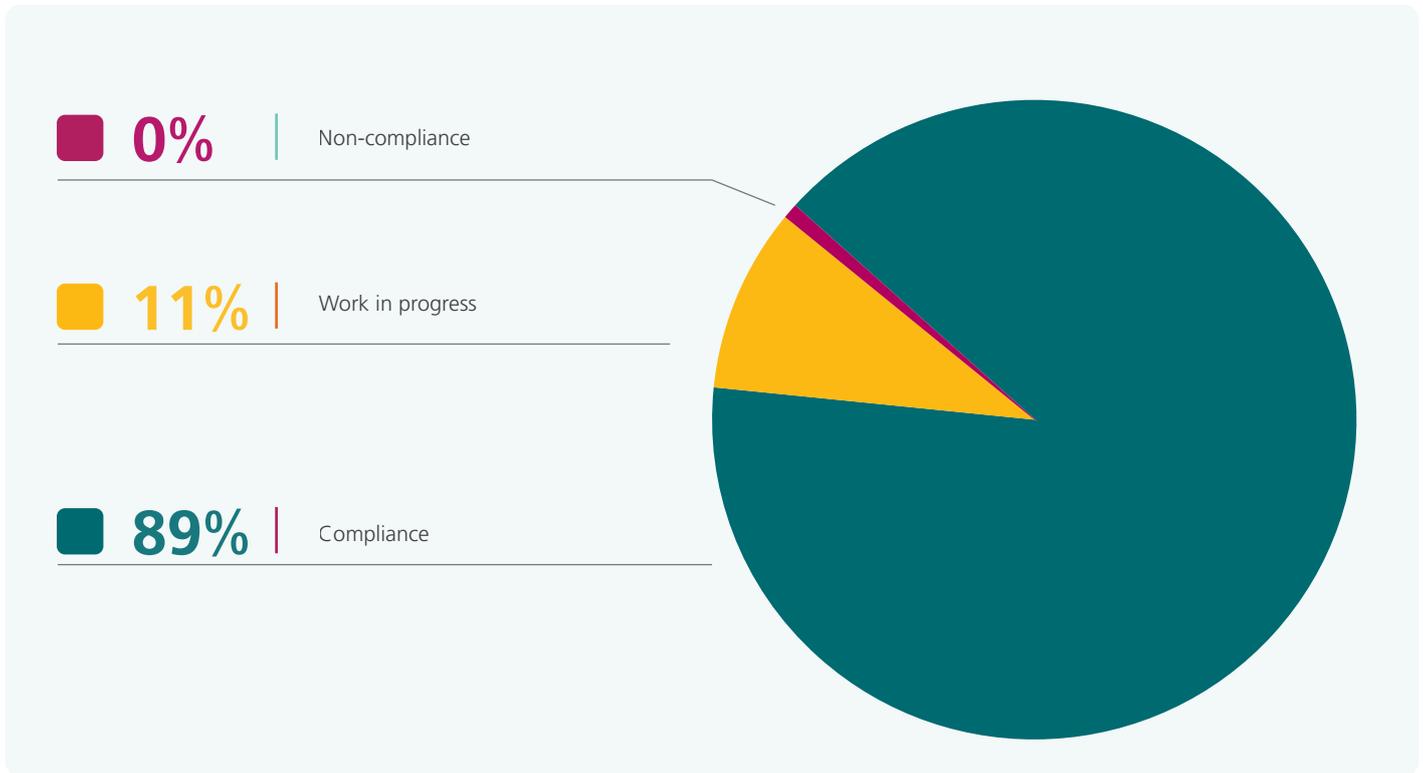


Figure 13: Compliance Regulatory Requirements for the 2024/25 Financial Year

DETAILS	2023/24	2024/25	TREND
Compliant Legislation	34 of 54 (62%)	49 of 54 (89%)	▲
Work in Progress	3 of 54 (3%)	6 of 54 (11%)	▲
Non-Compliance with Legislation	24%	0%	▲

Table 19: Status of Compliance

Planned Areas of Future Focus (King IV Principle 13: Compliance)

In the year ahead, JPC will strengthen its compliance governance by enhancing proactive monitoring of legal and regulatory requirements, including MFMA, MSA, SCM Regulations, Municipal Entities Governance Frameworks, and labour and property-related legislation. The focus will be on improving the automation and integration of compliance controls, strengthening the effectiveness of compliance reporting, and enhancing cross-functional oversight to ensure early identification and mitigation of compliance risks. JPC will also prioritise continuous training on emerging regulatory changes, improved record-keeping and evidence management, and closer collaboration with Group Governance, Internal Audit and the Office of the AGSA to ensure full, timely, and demonstrable compliance across the entity.



Section 13: Sustainability Report

Health and Safety

Occupational Health and Safety (OHS) remains a critical responsibility of JPC management in line with the **Occupational Health and Safety Act, 85 of 1993**, which places accountability on the CEO to ensure effective systems and compliance. JPC participates in the **City of Johannesburg's Group SHE Steering Committee** and workplace wellness initiatives, ensuring alignment with group-wide policies while addressing the specific risks associated with managing municipal facilities.

During the 2024/25 financial year, management monitored OHS reports across facilities, focusing on compliance, staff wellbeing, and safe operations. While challenges linked to ageing infrastructure and maintenance backlogs were noted, corrective measures were prioritised to ensure adherence to legislative requirements. Importantly, **no injuries on duty were reported** during the year.

Capacity and Coordination

- JPC's **facilities management unit** serves as the liaison with CoJ Group structures and coordinates OHS implementation across the entity.
- Health and Safety Coordinators are designated within operational units to strengthen accountability and response.
- Staff receive ongoing training in **First Aid, Fire Safety, Evacuation Procedures, and Workplace Safety** to embed a culture of safety.

Forward-Looking Measures

Looking ahead, JPC will prioritise:

- **Preventative maintenance** of facilities to mitigate hazards before they arise.
- **Regular safety audits and inspections** to ensure compliance and identify risks early.
- **Expanded staff training** to strengthen emergency response capacity.
- **Enhanced safety equipment and systems** to maintain safe environments for employees, tenants, and the public.

By embedding these measures into operations, JPC aims to strengthen its internal responsibility for OHS, reduce operational risks, and safeguard the wellbeing of all stakeholders relying on City-owned facilities.

Environmental Stewardship

In 2024/25, JPC continued to prioritise **reducing environmental impact** across all areas of its operations. Sustainability principles are embedded at every stage of **building refurbishments, capital projects, and facilities management** to ensure that Council-owned properties are maintained and developed responsibly.

Our approach focuses on delivering **innovative, energy-efficient workspaces** that reduce operating costs, incorporate sustainable materials, and maximise recycling opportunities. Maintenance practices are environmentally sensitive, with careful selection of chemicals and processes that minimise ecological harm.

Through this commitment, JPC not only safeguards the **City's property portfolio**, but also contributes to **Johannesburg's broader sustainability goals**, ensuring that public assets are managed in a way that supports environmental resilience and long-term value creation.

Sustainable Design and Resource Efficiency

JPC will endeavour to partner with external service providers to advance the City's **carbon and energy reduction targets**. This includes the installation of **energy-efficient equipment, sustainable materials, and water-saving fittings** across managed facilities.

Environmental considerations were integrated into the **design and refurbishment of offices**, ensuring workspaces that are both resource-efficient and promote health and wellbeing. Key aspects addressed include **energy and water use, waste management, pollution control, transport impacts, and responsible material selection**. Natural ventilation and ergonomic design principles are incorporated into all new and upgraded facilities, reflecting JPC's commitment to sustainable, cost-effective property management.

Looking Ahead

In future, JPC will expand its sustainability focus by:

- **Piloting renewable energy solutions** such as rooftop solar installations.
- **Introducing smart building technologies** to track and optimise energy and water consumption.
- **Pursuing green building certifications** to benchmark performance against international standards.
- **Strengthening preventative maintenance programmes** to improve efficiency and extend asset life cycles.

Through these measures, JPC will continue to reduce its environmental footprint while enhancing the long-term value and resilience of the City's property portfolio.



Corporate Social Investment

JPC's corporate social investment (CSI) philosophy is rooted in the principle of **sustainable development**. Rather than acting as a sole sponsor, JPC positions itself as a facilitator, enabling partnerships that attract additional donors, strengthen long-term project sustainability, and empower historically disadvantaged communities.

Through collaboration with **non-governmental organisations and national initiatives**, JPC contributes to strategic interventions that bring together business, government, and civil society to address pressing socio-economic challenges. This partnership-driven approach ensures that social investments create **lasting impact and inclusive benefits** for communities across Johannesburg.

Section 14: Anti-Corruption and Fraud

JPC upholds a policy of **zero tolerance for fraud, corruption, and unethical conduct. An Anti-Fraud and Corruption Policy**

is in place, supported by clear reporting procedures and access to the City of Johannesburg's **24-hour independent fraud hotline**.

The hotline is a critical tool in combating theft, bribery, misuse of property, and other unlawful acts. It can be accessed through:

- **Phone:** 0800 002 587
- **SMS:** 32840
- **Email:** anticorruption@tip-offs.com
- **Web:** www.tip-offs.com

All reported incidents are channelled to the Head: Property Intelligence and Forensic Investigation for investigation and follow-up. Importantly, **no tip-offs were received during the 2024/25 financial year**, reflecting strong ethical compliance and continuous vigilance.

Through robust policies, ongoing monitoring, and proactive awareness, JPC remains committed to protecting its assets, stakeholders, and reputation by embedding integrity at the core of its operations.





Section 15: Information and Communications Technology Governance

The entity acknowledges its responsibility for promoting and enabling innovation. In doing so, it has embraced innovation under Strategic Goal, Smart City: The use of technology for effective operations. The effective management of information technology and information systems is key to achieving our strategic objectives, particularly in delivering quality services to customers and stakeholders. Information and communications technology (ICT) was viewed as a key enabler of the entity’s strategic objectives and, as such, it required robust governance. The entity’s ICT governance objectives are outlined in Figure 14.

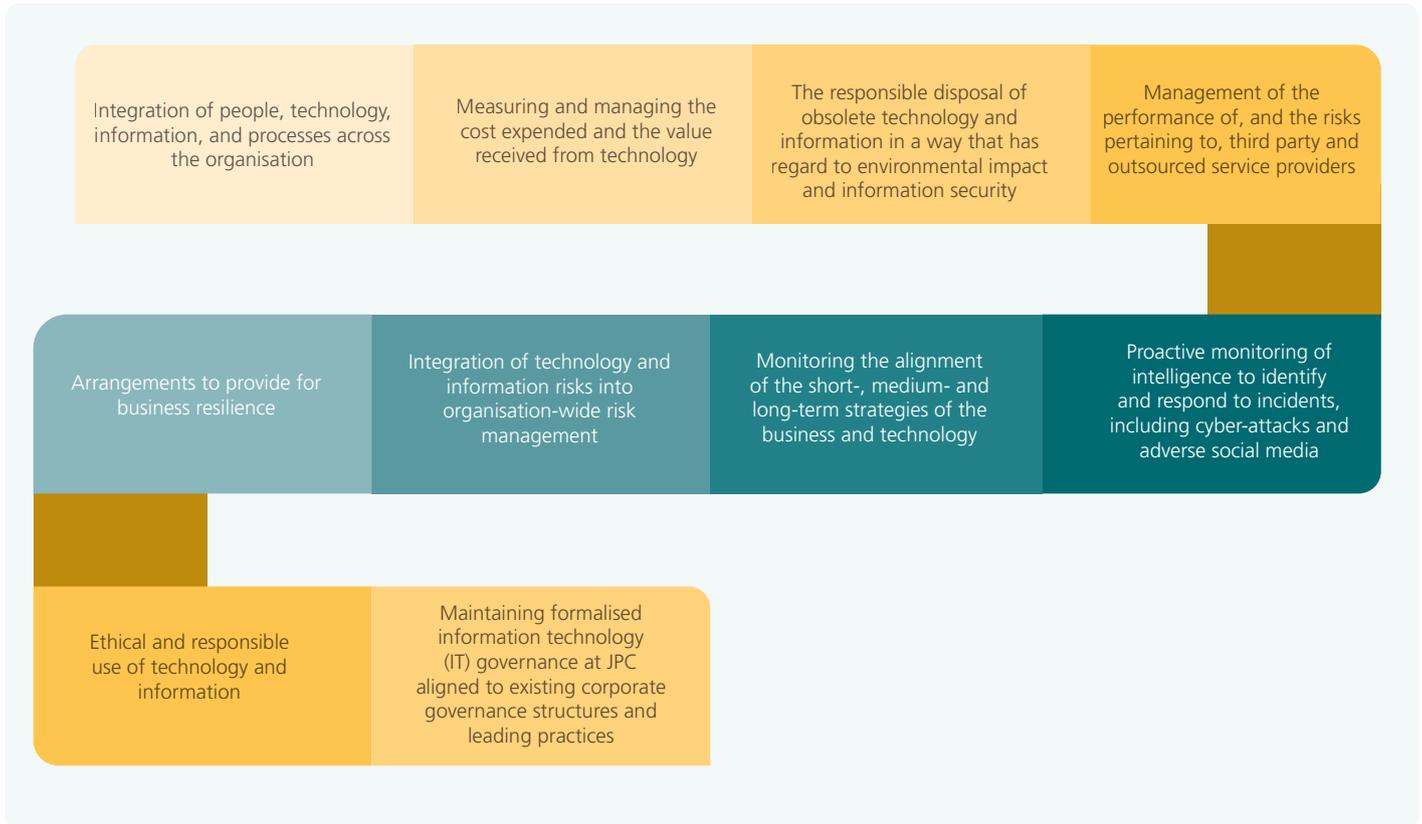


Figure 14: JPC ICT Governance Objectives

In line with King IV, the Board delegated to management the responsibility of implementing and executing effective technology and information management. To further this strategic objective, the entity has adopted a phased approach with a focus on:

- Green economy technology initiatives
- ICT infrastructure
- Property-enabling systems such as facility management information system
- The implications of the Fourth Industrial Revolution (4IR)
- Information security management
- Business continuity



JPC IT Governance Status

JPC has adequately complied with King IV principles and objectives in respect of ICT governance. These ICT auditable spheres for good corporate governance and compliance have been thoroughly tested by both internal and external auditors.

The audit approach is designed to place more emphasis on high-risk areas, which naturally implies that internal auditing will not necessarily detect all errors, fraud, and irregularities. It is further designed to aid the efficiency and effectiveness of business operations, as well as to address traditional compliance and financial areas.



Figure 15: JPC ICT Governance Status



ICT Planned Areas of Future Focus (2025/2026) — Aligned to King IV Principle 12

In alignment with **King IV Principle 12**, JPC will continue strengthening its technology and information governance to support operational efficiency, data integrity, digital resilience, and improved service delivery. The next 12–18 months will prioritise stabilising ICT infrastructure, enhancing cybersecurity, driving automation, and fully leveraging the **Odoo Enterprise Resource Planning (ERP)** solution to integrate and modernise core business operations.

ICT Governance Enhancement: Strengthen oversight, accountability, and compliance with ICT governance standards.

Planned Milestones:

- Establish ICT Steering Committee & ICT Governance Charter.
- Annual review of ICT governance policies (Cybersecurity, Data Management, ICT BCP).
- Achieve minimum **90% compliance** with COJ Group ICT Maturity Framework.

Odoo ERP Go-Live, Optimisation and Increased Utilisation: Drive automation, system integration, and utilisation of Odoo to improve efficiency and decision-making.

Planned Milestones:

- **Odoo ERP Go-Live completed** across core business functions (Leasing, Billing, OA, Facilities, SCM).
- **Increase utilisation rate** of modules (leasing workflow, contract management, billing, asset updates, evidence management).
- Integrate Odoo reporting dashboards for corporate scorecard and evidence management. Odoo user training and system stabilisation programme.

Infrastructure Modernisation and System Stability: Modernise ICT infrastructure to reduce downtime and improve operational readiness.

Planned Milestones:

- Server and network upgrades completed.
- Replace aging hardware and implement ICT asset lifecycle management. Migrate legacy systems and databases to secure cloud architecture.

Cybersecurity Strengthening: Improve resilience to cyber threats and safeguard institutional data.

Planned Milestones:

- Deploy advanced endpoint protection tools.
- Bi-annual cybersecurity awareness and phishing simulation campaigns.
- Annual penetration testing and quarterly vulnerability scans.

ICT Business Continuity and Disaster Recovery: Ensure system resilience and continuity of ICT services.

Planned Milestones:

- Review and test Disaster Recovery Plan.
- Implement automated cloud backup solution.

Data Governance and Information Management: Improve data quality, accuracy, and accessibility across the enterprise.

Planned Milestones:

- Implement enterprise-wide Data Governance Framework.
- Standardise master data definitions and improve accuracy of property, OA, and asset datasets.
- Integrate data flows between Odoo, GIS, and other business applications.

Digital Transformation and Automation: Reduce manual processes and optimise service delivery.

Planned Milestones:

- Automate workflows for key business areas (leasing, facilities, SCM).
- Fully implement digital document management system.
- Develop centralised digital dashboards for performance and evidence management.

ICT Service Excellence and User Support: Improve user experience and operational support.

Planned Milestones:

- Implement ITIL-aligned ICT Service Desk.
- Conduct quarterly user satisfaction surveys.
- Staff upskilling programme for ICT team.

These initiatives collectively strengthen JPC’s technology governance, system reliability, cybersecurity maturity, and digital capabilities. The **successful rollout and increased utilisation of the Odoo ERP system** will fundamentally enhance process efficiency, transparency, and performance reporting—supporting JPC’s mandate to deliver secure, modern, and efficient property management services for the CoJ.



Section 16: Batho Pele Principles

In the context of JPC, the Batho Pele (“People First”) Principles play a critical role in how the entity manages, maintains, and utilises municipal property assets. JPC implements these principles through the following approaches:

Consultation: Consulting residents about the level and quality of the public services received through public meetings, petitions, visible service delivery meetings, councillor consultation, and project support; wherever possible, giving residents choices about the services offered.

Access: Ensuring citizens have equitable access to municipal properties and services, including transparent processes for leasing and purchasing municipal land. Improving the physical building/structure through repairs and maintenance of CoJ Offices.

Information: Ensuring citizens receive full and accurate information about public services they are entitled to through the annual publication of the Business Plan, Quarterly Reports, and IAR on the website.

Redress: Creating mechanisms to address spatial inequalities through the implementation of a precinct approach that adopts the work, live, and play philosophy and affordable mixed-use development.

Value for Money: Leasing municipal properties to achieve social mandate and ensuring efficient and effective use of municipal properties to generate income.

Service Standards: Establishing and communicating clear service standards for property management, including maintenance schedules, property allocation processes, and turnaround times for addressing public concerns.





CHAPTER 3

Service Delivery Performance



a world class African city



JOBURG
PROPERTY COMPANY



Section 1: Organisational Performance

Section 1.1: Highlights and Achievements

During the year under review, the following key service delivery achievements, milestones, and other significant developments were realised:

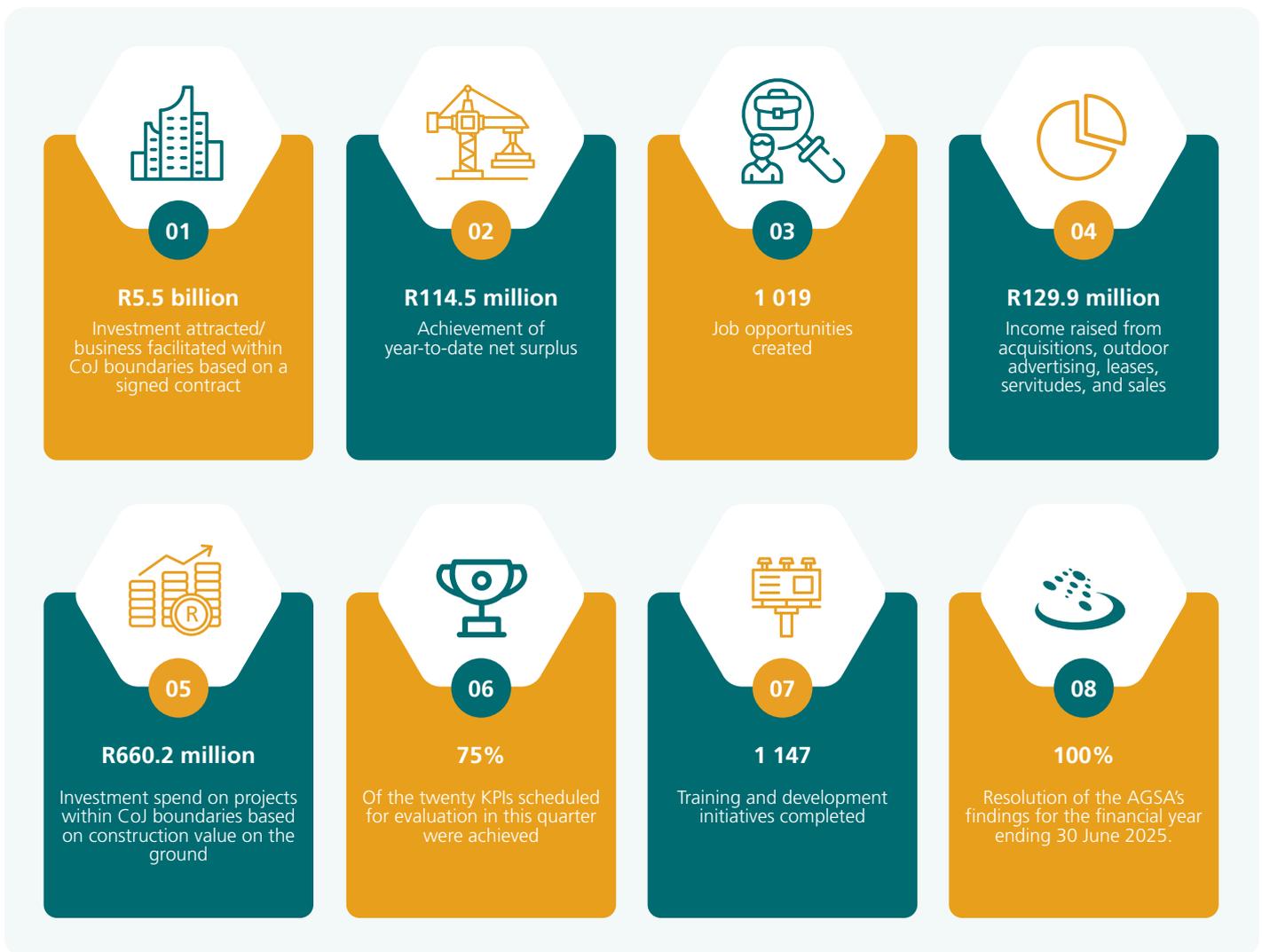


Figure 16: JPC Highlights and Achievements



Section 1.2: Service Delivery Challenges

Service Delivery Challenge	Impact	Mitigation Action
Fiscal constraints and budget reductions	Delayed or scaled-down projects such as Temporary Emergency Accommodation (TEA) facilities	Prioritised high-impact projects; re-sequenced plans; explored alternative funding/public-private partnerships (PPPs)
Delays in project approvals and implementation	Slower delivery of facilities management and property development initiatives	Streamlined approvals; engaged early with City structures
Aging infrastructure and deferred maintenance	Increased maintenance costs and reduced asset quality	Focused on critical repairs; implemented a preventive maintenance programme; sought additional funding
Stakeholder alignment and dependencies	Misaligned priorities and delayed project sequencing	Strengthened interdepartmental coordination; established joint planning forums
High vacancy rate and inability to fill critical posts	Reduced organisational capacity; slower decision-making; delays in project delivery	Prioritising recruitment for revenue-generating and service-critical roles; temporary redeployment of skilled staff; selective outsourcing of specialist functions
Economic and market conditions	Reduced investor uptake and slower property transactions	Enhanced investment campaigns; offered flexible lease terms; leveraged partnerships
Insufficient revenue collection	Reduced financial sustainability; limited ability to self-fund over reliance on subsidies	Intensified debt recovery initiatives; tightened enforcement of lease terms; renegotiated payment plans; improved billing accuracy and follow-up processes

Table 20: JPC Highlights and Achievements

Land Invasion, Illegal Occupation, and Urban Decay

During the 2024/25 financial year, the CoJ and JPC continued to face persistent and escalating challenges related to land invasions, illegal occupation of buildings, and vandalism of land parcels. These issues not only compromise the safety, integrity, and value of municipal assets but also accelerate urban decay, particularly in the inner city and strategic property nodes.

Illegal occupation which includes overcrowded flats in hijacked and slumlord-controlled buildings has placed significant pressure on urban management efforts, infrastructure, and basic services. This has been compounded by vandalism and unsafe structural conditions, creating both social and safety risks.

The entity recognises that addressing this challenge cannot be achieved in isolation. It requires integrated, city-wide collaboration involving multiple CoJ departments, municipal entities, law enforcement agencies, and

provincial/national partners. Interventions must be coordinated to ensure a unified approach to:

- **Safety and Security:** Targeted law enforcement operations, rapid response to invasions, and continuous monitoring.
- **Regulatory and Policy Enforcement:** Strengthened by-law compliance, constitutionally sound eviction processes, and protection of municipal assets.
- **Partnerships and Collaborations:** Engagement with the private sector, non-profits, and community stakeholders to create sustainable urban management models.

The Inner-City Working Group is advancing initiatives that will lead to the adoption of a precinct-by-precinct development and management model. This will focus on

repurposing and redeveloping affected buildings, informed by:

- Comprehensive **market research** into the inner-city property market and competitive landscape.
- **Industry trend analysis** to identify viable redevelopment opportunities.
- **Strategic Development Planning** including an acquisition negotiation strategy, disposal strategy, and property investment prospectus to attract credible private sector partners.

These actions aim to reverse urban decay and unlock new opportunities for sustainable economic growth, job creation, and improved quality of life for residents, while protecting and maximising the value of the City's property portfolio.



Section 1.3: Performance Against Predetermined Objectives

The 2024/25 Annual Report is presented against the approved business plan and corporate scorecard, aligned with the strategic priorities of the Government of Local Unity. The scorecard was reviewed and approved by the Board, with mid-term deviations and budget adjustments processed in accordance with prescribed procedures and approved by Council.

Key adjustments to the corporate scorecard following the Council-approved deviation included:

- **Investment Attraction:** Target increased from R3 billion to R5 billion.
- **CAPEX Spend:** Target increased from 95% to 97%, aligned with City (SLSs).
- **Operating Budget Spend:** Target increased from 95% to 97%.
- **Quarterly Target Corrections:** Applied to KPIs relating to property acquisitions, property releases (social/economic leases, servitudes, and sales), income from property transactions, repairs and

maintenance spend, reduction in UIFW expenditure, and achievement of Service Level Standards (SLS) per the Shareholder Compact.

Performance Outcome

For the year ended 30 June 2025, JPC achieved **75% of its corporate scorecard targets** (15 out of 20 KPIs). While this reflects solid performance in a challenging fiscal and operating environment, areas of underperformance have informed targeted corrective actions to strengthen delivery in the next cycle.





Figure 17: JPC KPI Achievements

Mayoral Priority	KPI No.	FY 2024/25 KPIs	FY2024/25 Actuals		Mayoral Priority	FY 2023/24 KPIs	FY2023/24 Actuals
Sustained economic growth	1.1	R5 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R5 552 395 508.85	▲	A business-friendly city	R5 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R17 376 536 967.29
Sustained economic growth	1.2	R500 million investment spend on projects within CoJ boundaries based on construction value on the ground	R660 437 357.44	▲	A business-friendly city	R500 million investment spend on projects within CoJ boundaries based on construction value on the ground	R502 149 844.08
Job opportunities creation	1.3	1 000 job opportunities created	1 019	▲	Job opportunities creation	1 000 job opportunities created	1 138
Job opportunities creation	1.4	700 SMMEs supported	386	▼	Job opportunities creation	700 SMMEs supported	487

▲ TARGET ACHIEVED ▼ TARGET NOT ACHIEVED ► TARGET NOT DUE



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Mayoral Priority	KPI No.	FY 2024/25 KPIs	FY2024/25 Actuals		Mayoral Priority	FY2023/24 KPIs	Y2023/24 Actuals
Sustained economic growth	1.5	10 properties acquired on behalf of departments and municipal entities for the advancement of the City's service delivery objectives	10	▲	Sustained economic growth	8 properties acquired on behalf of departments and municipal entities for the advancement of the City's service delivery objectives	20
Financial sustainability	1.6	150 properties released on social and economic leases, including servitudes and sales	96	▼	Financial sustainability	140 properties released on social and economic leases, including servitudes and sales	96
Financial sustainability	1.7	100% implementation of the outdoor advertising masterplan	100%	▲	Financial sustainability	100% implementation of the outdoor advertising masterplan	100%
Good governance	1.8	100% implementation of annual refurbishment plan for Metro Centre Precinct	100%	▲	Good governance	100% implementation of annual refurbishment plan for Metro Centre Precinct	0%
Financial sustainability	1.9	27 renewal of office accommodation leases	6	▼	Financial sustainability	27 renewal of office accommodation leases	27
Good governance	1.10	950 employees trained	1 147	▲	Good governance	800 employees trained	806
Financial sustainability	1.11	R125 million income generated through property transactions from acquisitions, outdoor advertising, leases, servitudes and sales	R129 902 387.95	▲	Financial sustainability	R115 million in income raised from commission earned from acquisitions, outdoor advertising, leases, servitudes, and sales	R78 230 000
Financial sustainability	1.12	97% spend on allocated CAPEX	45%	▼	Financial sustainability	95% spend on allocated CAPEX	96%
Financial sustainability	1.13	97% spent on operating budget against approved operating budget	82.64%	▼	Financial sustainability	95% spent on operating budget against approved operating budget	90%
Financial sustainability	1.14	8% of budget spend on repairs and maintenance	8.63%	▲	Financial sustainability	8% of budget spend on repairs and maintenance	45%
Good governance	1.15	100% of valid invoices paid within 30 days of invoice date	100%	▲	Good governance	100% of valid invoices paid within 30 days of invoice date	100%
Good governance	1.16	50% reduction in unauthorised, irregular, fruitless and wasteful (UIFW) expenditure incurred city-wide	88%	▲	Good governance	50% reduction in UIFW expenditure incurred city-wide	50%
Active and engaged citizenry	1.17	95% achievement of service standards	95%	▲	Active and engaged citizenry	95% achievement of service standards	100%



Mayoral Priority	KPI No.	FY 2024/25 KPIs	FY2024/25 Actuals		Mayoral Priority	FY 2023/24 KPIs	FY2023/24 Actuals
Good governance	1.18	Unqualified audit	Unqualified audit	▲	Good governance	Unqualified audit	Unqualified audit
Good governance	1.19	95% resolution of Auditor-General's findings	100%	▲	Good governance	95% resolution of Auditor-General's findings	100%
Good governance	1.20	95% resolution of internal audit findings	97%	▲	Good governance	95% resolution of internal audit findings	96%

Table 21: JPC KPI Achievements

The reasons for non-achievement for these KPIs are as follows:

- KPI 1.4: SMMEs supported through property transactions:** Delayed conclusion of repairs and maintenance panel impacted related property transactions. Earlier procurement and faster execution are planned for 2025/26 to boost SMME participation.
- KPI 1.6: Release of number of properties on social and economic leases including servitudes and sales:** Performance was constrained by the extended approval process within the City's governance structures, from Board recommendation to final Council approval of transaction reports. In addition, efforts to release properties through public tender were delayed due to the pending approval from the City Manager for the Bid-Sec composition memorandum. Without this critical approval, JPC could not initiate the tender processes required to release additional properties. In 2025/26,

early escalation of approvals, improved coordination with City governance offices, and proactive scheduling of Bid-Sec processes will be prioritised to accelerate property releases.

- KPI 1.9: Renewal of office accommodation leases:** Performance was impacted by the fact that sufficient office space had already been secured, reducing the need to renew the full target number of leases. While additional leases were available for renewal, budget constraints and space optimisation decisions meant that no further lease agreements were pursued. JPC is currently in the contract management phase for all approved 9-year and 11-month leases, with no new leases to be entered into for the remainder of the financial year. In 2025/26, space utilisation planning will be aligned earlier with lease renewal schedules to improve KPI achievement

- KPI 1.12: Spend of allocated CAPEX:** CAPEX spend reached 45% against a 97% target due to halted TEA works with a current-year budget of R22 million, following outer-year budget cuts that posed audit risks if spent. The Inner City Rejuvenation Project also stalled after unsuccessful price negotiations; the property valuation amounted to R3.7 million, and the owner wanted R7 million, which was not backed by a valuation. Expropriation proceedings will now be initiated.
- KPI 1.13: Percentage spent on operating budget against approved operating budget:** Office operational expenses are 31.8% below the YTD budget. Delayed commencement of planned leases reduced expenditure, and sufficient office space had already been secured, reducing the need to renew the full target number of leases. Office optimisation further generated savings by accommodating staff within existing contracted space.



Section 2: Core Business

Section 2.1: Asset management

Status of CoJ Property Portfolio Holdings

The City's portfolio has a total value of R10.555 billion, comprising 29 091 properties for the financial year ending 30 June 2025. Table 22 provides a high-level portfolio summary outlining the quantity and value per region.

Region	No. of Properties	Value %	Historical Book Value
Region A	1 669	11%	R1 168 734 216.28
Region B	3 504	15%	R1 630 766 630.10
Region C	3 114	12%	R1 240 602 958.62
Region D	5 572	8%	R829 011 671.09
Region E	4 337	16%	R1 643 186 372.14
Region F	5 295	16%	R1 707 824 043.97
Region G	5 306	18%	R1 906 592 860.04
Outside CoJ	294	4%	R429 026 050.01
Grand Total	29 091	100%	R10 555 744 802.24

Table 22: CoJ Property Portfolio

Net Movements

Table 23 indicates the impact of the movements in respect of the value of the Asset Register in the 2024/25 financial year.

Asset Register Movements in Value	
Opening Balance (1 July 2024)	R10 256 320 347.90
Acquisitions	R359 155 103.34
Disposals	–R59 730 649.00
Closing Balance (30 June 2025)	R10 555 744 802.24
Movement in percentage	2.92%

Table 23: Net Movements

The City's property portfolio has shown consistent growth in recent years. In 2023/24, the portfolio value rose, with the upward trend continuing in 2024/25 through a further **2.92% increase**. This growth stems primarily from properties vested and devolved by the Gauteng Provincial Government to the CoJ, strengthening the asset base and enhancing long-term value.

Property Portfolio Year-on-Year Comparison : Changes in Quantity

Over the past five years, the CoJ's property portfolio has experienced notable changes in quantity, reflecting shifts in both asset acquisitions and transfers.

From 2021 to 2023, the portfolio steadily decreased as residential properties were transferred to beneficiaries in line with the Housing Department's mandate under the Housing Act and the Land Regularisation Programme. This process significantly reduced the total number of properties, particularly

in regions with large-scale regularisation initiatives.

In the 2024/25 financial year, this trend reversed, with the portfolio increasing slightly to **29 091** properties, up from **29 001** in 2023/24.

This growth is primarily due to properties vested and devolved by the Gauteng Provincial Government to the CoJ, bolstering the asset base despite ongoing regularisation transfers. The most notable increase occurred in Region C, where holdings rose sharply from 2 575 to 3 114 properties, reflecting the largest single contribution to overall portfolio growth.



Table 24 outlines the year-on-year changes in property holdings across all regions from 2021 to 2025, illustrating the overall decline over time, followed by a recent upward adjustment in the latest year.

Region	2025	2024	2023	2022	2021
Region A	1 669	1 719	1 675	1 697	1 712
Region B	3 504	3 516	3 909	3 922	3 927
Region C	3 114	2 575	2 342	2 350	2 349
Region D	5 572	5 914	6 017	6 097	6 126
Region E	4 337	4 345	4 357	4 487	4 528
Region F	5 295	5 305	4 860	4 874	4 862
Region G	5 306	5 331	4 266	4 459	4 468
Outside CoJ	294	296	307	307	364
Total	29 091	29 001	27 733	28 193	28 336

Table 24: Number of Properties per Region per Year



Soweto-Theatre



Section 2.2: Commercial and City-Focused Intervention Projects

Mixed-Use Development Transactions: Pipeline Projects

Project Name: Jabavu Extension 6

2024/25 FY Project Developments

Located on the former Jabavu Stadium and Homemakers site, this mixed-use development will deliver at least **768 RDP housing units** to accommodate the informal settlement currently on site, alongside retail and recreational facilities aimed at creating much-needed job opportunities in Soweto.

The Department of Human Settlements has entered into a Service Level Agreement (SLA) with JPC for the facilitation of the social housing component.



Project Status

In the 2024/25 financial year, significant progress was made:

- Township establishment conditions and layout plans were approved.
- Preparation of the general plan for submission to the Surveyor General commenced.
- Preparations for bulk services construction, scheduled to start in May 2025, were finalised.
- The contractor was formally introduced to the community by the Ward Councillor.
- The Community Liaison Officer position was advertised, and the appointment concluded in June 2025.
- The contractor is now stationed on-site, with site preparations as the next step towards commencing construction.

Project Name: Erf 57 Crown Mines Servitude

2024/25 FY Project Developments

In the 2024/25 financial year, Council approved the registration of a right of way servitude over Erf 57 Crown North (Council-owned) in favour of the owner of Erven 109 and 110 Crown North Ext. 10. These erven are currently landlocked, and the servitude will provide formal access, enabling the landlord to explore the development of a storage facility on the site.

The property is currently not utilised for its intended purpose as a public recreational facility and primarily serves as a servitude corridor accommodating Eskom overhead power lines. Repurposing the site for investment use will not only optimise land value but also mitigate the risk of illegal occupation and land invasion, a growing challenge in the City.

All CoJ departments, including Eskom (the primary beneficiary of the existing servitude in respect of Erf 57 Crown North), raised no objections to the proposed granting of the right of way.

This initiative forms part of JPC's broader mandate to unlock underutilised municipal assets for productive use, attract investment, and stimulate economic activity. The proposed development presents an opportunity to generate sustainable revenue for the City while improving asset security through active management.

The agreement for the servitude is currently with the applicant for consideration, and JPC will continue to work closely with the relevant CoJ departments and entities to facilitate its registration and support the realisation of the development opportunity.





Project Name: African Renaissance Precinct – Thabo Mbeki Presidential Library Development (Portions 3 & 7 of Erf 14 Riviera)

2024/25 FY Project Developments

In the final quarter of the 2024/25 financial year, the CoJ concluded a Development and Lease Agreement with the Thabo Mbeki Foundation for Portions 3 and 7 of Erf 14, Riviera, enabling the creation of the African Renaissance Precinct, anchored by the Thabo Mbeki Presidential Library (TMPL).

Representing an estimated R1 billion investment, the TMPL will serve as a living library, museum, and research hub, preserving the legacy of former President Thabo Mbeki and other influential African leaders, while promoting continental unity and civic participation in Africa’s ongoing renaissance. Key components include a museum, research centre, special collections archive, auditorium, women’s empowerment centre, digital engagement spaces, and community-oriented recreational facilities.

Beyond its cultural and educational mandate, the project is strategically positioned to drive economic development, cultural tourism, and social cohesion. By integrating mixed-use elements within a single precinct, it is expected to stimulate surrounding property values, attract local and international visitors, and create sustainable employment opportunities.

The TMPL will function as both a repository of African heritage and a catalyst for urban regeneration in Johannesburg, aligning with the City’s broader objectives of unlocking high-impact investments, enhancing the metropolitan cultural landscape, and delivering measurable socio-economic benefits.



Project Name: Rietvlei Zoo Farm (known as Portion 3 of Farm Rietvlei 53 IR), Portion 8 of the Farm Palmietfontein and Farm Liefde-en-Vrede

2024/25 FY Project Developments

Project Status

Rietvlei Zoo Farm, a 528-hectare property in southern Johannesburg near Mall of the South and Brackenhurst, holds exceptional ecological, heritage, and investment value. Its scale and location present significant opportunities for eco-tourism, recreation, education, and eco-sensitive residential development, alongside nature conservation and biodiversity protection.

Council resolved to initiate a public participation process to guide future land use in the 2024/25 financial year. The Section 79(18) notice was published, with submissions invited from the public, National and Provincial Treasury, City departments, and municipal entities. Feedback from Provincial Treasury and internal departments has been received; input from National Treasury is pending.

Given its ecological and heritage value, permissible land uses include:

- Nature conservation areas focused on biodiversity protection
- Outdoor and tourism-related amenities such as hiking trails, eco-lodges, boutique hotels, restaurants, curio markets, and conference centres
- Social infrastructure including educational institutions, places of worship, and recreational facilities

Once the notice period closes and all comments are consolidated, a report will be presented to the City’s committees for consideration before final Council approval. This process will determine a development strategy that balances economic growth, community benefit, and environmental stewardship, positioning Rietvlei Zoo Farm as a flagship sustainable development in Johannesburg.





Project Name: Erf 15 Orlando Ekhaya

2024/25 FY Project Developments

A proposed development located at 134 Kingsley Sithole Street, this 25 424 m² site is zoned Business 1 and earmarked for a catalytic mixed-use development anchored by student accommodation in support of the University of Johannesburg’s Soweto Campus. As part of the broader Orlando Ekhaya Precinct, the project will help reshape the physical fabric of Soweto — reimagining township development through a blend of affordability, innovation, inclusivity, and mixed-use design.

The development will deliver 417 purpose-built student units (studio, one-bedroom, and two-bedroom) in three phases:

- **Phase One:** 171 units
- **Phase Two:** 171 units
- **Phase Three:** 75 units

Project Status

The following key technical studies and approvals have either been completed or are in progress:

- **Stormwater Outline Scheme Report** (inclusive of sewer and water assessments)
- **Traffic Impact Study**
- **Environmental Assessments**
- **Rational Fire Design Compliance Submission**
- **Site Development Plan** – Submitted in **May 2025**
- **Building Plans** – Submitted to **Building Control**

Enterprise Development and Investment

Aligned with the City’s transformation agenda, **three SMMEs** (architect, quantity surveyor, and contractor) have been appointed, with **R4.1 million** invested to date in planning, design, and preliminary works. The project will address urgent student housing needs, stimulate local economic activity, and drive inclusive growth in Soweto

Project Name: Portion 109 Farm Zandfontein 42 IR

2024/25 FY Project Developments

This strategically located vacant land parcel at the corner of Pongola Avenue and Amalinda Street, along Katherine Street in Zandfontein (Region E, Sub Area 13), borders Sandton and sits within a designated neighbourhood node aimed at environmental protection and managed urban containment.

Measuring **8 864 381 m²** and currently zoned Agricultural, the property was disposed of with the condition that the developer would secure the necessary township establishment and development rights at their own cost. The proposed Business zoning will enable a commercial mixed-use development comprising retail, restaurants, office space, a hotel with executive suites, showrooms, and structured/surface parking — boosting the node’s commercial appeal and driving local economic growth.

Project Status

Challenges Affecting Development Progress

Progress has been delayed due to an impasse with the Johannesburg Roads Agency (JRA) over road contribution obligations linked to the township establishment process. Resolving this remains a JPC priority, as finalising the agreement will unlock the site’s full development potential and deliver substantial commercial and economic value in line with the City’s spatial and growth objectives.





Projects at Construction Phase / Stage

Project Name: Lifestyle Complex Development: Erf 53 Alan Manor

2024/25 FY Project Developments

Located at the corner of Caro and Constantia Avenue in Region F, Erf 53 Alan Manor is a prime residential development with an estimated value of **R64 million**, offering 83 modern one- and two-bedroom units within a secure, amenity-rich lifestyle complex. Features include controlled access, landscaped open spaces, recreational areas, solar infrastructure, and community facilities.

Project Status

Phases 1 and 2 have delivered 64 units to date, with strong market uptake — 20 units sold and 7 still available across all phases. Phase 3 will complete the final 19 units, with top-structure completion — the point when all building works above the foundation are finished and units are ready for interior fit-out — targeted for 30 June 2025. Registration, the legal transfer of completed units to buyers, is expected by 30 August 2025.

Project Opportunities/Focus

The development contributes to urban densification in a sought-after node, stimulates local economic activity, and supports job creation, with consistent employment maintained through the retention of the original project residential.



Project Name: Riverside View Mega Housing Development

2024/25 FY Project Developments

Riverside View Mega City is an exciting mega-scale integrated housing development project located within one of the fastest-growing economic nodes within the CoJ Metropolitan Municipality.

The project's proximity to Steyn City, which represents arguably one of the most affluent developments in the country, serves as a token of integration as well as a direct antidote to former exclusionary spatial planning practices.

In addition, the project's proximity to Diepsloot aids in the transformation of housing provision by providing a healthy alternative to the expansion of the Diepsloot informal settlement area. The development is structured in such a way that (in terms of tenure models) individuals who reside in informal settlements are able to access housing opportunities in the Riverside View Mega Housing Project.

The development yields:

- 10 414 total residential units

Breakdown of units

(development yields/total housing mix):

- 3 113 single residential Finance-Linked Individual Subsidy Programme (FLISP) units
- 4 332 high-density walk-up RDP units
- 2 969 high-density walk-up rental units
- 10 117 units completed
- 892 due for completion

Project Status

The project is in the final stages of construction. To date, 10 145 units have been completed:

- Single residential FLISP units completed: 2 948 out of 3 113 planned
- Multi-storey FLISP units completed: 904 out of 1 028 planned
- Multi-storey RDP units completed: 4 140 out of 4 604 planned
- Multi-storey rental units completed: 457
- Multi-storey (JOSHCO) units: 364 out of 1 108 planned

Project Opportunities/Focus

- Eradication of informal settlements and providing beneficiaries with formal housing

Project Challenges/Delays

- Protection of land and vacant buildings from illegal occupation
- Community unrest/project stoppages – caused by unregulated business forums
- Various delays during the lifecycle of the project caused by Eskom as the supplier of the bulk of electricity for the project
- Delays in approval of Urban Settlements Development Grant budgets by the CoJ or budget cuts, resulting in delays with implementation of bulk infrastructure programmes
- Delays in approval of Human Settlement Development Grant budgets by the Gauteng Department of Human Settlements (GDHS) or budget cuts, resulting in delays with construction of RDP top-structures and services
- Delays in payments of invoices by the CoJ and GDHS, creating cash flow pressure
- Delays with beneficiary identification and allocation once RDP buildings are completed, putting vacant buildings at risk of invasion and resulting in high security costs for the developer, which has necessitated the protection of land and vacant buildings from illegal occupation/invasion



Project Name: Paterson Park : Erven 42 – 46 Victoria Ext. 3

2024/25 FY Project Developments

The Paterson Park precinct has been earmarked for the development of a high-density mixed-income residential development in support of the Louis Botha Corridor.

Johannesburg Roads Agency and Pikitup depot functions need to be relocated to alternative sites to free up land for the development. These old depots include Erven 409, 110, and 111, Norwood (Pikitup depot) and Erven 6, 7, 8 and 9, Orchards (JRA depot). Numerous consultations have been held with the various depots.

The proposed inclusive, mixed-use development will include approximately 800 new housing units, a hotel or facilities for similar use, as well as cultural and artistic spaces. Its delivery is dependent on the relocation of the existing Pikitup and JRA depot and the Pikitup garden refuse site.

The total project area is approximately 3.5 hectares, with an estimated development cost of **R550 million**.

Project Challenges/Delays

- Delays in relocating CoJ depots to make land available for housing development
- Lack of funding
- Development delays due to the re-advertising of bids following poor bid responses
- Extensive timelines for planning application approvals

Project Status

- Section 14(2) approval obtained.
- Landscaping and construction of parking completed.
- Request for quotation (RFQ) for the refurbishment of the bowling club released and the service provider appointed to refurbish the entire building.
- Request for proposal (RFP) – for the first phase of 744 mixed-income residential units for development and sale/long-term lease of the site to be released, awaiting bid specification composition memo for the approval of the committee, which has been submitted to the City Manager for signature.

Project Opportunities/Focus

- Linking more development opportunities to the public transport backbone introduced by Rea Vaya along Louis Botha Avenue
- Packaging and preparation of the alternative site identified for the relocation of the JRA and Pikitup depots to make land available for housing development opportunities for a mixed-income residential development comprising 744 units
- Advertising the property on tender for development and sale



Project Name: Victory Park Lifestyle Development (Previously known as Parkhurst Bowling Club)

2024/25 FY Project Developments

Located in Parkhurst, the property is bounded by Victory Road to the south, Rustenburg Road to the west, and Parkhurst Road to the east. The site measures approximately 8.3046 hectares. The property consists of two structures, which are currently occupied by vagrants.

The proposed development will feature a mixed-use precinct comprising a modern, energy-efficient shopping centre, social and affordable housing units, and ample parking for both retail and residential use.

The retail centre will be an inclusive facility, offering residents of Parkhurst and surrounding areas a well-located, large-scale, integrated retail development that provides convenience and is easily accessible.

The shopping centre will have a total gross lettable area of 20 875 m², while the social and housing component will cover 9 504 m² and comprise 294 units. The development will also include a clubhouse with changing rooms, meeting rooms, and a swimming pool for residents.

Project Status

The **Site Development Plan (SDP)** application is currently under review by various departments within the CoJ. Notable progress has been made across key technical and statutory processes, as outlined below:

- **Township Establishment and Zoning Application:** The appointed Town Planners have submitted the formal application.
- **Geotechnical Investigation:** A comprehensive geotechnical study has been conducted.
- **Traffic Impact Assessment (TIA):** A draft TIA was submitted to the JRA. Feedback received from the JRA is currently being addressed and incorporated into the final submission package.
- **Environmental Application:** Documentation has been updated in line with statutory requirements. The 30-day public participation process is currently in progress to ensure stakeholder input and compliance with environmental regulations.
- **Bulk Services (Water, Stormwater, Electrical, Sewerage):** Outline Services Scheme Reports have been approved in principle for all required bulk services. Approval of the final service connections is subject to the submission and assessment of detailed design drawings.

Project Challenges/Delays

- The unavailability of TEA to remove the illegal occupants
- Awaiting approval from CoJ departments regarding the service delivery agreement (SDA) application

Project Opportunities/Focus

The following benefits will be derived from the development:

- Generate revenue for the Municipality through rental and rates and taxes
- Create jobs during and after the development stage
- Revitalise asset and infrastructure development
- Provide easy access to social and economic amenities
- Facilitate skills transfer
- Promote SMME empowerment





Project Name: Erf 419 Klipspruit

2024/25 FY Project Developments

The project, located in Klipspruit, Soweto, aims to address the increasing demand for student housing in the area, particularly among NSFAS (National Student Financial Aid Scheme) students. The project's establishment was driven by the growing student population from nearby educational institutions, including the University of Johannesburg Soweto Campus and the South West Gauteng TVET colleges (George Tabor and Molapo campuses).

The development site covers 2.1806 hectares and upon completion of construction, the development lease agreement will run for up to 50 years. The site is accessible via September and Mochub Streets and lies approximately 650 m from Maponya Mall and 250 m from the Nike Football Training Centre.



Project Status

- The SDP is circulating among various CoJ departments for comment and approval. Its endorsement is contingent on the municipality's consent-use application. Architectural layouts have been submitted to the progress team for review.
- Town planning processes are under way to authorise the consent use of the development, as future phases of the project will comprise four-storey blocks.
- The consent-use application to the CoJ has been partially approved; the floor area ratio has been increased to the proposed level, with approval of the height increment still pending. Meanwhile, structural, civil, mechanical, and electrical designs are in progress.
- The Development Lease Agreement has been concluded with the preferred bidder.
- Structural, civil, mechanical, and electrical engineers' designs for the phase are 90% complete.



Project Name: Erven 159–169 & Erf 530 Cottesloe

2024/25 FY Project Developments

Project Status

The primary objective is to consolidate Erven 159–169 and Erf 530 Cottesloe to create a single erf for the development of student accommodation around the University of Johannesburg (UJ) Auckland Park campus.

The development conditions on the zoning certificate will not change for the consolidation, and rezoning will be the next phase of the project to ensure that the zoning aligns with student housing.

The current status of the land will ultimately change once consolidation is approved. The currently unused site will be transformed into an economic asset for the municipality and will contribute to the modernisation of the surrounding area at UJ.

The risk of illegal occupation will be significantly reduced as the site becomes actively managed and developed. The project is expected to:

- Generate revenue for the City
- Create employment opportunities during construction and post-completion
- Empower local SMMEs, in line with the City's inclusive development objectives

This initiative represents a key step toward sustainable urban transformation and economic development in one of Johannesburg's key academic corridors.

Project Context and Impact

The property, previously used for student accommodation, is strategically located near UJ's main campus, which surrounds the site. To the west lies the SABC building, placing the site in a prime position for redevelopment.

Upon finalisation of the erven's consolidation and the SDP, the vacant and underutilised land will be transformed into a modern, revenue-generating asset for the City. The proposed development will help address the student housing shortage, support urban renewal of the UJ precinct, and contribute to the economic activation of the surrounding area.

- The project is currently at the SDP design stage.
- Consolidation of the 10 erven has been approved, paving the way for unified development.
- A heritage application is currently in progress to ensure compliance with regulatory and preservation requirements.
- A hijacked single-storey structure currently occupying the site is earmarked for demolition, enabling preparation for future development.



Section 2.3: Acquisition and Municipal Unit

Acquisitions at Negotiation Stage

Council approved fourteen (14) acquisitions to the value of **R62.6 million** during the period under review. Transfer is anticipated within the current financial year, subject to an upward adjustment of the budget in favour of the Department of Human Settlements and acceptance of offers by the property owners.

Management of Sanitary Lanes City-Wide (Released Properties)

One (1) management agreement to the value of **R3 000** was released during the quarter under review. The numbers have dropped significantly compared with previous financial years due to various challenges encountered by adjoining property owners.



Section 2.4: Mega Projects

Project Name: Power Park Student Accommodation and Orlando Ekhaya Waterfront Development

2024/25 FY Project Developments

The Orlando Ekhaya and Power Park Housing Projects are not only reshaping the physical fabric of Soweto, but are also reimagining the future of township development through a powerful blend of innovation, inclusivity, and long-term planning. These projects represent a model of urban transformation where dignity, access, and opportunity lie at the heart of development.

The CoJ proudly celebrates this achievement as a blueprint for future integrated housing precincts—demonstrating the impact of well-structured public-private partnerships and socially responsive investment.

Project Developments at a Glance:

Power Park Student Accommodation

- 850 beds already occupied by students
- 1 450 additional beds currently under construction
- Total: 2 300 beds in Phase One
- Of these, 848 beds will be allocated at no cost to qualifying students—demonstrating a strong commitment to education equity and social upliftment

Orlando Ekhaya FLISP/Bonded Housing

- 648 units under construction
- 136 units already occupied by homeowners

Social Housing

- 1 740 units planned across Erven 47 & 48
- Sites are fully zoned and proclaimed, with bulk infrastructure already installed

RDP Housing

- Over 2 000 units planned across various parcels, including:
 - › Power Park Ext. 2
 - › Orlando Ekhaya Erven 22, 23, and 24

These developments signal a paradigm shift in township housing delivery—linking infrastructure, economic empowerment, education, and social upliftment in one cohesive precinct. As construction progresses, the Orlando Ekhaya and Power Park projects continue to stand as symbols of progress, driving the City closer to a more equitable, vibrant, and inclusive Johannesburg.

Project Status

Project Launch and Strategic Milestone

On 23 May 2025, the CoJ, in collaboration with JPC, officially launched the Orlando Ekhaya and Power Park Housing Precinct—a landmark initiative and one of the most ambitious urban development projects undertaken by the City to date.

With over **R439 million** in private sector investment secured, these developments directly support the City's mission to:

- Deliver affordable, dignified housing at scale
- Rectify historic spatial disparities
- Promote inclusive, sustainable growth within township communities

During the launch, MMC for Economic Development, Cllr Nomoya Mnisi, emphasised the project's far-reaching social and economic significance, stating that it "transcends the provision of housing" and plays a critical role in addressing spatial injustice while building connected, equitable communities.

JPC's Acting CEO, Mr Musah Makhunga, reaffirmed the alignment of the project with the City's spatial transformation agenda, noting: "This project reflects our unwavering commitment to creating inclusive urban environments that respond to the needs and aspirations of all Johannesburg residents."

The ceremonial launch featured a ribbon-cutting at the affordable housing site, and a sod-turning and plaque unveiling at the student accommodation location. The ceremonies were led by JPC Board Chairperson Mr Simon Motha, joined by the MMC and City Councillors.





Project Name: Southern Farms

2024/25 FY Project Developments

The Southern Farms Project is a flagship initiative in the City's long-term spatial transformation strategy, designed to address housing demand, infrastructure backlogs, and inclusive economic growth through the creation of conservation-based, mixed-use "urban villages".

The development is structured in two phases, with **Phase 1** (936 ha west of the N1) prioritised for immediate implementation. Phase 1 will deliver 12 363 housing units across RDP, FLISP, and single-residential typologies, alongside retail, industrial, community, and recreational amenities. **Phase 2** (east of the N1) will follow once bulk infrastructure upgrades and land acquisitions are completed, bringing the total residential yield to approximately 42 000 units.

On-Site Activities and Job Creation: Site establishment and clearing commenced in March 2025, marking the transition of the Southern Farms Biodiversity Development Project from planning to implementation. Tenders for civil and electrical works were finalised, resulting in the creation of 33 local jobs during the initial phase. The appointed contractors are:

- **Civtek (Pty) Ltd** – Civil works
- **Prokor Electrical Contractors (Pty) Ltd** – Electrical works

De-Proclamation of Olifantsvlei Nature Reserve: The Gauteng Department of Agriculture and Rural Development (GDARD) has been requested to initiate the de-proclamation of the Olifantsvlei Nature Reserve, originally proclaimed in 1957 but never managed under the Protected Areas Act. GDARD has granted conditional consent for Phase 1 to proceed during the legislative process.

Way Forward – 2025/26

- Finalisation of township approvals through the Municipal Planning Tribunal.
- Continued installation of civil and electrical infrastructure
- Completion of land acquisition and budget approval processes
- Ongoing engagements with Johannesburg Water to resolve WULA-related issues
- Monitoring Phase 1 rollout, including contractor performance and community engagement



Project Status

Key Achievements in 2024/25:

Land Acquisition: Council approved the acquisition of 11 privately owned land parcels. Property valuations were completed in June 2025, and a budget request has been submitted to the Executive Director: Human Settlements. Budget confirmation will allow the initiation of negotiations with landowners.

Environmental Approvals: Positive Records of Decision were received for all submitted townships within Phase 1 (Precincts C1–C3, A1, and A2). Water Use Licence Applications (WULAs) for these precincts were declined by the Department of Water and Sanitation (DWS) due to capacity constraints at the Olifantsvlei Wastewater Treatment Works.

JPC is engaging with Johannesburg Water to address the capacity issues, while the developer has lodged an appeal with the Water Tribunal. The appeal argues that DWS failed to meet the 90-day decision timeframe, with over eight months having elapsed without formal resolution. The developer has requested that DWS consider conditional approval of the WULA, subject to Johannesburg Water implementing the required capacity upgrades.

Funding: For 2024/25, the project received an Urban Settlements Development Grant allocation of R84 million, of which R78 million has been spent. The remaining funds will be utilised in July–August 2025. A further R100 million has been requested for the 2025/26 financial year.

- Finalisation of the Southern Farms Precinct Plan and confirmation of the phased development framework.
- Completion of detailed planning for Phase 1 precincts (A1, A2, C1, C2, and C3).
- Submission of township establishment applications for identified land parcels.
- Progress on bulk infrastructure planning and design to support Phase 1 implementation.
- Stakeholder engagement and consultation with affected communities, developers, and environmental authorities.
- Identification of priority sites for public facilities, including schools, clinics, and community amenities.
- Applications for 17 townships were submitted to Development Planning, with Extensions 54 and 9 approved. The remaining 15 applications faced objections from interested parties and are currently pending before the Municipal Planning Tribunal. The appointed developer is revising these applications to address the objections, with adjudication scheduled for 1 October 2025.



Project Name: Soweto Gateway

2024/25 FY Project Developments

The Soweto Gateway Development is a transformative mixed-use initiative designed to establish an iconic entrance into the Soweto/Baralink Node. The project integrates diverse land uses to create a vibrant, inclusive urban environment, reinforcing adjacent institutional, educational, manufacturing, and commercial activities. It will be supported by medium- to high-density, mixed-income residential developments, community facilities, recreational areas, and accessible public spaces.

The development is structured around sustainable urban design principles, enhancing connectivity within Soweto and linking to the broader Johannesburg metropolitan area. It is envisioned as a place to live, work, and play, establishing a well-balanced, accessible, and landmark urban gateway.

While physical construction remains limited, the Soweto Gateway Development has made significant progress in technical planning, institutional approvals, and preparatory engagements. Completion of the township proclamation and lease processes will position the project to move into the construction phase, delivering a high-impact mixed-use development that reinforces Soweto's status as a connected, vibrant, and inclusive urban node.

Phasing and Residential Yield

- **Phase 1:** Erven 4, 5, and 6 – four-storey dwelling units yielding **724 social and inclusionary housing units**.
- **Phase 2:** Erven 7, 9, and 10 – four-storey dwelling units yielding **3 578 housing units**.

Way Forward – 2025/26

- Conclude the township establishment process and proceed with formal proclamation.
- Obtain Council approval for the Section 33 report to enable the Development Sale and Lease Agreement to be signed.
- Hand over the site to the developer for management, security, and maintenance.
- Transition into implementation, beginning with Phase 1 residential development.
- Continue stakeholder engagement to support project execution and ensure alignment with urban integration objectives.

Project Status

Progress Made – 2024/25

- Township establishment process is ongoing; formal proclamation to follow.
- Master planning and technical design framework advanced to guide spatial and development decisions.
- Section 33 compliance report prepared and at final approval stage; submission to Council pending.
- Lease agreement with the developer to be concluded upon Council approval of the Section 33 report.
- Institutional and stakeholder engagements undertaken to address administrative bottlenecks and secure support for project implementation.
- Project presented to relevant departments to outline funding requirements, including Urban Settlements Development Grant support.





Project Name: Orlando Ekhaya Waterfront Development

2024/25 FY Project Developments

The Orlando Ekhaya Housing Project continues to demonstrate the City of Johannesburg’s commitment to reshaping township development through a balanced integration of affordable housing, infrastructure investment, and social upliftment. This precinct is being positioned as a benchmark for future mixed-income, inclusive housing developments in the City.

The Orlando Ekhaya development includes a dynamic mix of bonded/FLISP, social, and RDP housing options. These typologies are carefully integrated to promote a sustainable and inclusive community model.

This development supports economic empowerment and spatial redress by bringing integrated, dignified housing closer to key transport and economic nodes.

Bonded/FLISP Housing

- 648 units under construction
- 136 units already occupied by homeowners

Social Housing

- 1 740 units planned across Erven 47 & 48
- Sites fully zoned and proclaimed
- Bulk infrastructure installation completed

RDP Housing: Over 2 000 units planned across various parcels, including Erven 22, 23, and 24

With respect to Erven 31, 36, and 41 within the Waterfront Project, the initial strategy was to release the properties on tender for mixed-use development. During the review process, formal objections were raised by City Parks and Zoo and the Environmental Infrastructure Services Department, while the Department of Human Settlements proposed that Erf 36 be reserved for basic municipal services.

These inputs have provided an opportunity to engage in constructive interdepartmental discussions to ensure optimal land use that balances development objectives with community and environmental priorities. Active engagements are under way to resolve the outstanding matters, and the project team remains committed to progressing towards a mutually beneficial outcome.

Project Status

Strategic Milestone – Project Launch

On 23 May 2025, the City officially launched the Orlando Ekhaya Housing Precinct in partnership with JPC. The ceremonial launch included a ribbon-cutting event at the affordable housing site and was attended by JPC Board Chairperson Mr Simon Motha, the MMC for Economic Development Cllr Nomoya Mnisi, and other City leaders. The project has attracted over R439 million in private sector investment and is a core component of the City’s spatial transformation agenda.

Key Achievements (2024/25 FY)

- Professional planning completed for 1 740 social housing units
- SDP approvals secured
- Design finalised for 600 additional units at Orlando Towers Lifestyle Estate
- Earthworks and civil services completed for Phases 2–4 (630 units)
- Building plans approved and units enrolled with NHBC
- Total investment to date: **R104.6 million**





Project Name: Redevelopment of the Metro Centre Public-Private Partnership

2024/25 FY Project Developments

The Metro Centre remains a critical municipal asset, housing essential infrastructure, equipment, and archived records despite successful decanting. In line with the CoJ's strategic objective to safeguard high-value municipal assets, the JPC has led the implementation of a comprehensive security and refurbishment plan to protect the site, prevent vandalism and unauthorised access, and prepare the precinct for future repurposing.

Way Forward – 2025/26

- Complete construction of a reinforced perimeter wall and additional physical security infrastructure.
- Continue 24/7 armed security deployment to safeguard municipal assets and records.
- Maintain hygiene and upkeep through ongoing EPWP-supported clean-up operations.
- Advance precinct refurbishment and secure preparations for future redevelopment and repurposing.
- Monitor and review all security interventions to ensure alignment with City-wide asset protection strategies.
- Procurement and placement of materials has commenced, with delivery scheduled for the middle of August 2025. Manufacturing of concrete slabs is dependent on warm weather conditions, which affects the delivery schedule.
- Owing to external constraints, the original two-month project schedule has been extended, with completion now anticipated by mid-December 2025.



Project Status

Progress Highlights – 2024/25

Clean-Up Operations

- Large-scale internal and external clean-up conducted in December 2024 under an SLA with the Department of Economic Development and the Expanded Public Works Programme (EPWP).
- 71 EPWP participants deployed, enhancing hygiene, safety, and upkeep of the building post-decanting.

Deployment of Armed Security Personnel

- Two private security providers, Mabotwane Security and Vimtsire Protection Services, appointed
- 70 armed guards deployed (35 day shift, 35 night shift), replacing interim JMPD patrols
- Intervention valued at R3 498 949.65, significantly strengthening site security

Perimeter Securing and Infrastructure Works:

- JOSHCO appointed a Level 6 contractor to construct a reinforced concrete boundary wall topped with barbed wire
- Site handed over on 2 June 2025, with all contractual documentation finalised by 10 June 2025
- Preparatory works and supplier engagement underway; full-scale construction mobilised

The interventions implemented during the 2024/25 financial year mark an important step forward in the City's efforts to safeguard high-value municipal assets and prepare the Metro Centre precinct for future redevelopment. Through coordinated clean-up operations, professional armed security deployment, and strategic infrastructure enhancements, the City has ensured that the Metro Centre remains protected, operationally secure, and aligned with long-term spatial and developmental objectives. These measures form part of a broader City strategy to secure municipal assets and enable their safe repurposing in line with planned redevelopment initiatives.



Project Description: Outdoor Advertising

As part of the City's initiative to regularise and optimise revenue from outdoor advertising on Council-owned properties, the JPC has facilitated the issuance of 215 letters of consent to four media owners—JCDecaux SA, Primedia Outdoor, Kena Outdoor, and FrontSeat One—to submit signage applications for processing in line with the City of Johannesburg's Outdoor Advertising by-laws. The project aims to strengthen governance, boost revenue, reduce illegal signage, and promote inclusive participation through SMME development and job creation.

Way Forward – 2025/26

- Finalise and sign lease agreements with all media operators
- Implement revised by-laws to enable digitalisation and streamline application approvals
- Continue monitoring and managing the outdoor advertising portfolio to maximise revenue and compliance.
- Expand SMME participation and support job creation in the sector

Project Challenges/Delays

- Current by-laws prohibit digitalisation of signs, limiting approvals and potential revenue.
- Lengthy approval process through the Department of Development Planning has delayed implementation.
- Low occupancy rates on signage reduce revenue potential.

Project Progress 2024/25

- **Kena Outdoor:** 41 letters of consent have been issued, enabling the submission and processing of signage applications. Lease negotiations are at an advanced stage.
- **Executive Adjudication Committee (EAC) Resolutions:** Three resolutions have been secured to facilitate lease agreements with Ad Outpost, Movie Magic, and JCDecaux SA (Street Furniture Contract).
- **Media Genius:** A lease agreement has been signed for 60 months, with 30% gross income per site per month.
- **Portfolio Overview:**
 - › JCDecaux SA – 7 780 street furniture signs
 - › Ad Outpost – 16 advertising signs (street poles and street furniture)
 - › Movie Magic – 1 billboard sign within City jurisdiction
- **Revenue Collected: Portfolio Overview:**
 - › Total revenue: R55 352 358.28
 - › Rental payments to K&R Attorneys: R14 500 013.28
 - › Cell mast receipts: R19 703 821.67
- Draft lease agreements for all operators have been prepared and are undergoing internal compliance review

Opportunities / Focus

- Draft revised 2024 by-laws expected to streamline approvals and improve revenue collection
- Formalisation of relationships with media owners, including Black-owned companies, which supports equity and inclusion objectives
- Key goals: increase City revenue, enhancing out-of-home advertising profitability, and reducing illegal signage to declutter urban spaces



Johannesburg City Skyline



Office Accommodation and Parking Facilities for CoJ Departments and Entities

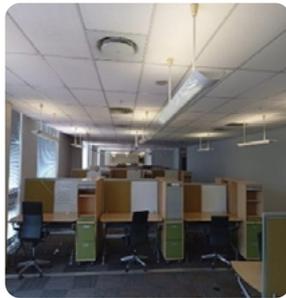
JPC has initiated a competitive bidding and lease extension programme to secure office accommodation and parking facilities for all City of Johannesburg departments and entities. The programme spans a period of 9 years and 11 months and aims to optimise space utilisation, ensure secure and OHS-compliant environments, and provide reliable service delivery infrastructure, including backup power and water supply.

Project Challenges/Delays

- Delays in submitting reports to Council
Slow turnaround in receiving Council resolutions
Postponements in department relocations.
Late rental payments by certain tenants
Additional relocation requests from City departments affecting timelines.

Project Opportunities/Focus

- Provide safe, secure, and OHS-compliant office environments.
Ensure reliable, continuous service delivery with backup power and water.
Enhance convenience and access for public and staff.
Optimise space utilisation and rationalise occupancy across all corporate buildings.



Project Status

Project Progress – 2024/25

Competitive Bidding and Lease Extensions:

- Lease agreements have been finalised for the following buildings:
137 Daisy Street – Region E
Old Mutual Building – JRA/Transport
BCX Building – Region A
Traduna Centre – Region F user departments
66 Jorissen Place – DED and Pikitup
Libridge Building – Ombudsman and Metro Centre offices
JD House – GICT
Eureka House – Region F (Springfield)
Sappi Building – GSPCR, GRAS/GFIS, and Office of the Ombudsman
Nedbank Building, Newtown – Metro Centre
A Council report recommending lease extensions (up to 9 years 11 months) has been finalised for Braampark, 222 Smit Street, 66 Jorissen Street, JD House, Nedbank Building, and Turbine Hall. The report is progressing through Council for noting.
The Bid Specification Committee (BSC) process for Group Finance office accommodation has been completed; approval to advertise RFP is pending from the City Manager.

New Lease Activations and Relocations (Effective 1 September 2024):

- BCX Building
137 Daisy Street
Traduna Centre
Old Mutual Building
Eureka House
SAPPI Building
JD House

Nedbank Building – Newtown Lease and Occupation Plan:

- A 24-month lease has been signed for 45 221 m² office space, 1 752 parking bays, and capacity for approximately 2 100 employees
Priority departments including Development Planning (including MMC’s Office), Johannesburg Development Agency (JDA), Office of the COO, and Group Corporate and Shared Services (GCSS)

Decanting Plan – Newtown Building:

- Phase 1: Development Planning to relocate by 23 June 2025; COO and GCSS by 31 July 2025
Phase 2: JDA to occupy space after fit-out completion, scheduled for 30 September 2025
JD House: Mayor’s Office, Group Legal, MMC for Health, Office of the City Manager, and Group Communications and Marketing scheduled to relocate in the near future
MMC (Comdev) and Comdev Department to relocate to 66 Jorissen Place

Support Services and Readiness:

- Space planning and approvals have been completed for all departments
IT infrastructure installations are fully completed and operational
Post-relocation, an independent space planner will conduct a comprehensive space rationalisation across all corporate buildings



Section 2.5: Special Projects

Approach to gaining control over privately owned bad buildings

The Special Projects Unit focuses on the rejuvenation and revitalisation of the inner city, targeting both privately and municipally owned dilapidated buildings that require significant investment and coordinated interventions. Recognising the scale of decay and the resources required, the unit has adopted a precinct-by-precinct approach, implementing targeted interventions over several years to maximise social and economic impact.

This approach prioritises not only physical rehabilitation but also addresses underlying

social challenges within each precinct, including unemployment, homelessness, poverty, security, education, and health care. By integrating social interventions with property and infrastructure improvements, the unit aims to create live-work-play precincts in which residents actively take ownership of their areas, and benefit from local employment opportunities and access to housing, schools, clinics, and secure public spaces.

The model leverages Council-owned properties to meet social housing needs,

prioritise residents for local employment, and encourages private sector investment in revitalised precincts. Additional focus areas include transport infrastructure, strengthened security through policing and by-laws, and improved public amenities to strengthen social cohesion.

The Special Projects Unit's vision is ambitious, but by adopting a phased, strategic, and socially inclusive approach, it seeks to transform select inner-city precincts into vibrant, safe, and economically sustainable hubs over the next three to four years.

Precinct-by-precinct approach

Usindiso Precinct

This precinct is bordered by Von Wielligh, Anderson, Grahamstown, and Goud Streets in Marshalltown and City and Suburban.

Project Status

Erf 1210, Marshalltown: The report requesting Council's approval for the disposal of the site through a development and long-term lease was recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval was obtained in March 2025, and the Section 79(18) notice was officially published on 22 May 2025. **No objections were received,** and the Supply Chain Management (SCM) process will commence thereafter. The rezoning application has been submitted, with approval anticipated by the end of the upcoming financial year.

Erven 342 and 343, City and Suburban: The report requesting Council's approval for the disposal of the site through a development and long-term lease was recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval was obtained in March 2025, and the Section 79(18) notice was officially published on 22 May 2025. **No objections were received,** and the

SCM process will commence thereafter. The rezoning application has been submitted, with approval anticipated by the end of the upcoming financial year.

Erven 272, 273, 274, 279, and portions 269, 271, and 280, City and Suburban: The report requesting Council approval for the disposal of the site through a development and long-term lease was recommended for approval by the JPC Board, EMT, Sub-Mayoral, Mayoral, and Section 79 Committee. Council approval was obtained in March 2025, and the Section 79(18) notice was formally published on 22 May 2025. In the absence of any objections, the SCM process will be initiated. JPC has also submitted a request to the Department of Mineral Resources and Energy to verify the existence and validity of a site license and is currently awaiting formal confirmation.

Acquisition of Erven 339, 340, 341, 344, and 345, City and Suburban: The property is to be acquired in support of the Usindiso

Redevelopment Block. Council approval was secured in March 2025. Negotiations with the private owners have commenced to acquire the properties.

Mining Belt Redevelopment: The report requesting Council's approval to allow JPC to initiate the public participation process was recommended for approval by the JPC Board, EMT, and Sub-Mayoral Committee. Council granted approval in March 2025, and the Section 79(18) notice was published on 22 May 2025. **No objections were received,** the SCM process will commence thereafter.





Bertrams Precinct

This precinct is bounded by Bertrams Road, Liddle Street, Berea Road, and Gordon Road in Bertrams. The CoJ awarded the development of Erven 93, 94, 95, 96, 114, 116, 118, 121, and 122 in Bertrams to developers nominated by the Government Property Fund as part of a development programme it provided.

Project Status

- Construction by Developer 1 (development of Erven 96, 121, and 122, Bertrams): The properties are to be developed into student accommodation, yielding 107 beds. The developer is still awaiting additional funding to initiate construction.
- Construction by Developer 2 (development of Erven 114, 116, and 118, Bertrams): The properties are to be developed into student accommodation, yielding 102 beds. A few delays have affected the commencement of the second phase. Construction is expected to start in the new financial year.
- The Bid Specification Committee composition memo for the development and long-term lease of Erven 86, 87, 88, 89, 90, 91, and 92 in Bertrams was submitted to the Acting City Manager, and approval is anticipated by the end of July 2025.
- JPC has appointed a Structural Engineer to conduct a comprehensive structural assessment, including non-destructive tests, to determine the building's structural integrity in support of the heritage application and the evacuation order application. Completion of the assessment was anticipated by the end of April 2025. The final structural report has been received, and concludes that the building is structurally unsound, and recommends its demolition in the new financial year.
- JPC has engaged with JOSHCO to conduct an occupancy audit of the building to support the development of a temporary accommodation arrangement.



Work Completed

Phase 1 – Work Completed

- Land Acquisition: Finalised and secured
- Bulk Services Confirmation (CoJ): Secured
- Environmental Impact Assessment: Not required – waiver granted by the City of Johannesburg Heritage Unit
- Zoning Approval: Successfully obtained
- SDP and Building Plan: Approved by the municipality
- Surveyor-General Diagram: Approved and secured
- Consent to Commence Construction (Department of Labour): Pending
- Occupation Certificate: Pending
- NSFAS Operational Approval (Student Tenancy Authorisation): Pending



Luxmore Block – Bertrams



Vrededorp Student Accommodation

The Vrededorp Student Accommodation project is a strategic initiative aimed at addressing the growing demand for student housing in Johannesburg. The site, bounded by Hull, 8th, and Solomon Streets in Vrededorp, is ideally located near key academic institutions, including the University of Johannesburg's Bunting Campus and the University of the Witwatersrand, ensuring excellent accessibility for students.

The development will provide **36 residential units**, accommodating a total of **167 student beds**, supporting both the academic and personal growth of students and contributing significantly to the City's educational infrastructure. Importantly, this marks the City's first turnkey development project dedicated to affordable rental housing for students, representing a major step in addressing housing needs for this population.

The construction phase is expected to create substantial employment opportunities for local residents, including skilled, semi-skilled, and unskilled labour, as well as SMMEs. Workers will primarily be sourced from the surrounding Wards 58 and 69, promoting local economic development and community empowerment.

Project Status

- The CoJ's EAC has approved the development and granted a **50-year long-term lease** of Erven 495–501 and 516 to Izicwe Consulting.
- Estimated project cost: **R42 million**.
- Town planning approvals, Site Development Plan (SDP), and building plans have been secured.
- The funding application is at an advanced stage, with financial closure anticipated by early June 2025.
- The developer will utilise equity to commence **civil works by the end of October 2025**, with building construction scheduled to start on **25 January 2026**.
- Public participation and the appointment of the Community Liaison Officer process have been completed.
- Site establishment has been finalised.

This project underscores the City's commitment to affordable, accessible student housing, while promoting local employment, SMME participation, and community development, marking a milestone in Johannesburg's approach to integrated and inclusive urban growth.





Orange Grove Development Precinct (Orange Grove and Houghton Estate)

The Orange Grove Development Corridor is a strategic property initiative led by the CoJ to unlock the value of underutilised City-owned properties acquired since 2014 under the Transit-Oriented Development Strategy.

The project involves consolidating 70 erven across Orange Grove (Erven 1, 3, 5; Erven 14, 17–24, 26, 28, 29; Erven 31, 32; Erven 35–37, 39, 40, 42; Erven 45–48; Erven 201, 202; Erven 227–229; Erven 245, 247, 249, 251, 253) and Houghton Estate (Erven 326, 327; Rem/328, 329; Erven 300–305; Erven 332–337), covering a total land area of 26 129 m². The proposed mixed-use development will provide affordable housing, student accommodation, and supporting commercial infrastructure, aligned with the City's goals for spatial transformation and urban densification.

Project Status

Key Milestones Achieved

- **Town Planning Approvals:** Rezoning, removal of restrictive conditions, consolidation certificates, and Surveyor-General status obtained
- **Legal Finalisation:** Ncube Attorneys appointed (25 July 2024) to complete outstanding land-use processes
- **Governance Compliance:** Council approvals secured in line with MFMA Section 14(2) and relevant legislation
- **Project Design:** Development concept and phasing currently under internal review
- **Community Engagement:** Stakeholder consultations initiated to foster local support and transparency

Financial Summary:

- Estimated Development Cost: R261 578 982
- Current Zoning: Residential 4 (allows student housing)
- Proposed Zoning: Mixed-use development (approval pending)

Strategic Value: This development aligns with the City's urban renewal agenda by transforming fragmented, dormant land assets into vibrant housing and commercial precincts. Consolidation into 17 development-ready sites will enhance yield, enable more efficient infrastructure delivery, and attract greater private sector investment.

Next Steps – Q1 FY 2025/26:

- Finalise issuance of new title deeds
- Secure full planning rights for mixed-use zoning
- Begin site preparation, internal servicing, and permitting





Walter Sisulu Square of Dedication (WSSD)

Restoration Plan and Long-Term Development

In partnership with JOSHCO, JPC has appointed a Project Management Consultant from its panel of approved service providers to lead the development and implementation of a comprehensive restoration plan for the square. The consultant has commenced work and will be delivering several key outcomes:

1. **Comprehensive Structural Assessment:** Including non-destructive testing to evaluate the current condition and safety of the existing infrastructure.
2. **Heritage-Aligned Repurposing Proposal:**
 - A proposal that respects the site's heritage significance.
 - Preparation and submission of heritage applications to the South African Heritage Resources Agency, UNESCO, and other relevant authorities.
3. **Market Demand Analysis:** An in-depth study to identify potential economic uses and investment opportunities.
4. **Stakeholder Engagement:** Inclusive consultations with

- community members, businesses, cultural leaders, and government entities to ensure transparency and collaboration.
- 5. **Infrastructure Audit and Costed Upgrade Plan:** A full audit of existing infrastructure, including a detailed costing for required improvements.
- 6. **Interim Activation Proposals:** Concepts for temporary uses of the space to keep it active and functional during the restoration period.
- 7. **Self-Sustainability Strategy:** Recommendations for ensuring the long-term financial and operational sustainability of the WSSD.

JPC remains deeply committed to preserving the legacy of Walter Sisulu and transforming the square into a vibrant, inclusive, and economically resilient public space. The entity will continue to provide regular updates as the restoration progresses and stakeholder engagement advances.

Project Status

The public participation process for appointing a professional team to develop the adaptive reuse and regeneration plan for the WSSD is under way. In line with the Municipal Asset Transfer Regulations, the process began on 20 January 2025 and will conclude on 30 March 2025. Finalisation of the appointment is anticipated by the end of April 2025.

In line with its commitment to restoring and revitalising this landmark public space, JPC has implemented several key initiatives to improve safety, functionality, and public access:

- **Daily Cleaning Operations:** A comprehensive cleaning campaign has been launched and continues on a daily basis to enhance the square's cleanliness and aesthetic appeal.

- **Security Office Refurbishment:** On-site offices have been repaired and refurbished to accommodate dedicated security personnel, supporting improved site safety and active management.
- **Public Facility Upgrades:** Repairs to public restrooms have been completed, and roll-up security doors will be installed to safeguard and manage access to these facilities.
- **Re-electrification and Lighting:** Work is underway to restore electrical infrastructure and install lighting to ensure the square remains safe and welcoming, day and night.
- **Security Deployment:** Dedicated security personnel have been deployed daily to safeguard the site and prevent further vandalism as upgrades continue.





Section 2.6: Informal Trading

Income Collection

During the period under review, the Informal Trading Unit collected **R1 033 050.14** for stalls and shops occupied by traders.

Leasing of Shops and Stalls

Table 25 outlines the facilities that have experienced movement in the number of vacant stalls, paying occupied stalls, and non-paying traders. The figures in the table are extracted from the rent roll and are verified by informal trading officials at the facilities.

Facility	No. of Stalls	Vacant	Occupied	Paying	Non-Paying
Yeoville	233	0	233	3	230
Jeppe	124	0	124	54	70
Hillbrow	336	150	186	6	180
Rosebank	10	2	8	8	0
Hoek	52	0	52	0	52
Bara	510	0	510	20	490
Fordsburg	128	0	128	110	18
Diepsloot	10	0	10	10	0
Big Ben	12	3	9	9	0
New Doornfontein	14	1	13	13	0
Kwa Mai Mai	217	0	217	103	114
Faraday	328	228	100	42	58
Dobsonville	161	161	0	0	0
Total	2 135	545	1 590	378	1 212

Table 25: Stall Occupations by Informal Traders

The Informal Trading Unit continues to face challenges with the non-payment of rental fees by traders. To address this, the Department of Economic Development (DED) will be issuing trading permits, followed by the formal signing of leases between informal traders and JPC. These leases will detail trader information and monthly rental amounts, creating a legally binding framework to regulate and strengthen the relationship between traders and JPC. This process is expected to reduce incidences of non-payment, subletting, and the unauthorised occupation of stalls.

At present, the absence of formal lease agreements for most traders limits the unit's ability to enforce payment obligations. This has contributed to discrepancies between the rent roll and actual stall occupancy, including unauthorised subletting and vacant stalls.

The unit is currently reconciling the list of verified traders with the rent roll to ensure accuracy. Verified traders who remain in occupation will be prioritised in the permit issuance process, scheduled to commence on 27 June 2025.



Section 2.7: Information and Communication Technology

JPC has ten (10) projects aimed at improving the entity's ICT, with a focus on digital transformation, connectivity, backup continuity, disaster recovery, digital security, and ICT infrastructure.

Project Description	2024/25 FY Project Developments	Status
Digital transformation (Electronic Document and Records Management System – EDRMS)	<ul style="list-style-type: none"> Phase 2 of the implementation process is under way, and involves uploading of the following registers: <ul style="list-style-type: none"> Outdoor Advertising Register Property Asset Register Fixed Assets Register – this will run in parallel with the automation of the land process, as per JPC's business requirements. Phase 3 processes for SCM and Finance will not form part of the Odoo implementation, as they fall within the CoJ's SAGE system, and are aligned with Municipal Standard Chart of Accounts regulations. Additionally, a new memo/reporting module has been introduced. Phase 4 has commenced, which includes User Acceptance Testing and training. Employees will begin on Odoo immediately after completing their training. A high-level demonstration of the Odoo system was presented to management. System testing will be conducted with users before going live. 	Ongoing over a period of 36 months
JPC site connectivity	<ul style="list-style-type: none"> Engagements with the Group Chief Technology Officer are under way to secure approval for the installation of JPC site connectivity, as the alternatives provided by the Metropolitan Trading Company (MTC) were not viable. The JPC site connectivity budget for 36 months has been approved. 	50% complete
Website hosting	<ul style="list-style-type: none"> Following the website RFQ process, a service provider has been appointed. The website is now hosted and has officially gone live. 	100% complete
Microsoft updated related projects	<ul style="list-style-type: none"> Microsoft Defender for Endpoint Microsoft Azure Arc Microsoft Azure Update Manager Microsoft Defender for Cloud Microsoft Sentinel Windows Hello for Business 	100% complete
Digital security and ICT infrastructure	<ul style="list-style-type: none"> Biometric Project completed. Payment from Finance is outstanding. CCTV Project completed. Payment from Finance is outstanding. 	100% complete
Mobile Communication Services	<ul style="list-style-type: none"> The RT 15-2021 National Treasury contract for the supply and delivery of mobile communication assets has been extended for 24 months. The order to procure these assets for employees has been finalised and the allocation and distribution of the mobiles is in process. 	90% complete
Adobe Programme Licences for ICT applications such as Adobe Programme	<ul style="list-style-type: none"> The service provider has been appointed, and JPC is currently awaiting delivery of the required service. 	95% complete



Project Challenges/Delays

Digital Transformation – EDRMS:

- Automation for all established workflow processes due to budget constraints
- Reliance on primary systems with CoJ as per the CoJ Smart City Programme
- Reliance on the CoJ for functions that may support Odoo implementation (one drive for all)
- User availability
- System workspace not aligning with file plans

JPC Site connectivity:

MTC forwarded a JPC connectivity proposal for all the sites; however, the proposal did not include the following services:

- Mimecast mail filtering
- 3G/LTE with APN for 400 users, with a monthly shared pool of 1TB – with a management portal
- Disaster recovery – either a full-rack hosting solution or cloud hosting for virtual servers and storage
- MTC responded that they would not be able to provide these services

Backup continuity and disaster recovery:

Migration to Azure is not supported on Windows Server 2008 R2 servers; therefore these servers must be upgraded to a minimum compatible version (Server 2012 and higher) or decommissioned. All servers have been successfully migrated to Azure.

Test outcome:

The disaster recovery test confirmed the servers' ability to recover from a simulated disaster scenario without any issues.

Quality assurance:

To ensure ongoing reliability and performance, additional disaster recovery testing is currently being conducted as part of JPC's quality assurance processes.

Website hosting:

A Technical Evaluation Report was conducted, which indicated the need for further screening.

Details:

Initial evaluation.

Project Opportunities/Focus

Automated centralised systems for all business processes

Section 2.8: Client Business Operations

Client Servicing Unit

In 2024/25, the Client Servicing Unit served 548 walk-in clients and maintained a strong focus on efficiency, responsiveness, and value in service delivery. Key achievements included enhanced collaboration with internal departments for complex case resolution and improved digital integration through email platforms, enabling faster turnaround times and better data management.

Challenges impacting performance included system downtime in April–May due to GIS issues, delayed responses from some internal departments, staffing shortages, and the absence of a digital ticketing and reporting system, which limits process efficiency and performance monitoring.

JPC Performance Service Standards

During the 2024/25 financial year, JPC adhered to the CoJ Shareholder Compact relating to client service functionality and turnaround times. The entity has achieved nine (9) of the ten (10) service standards and has developed mitigations to address the service standards that have not been achieved, going into the new financial year, as summarised in Table 26.



Core Service	Service Level Standard	Variance explanation
SLS 1.1 – Response in acknowledgement of requests, enquiries, and complaints	Within 1 day of logged call	😊
SLS 1.2 – Provision of answers and/or results related to the receipt of requests and enquiries regarding properties	Within 3 days of logged call	😊
SLS 1.3 – The performance of emergency work for JPC-managed facilities	Within 1 day of logged call	😊
SLS 1.4 – Performance of minor work on facilities managed by JPC	Within 2 days of logged call	😊
SLS 1.5 – Performance of major work on facilities managed by JPC	Within 5 days of logged call	😊
SLS 1.6 – Completion of the sale or lease and registration of servitudes of Council-owned land	Within 9 months after Council approval in terms of Section 14(2) of the MFMA	😊
SLS 1.7 – Placement of tender after Council and CoJ EAC approval	Within 5 months of CoJ EAC approval	😞
SLS 1.8 – Internal allocation of land and buildings to City departments and entities (permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	😊
SLS 1.9 – Performance of surveys on the condition of plant and equipment to allow assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	😊
SLS 1.10 – Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	😊

Table 26: Performance of Service Level Standards





Core Service	Service Level Standard	Q1	Q2	Q3	Q4	YTD TOTAL	Variance explanation
SLS 1.1 – Response in acknowledgement of requests, enquiries, and complaints	Within 1 day of logged call	441	324	517	467	1 749	None
SLS 1.2 – Provision of answers and/or results related to the receipt of requests and enquiries regarding properties	Within 3 days of logged call	301	189	352	267	1 109	None
SLS 1.3 – The performance of emergency work for JPC-managed facilities	Within 1 day of logged call	205	145	218	235	803	None
SLS 1.4 – Performance of minor work on facilities managed by JPC	Within 2 days of logged call	91	85	56	109	341	None
SLS 1.5 – Performance of major work on facilities managed by JPC	Within 5 days of logged call	9	1	2	4	16	None
SLS 1.6 – Completion of the sale or lease and registration of servitudes of Council-owned land	Within 9 months after Council approval in terms of Section 14(2) of the MFMA	0	12	0	0	12	None
SLS 1.7 – Tender placed after Council and CoJ EAC approval	Within 5 months of CoJ EAC approval	0	0	0	0	0	None
SLS 1.8 – Internal allocation of land and buildings to City departments and entities (Permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	0	5	0	0	5	None
SLS 1.9 – Performance of surveys on the condition of plant and equipment to allow assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	15	0	17	20	52	None
SLS 1.10 – Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	25/25 = 100%	14/14 = 100%	20/20 = 100%	12/12 = 100%	71	None

Table 27: Service Level Standards

Client Business Operations

During the 2024/25 financial year, the Client Business Operations Unit facilitated the approval of 112 Council resolutions covering key property transactions, including leases, sales, and acquisitions. Significant resolutions included the redevelopment of the Metro Centre Precinct (Office Space Optimisation), the Southern Farms Mega Housing Project, the acquisition of portions of Farm Doornfontein 92-IR for the Kwa Mai-Mai Precinct, and the proposed development or long-term lease of the Soweto Empowerment Zone. Twelve additional transactions are currently progressing through the committee system

and are expected to be tabled in the next financial year.

The Unit successfully closed 34 matters arising from the S79 Economic Development Committee and the Oversight Committee on the Legislature, many of which were longstanding historical items predating multiple political administrations. This reflects the Unit’s commitment to governance, accountability, and service excellence through diligent follow-up, strong interdepartmental coordination, and robust tracking processes. Five matters remain in progress.



Performance Insights

Certain key performance indicators (KPIs) were impacted by periodic measurement intervals and short benchmarking timeframes. Specifically, KPI 1.7 could not be measured due to no tender placements following Council and CoJ Executive Adjudication Committee decisions, and no internal allocation requests for land and buildings with budget were received from departments and entities during the reporting period.

This progress reflects the Unit’s dedication to upholding governance standards and strengthening stakeholder confidence through diligent follow-up, coordination with internal departments, and rigorous tracking mechanisms.

The breakdown of the five (05) current outstanding matters arising are as follows:

Name of Committee	Number of reports awaiting MMC’s signature	Outstanding
Matters Arising – Section (79) Economic Development	4	1

Table 28: Outstanding Matters Arising

Open Petitions

In 2024/25, the Petitions Standing Committee launched the Gauteng Provincial Legislature ePetitions Portal, a digital platform designed to modernise petition administration and improve transparency, efficiency, and responsiveness.

The Client Business Operations Unit continued efforts to reduce petitions assigned to JPC, many of which are complex, multi-stakeholder matters requiring extended resolution timeframes. During the reporting period, one petition was successfully resolved:

- P221/04/19 – Fencing, maintenance, security, or demolition of a dilapidated structure on Erf 419, Ward 25, Region D, previously used as a criminal hide-out.

This closure underscores the Unit’s commitment to responsive service delivery and effective community engagement. Eight petitions remain open and are at various stages of resolution. The breakdown of the eight (08) current outstanding matters arising is as follows:

Petition Number	Description of Petition	Status
P104/02/16	Conversion to a multi-purpose centre and verification of ownership of Mampuru Hall in Dube	Historic petition: Open – awaiting submission from the author
P222/06/17	Request for construction of churches on institution sites (Site 554, 838, 1017, 383) – from Naledi Ext. 2 Soweto	Historic petition: Open – awaiting tabling at the next meeting
P250/04/18	Request for institutional land allocation for building of a church on Stand 1915 (Cnr Nkelenga & Manamane Streets), Stand 521 (Cnr Umvumu & Shimapana Streets), Stand 1002 (Monee Street), Stand 11324 (Cnr Nkelenga & Monamane Streets), Stand 1883 (Cnr Nkelenga & Mulembu Streets); from Lefhereng Ward 53	Historic petition: Open – awaiting submission from the author
P107/11/19	Closure of passageways in Kenilworth	Historic petition: Open – awaiting submission from the author
P65/02/21	The illegal occupation of municipal-owned property adjacent to Forest Farm Centre on the western bank of the Braamfontein Spruit, opposite the Field and Study Centre, Bryanston	Historic petition: Open – awaiting submission from the author





Petition Number	Description of Petition	Status
P135/01/24	Request for removal of illegal occupants at Parkhurst Bowling Club and Soccer Club on Victory Road, Parkhurst (Portions 246 and 247, Farm Braamfontein 53IR) in Ward 117, covering Ward 87, Ward 117, Ward 90, Ward 80, and Ward 99 (Region B)	New petition: Open – awaiting submission from the author
EP20251063	Petition by residents of Observatory (Region F) for JPC to expedite the insurance claim and engage with the residents on the repairs and refurbishment of the Observatory Bowling Club. Since the fire in November 2024, the hijacked building has been further stripped and re-occupied by even more illegal occupants. Together with JMPD and SAPS, JPC has had to break down the structure, which is now spilling into the surrounding park.	New petition: Open – awaiting submission from the author
EP20251090	Unmaintained property owned by JPC on the corner of Mary Road and Vincent Avenue, Risidale, Johannesburg. Previous requests for maintenance have not been addressed; intervention is required to improve site management and visual appearance.	New petition: Open – awaiting submission from the author

Table 29: Open and New Petitions

Section 2.9: Communications and Marketing

During the period under review, the following interventions and activities were undertaken:

MIPIM 2025 Conference

JPC delegates attended the MIPIM conference, the world's leading real estate exhibition and conference. MIPIM brings together global experts in real estate, investors, and developers. It showcases market trends and technology related to green and blue economies. Participation was crucial for the organisation's ongoing research into best practices, enabling JPC to benchmark itself, contribute, engage, and establish its presence within key national and international structures.

The JPC delegation was led by the MMC for Economic Development, Cllr Nomoya Mnisi and for Health and Community Development, Cllr Ennie Makhafola, alongside JPC's Acting CEO, Mr Musah Makhunga. They engaged with leading experts in smart city innovation, infrastructure and sustainable real estate. These discussions align with the CoJ's vision

of leveraging world-class urban development trends to ensure that City-owned properties drive investment, sustainability, and economic growth.



SAIBPP 100 Top Black Property Leaders for 2025

Celebrating excellence in property leadership, JPC's Acting CEO, Musah Makhunga, was honoured by the South African Institute of Black Property Practitioners (SAIBPP) as one of the SAIBPP100 Top Black Property Leaders for 2025. This prestigious recognition celebrates ethical leadership and acknowledges his impactful contributions towards shaping transformative policies, programmes, and institutions within the property sector.





The Property and Built Environment Summit

As part of its commitment to gender empowerment, JPC hosted the *EmpowaWomen in Property and Built Environment Summit* on 27 March 2025, coinciding with the close of International Women’s Month celebrations.

This flagship event served as a premier platform to empower women in the property and built environment sector. It brought together industry leaders, policymakers, and emerging professionals to engage in meaningful dialogue on breaking barriers, fostering inclusivity, and driving sustainable urban development.

Focused on investment, mentorship, and empowerment, the summit highlighted the critical role women play in shaping cities. It inspired collaboration and reaffirmed the sector’s commitment to building a more inclusive and equitable future.

Farmers Market and SMME Day

JPC presented its agricultural land parcels available for farming opportunities at the Joburg Farmers Market and SMME Day. Through a Permission to Occupy agreement, JPC will allocate land parcels to Joburg Market, enabling residents and entrepreneurs to cultivate fresh produce, thereby promoting economic sustainability. This event was aired on 15 December 2024 on *Living Land*, a show broadcast by SABC 2.

Corporate Social Responsibility: Donation Drive

As part of its corporate social responsibility initiatives, JPC organised a desktop and laptop donation drive, benefiting three underserved schools: Tshireletso, Lekang, and Mikateka Primary Schools. Each school received 20 desktops and 9 laptops. The drive took place in Region D on 13 February and in Region A on 26 February 2025. It was a resounding success, garnering media coverage and receiving strong support from the CoJ and internal stakeholders.



Orlando Ekhaya and Power Park Housing Precinct Launch

On 23 May 2025, JPC successfully hosted the official launch of the Orlando Ekhaya and Power Park Housing Precinct. The event featured a keynote address by the MMC for Economic Development, Cllr Nomoya Mnisi, who reaffirmed the City’s commitment to inclusive urban development and youth empowerment.

The Acting CEO of JPC, Mr Musah Makhunga, presented an overview of the project, highlighting its strategic significance and vision. He reported on the successful completion of the initial phase, which includes the development of purpose-built student accommodation comprising 2 300 beds—of which 848 beds will be allocated to students at no cost. This initiative reflects the City’s dedication to accessible education and integrated urban growth.



Southern Farms Megacity Project Site handover

On 09 May 2025, the CoJ officially broke ground on the R27 billion Southern Farms Mega City Project at the Bushkoppies site. The ceremony was led by Executive Mayor Cllr

Dada Morero, joined by MMCs Cllr Mlungisi Mabaso and Cllr Nomoya Mnisi, along with JPC’s Acting CEO Musah Makhunga. The site handover marked the launch of a transformative development initiative for the City.

Spanning 4 000 hectares, Southern Farms is Johannesburg’s first biodiversity-led development, envisioned to deliver more than 43 000 housing opportunities. The project will also drive significant socio-economic impact by creating jobs, empowering youth, and establishing essential infrastructure—including schools, clinics, and facilities for small businesses. It represents a bold step toward a more inclusive and sustainable future for thousands of Johannesburg residents.

Kwa Mai-Mai Oversight Visit

The Acting CEO, Mr Musah Makhunga, together with the MMC for Economic Development, Cllr Nomoya Mnisi conducted an oversight visit to the Kwa Mai-Mai Market—one of Johannesburg’s oldest informal trading hubs. The purpose of the visit was to assess the current state of the market and engage with stakeholders on key developmental issues. A follow-up visit was subsequently undertaken to evaluate the progress made since the initial assessment and to ensure continued improvements.

Outreach and Awareness Campaigns

As part of the Mayor’s high-impact service delivery acceleration operation, JPC played a key role in addressing illegal trading, unlawful advertising, and neglected or derelict buildings, with support from the Acting CEO. The operation aims, among other objectives, to improve living conditions, enhance safety, and create a more sustainable urban environment for all Joburg residents. JPC continued its involvement in this operation throughout the month of March.



JPC has launched an awareness and educational campaign to intensify awareness of crimes committed against JPC—specifically fraudulent leases and fake letters of intent currently in circulation. The campaign encourages residents to come forward and report such incidents while also educating the public about JPC’s work. These campaigns will take place at various venues across the City’s regions.

As part of its ongoing community outreach efforts, JPC actively participated in a series of Integrated Development Plan (IDP) sessions across various regions:

- 12 April 2025 – Orlando, Soweto: The Department set up a service delivery stall to offer on-the-spot assistance and engage directly with community members on matters related to property management and development services.
- 15 April 2025 – Region A: Officials participated in the IDP session, engaging with the local community to raise awareness about JPC and its mandate.
- 10 May 2025 – Region D: The Department was on the ground to provide information about JPC’s services, address community queries, and promote awareness around property management, development opportunities, and service delivery support.

These sessions form a critical part of the Department’s strategy to enhance transparency, improve service accessibility, and strengthen community relationships.

Nelson Mandela Day

JPC organised a Nelson Mandela Day event in which employees rallied together to embody the spirit of service and community that Mandela championed throughout his life.

A high point of the day was a collaborative effort to clean up the Randburg Civic Centre, Market, and Taxi Rank by removing rubble, repairing windows, and undertaking general maintenance.

Media Coverage

During the period under review, JPC has received media coverage across various platforms, both print and online. This coverage highlighted key projects such as the Orlando Ekhaya and Power Park Precinct launch, as well as the Walter Sisulu Square of Dedication.

Newsletter

The internally published newsletter *Zikhiphani* keeps employees informed about the latest developments within the organisation.



Instagram Page

With a growing follower base and expanding reach, JPC’s Instagram page is driving greater visibility and awareness for the brand.

Facebook Updates

Facebook reach has seen a significant increase in followers and content interactions from April 2025 to the present. Our page has garnered 123 000 views and continues to engage the community.

X (Twitter) Page

The X page has gained notable momentum, reaching a wide audience and generating substantial views. It continues to be highly engaging for followers.



CHAPTER 4
Human Capital
Management



Section 1: Human Capital Highlights and Value Creation

The Human Capital Management (HCM) strategy at JPC is central to delivering organisational performance, improving service delivery, and driving transformation. Aligned with the Corporate Scorecard, the strategy focuses on capacity building, leadership development, employee engagement, and governance.

Capacity Building and Workforce Development

- **1 147** employees were capacitated through targeted learning and development interventions, advancing internal capability, succession depth, and operational resilience.
- The entity is focusing on developing a cadre of exceptional property management and development practitioners.
- Programmes in leadership development, wellness, and career growth contributed to higher productivity and reduced employee attrition.
- The design and implementation of an onboarding programme for both new and existing employees is under way.

Workforce Engagement and Culture

- The company is embarking on a culture and LeaderShift journey.
- Employee engagement platforms, feedback mechanisms, and recognition initiatives helped embed a performance-oriented and inclusive organisational culture.

- Improved employee relations contributed to the year-on-year decline in abscondment cases and timely resolution of all disciplinary matters.

Cost Optimisation and Efficiency

- In response to fiscal constraints, JPC implemented cost-saving measures that significantly reduced overtime expenditure from **R27.1 million** to **R15.2 million**, without compromising critical service delivery.
- These savings demonstrate operational discipline and an agile human capital response to financial pressures.

Organisational Design and Talent Stability

- The entity continues to face challenges due to a **29%** vacancy rate, impacting service delivery and institutional capacity.
- Organisational structure reviews remain on hold, limiting JPC's ability to realign its workforce to evolving operational demands and strategic priorities.

Gender Empowerment Recognition

JPC was recognised by **Topco Media as a Top Gender Empowered Company**, following a rigorous review of:

- Female representation in senior leadership

- Gender-inclusive policies and empowerment initiatives
- Succession planning that actively promotes future female leaders

This honour underscores JPC's commitment to transformation and inclusive leadership.

Ethics, Compliance, and Good Governance

- A **97%** employee compliance rate for declarations of interest reflects JPC's ethical culture and alignment with the Code of Conduct.
- The timely submission of the 2025 Employment Equity Report reaffirms JPC's commitment to legislative compliance while strategically advancing its transformation objectives and reinforcing its focus on diversity, equity, and inclusion.

Sound employment relations

- The determination of organisational critical, priority, and scarce skills, as well as functional and leadership competency frameworks, is ongoing.
- Disciplinary cases have increased, reflecting strengthened consequence management and improved accountability by line managers in addressing employee misconduct.



Organisational Structure Overview

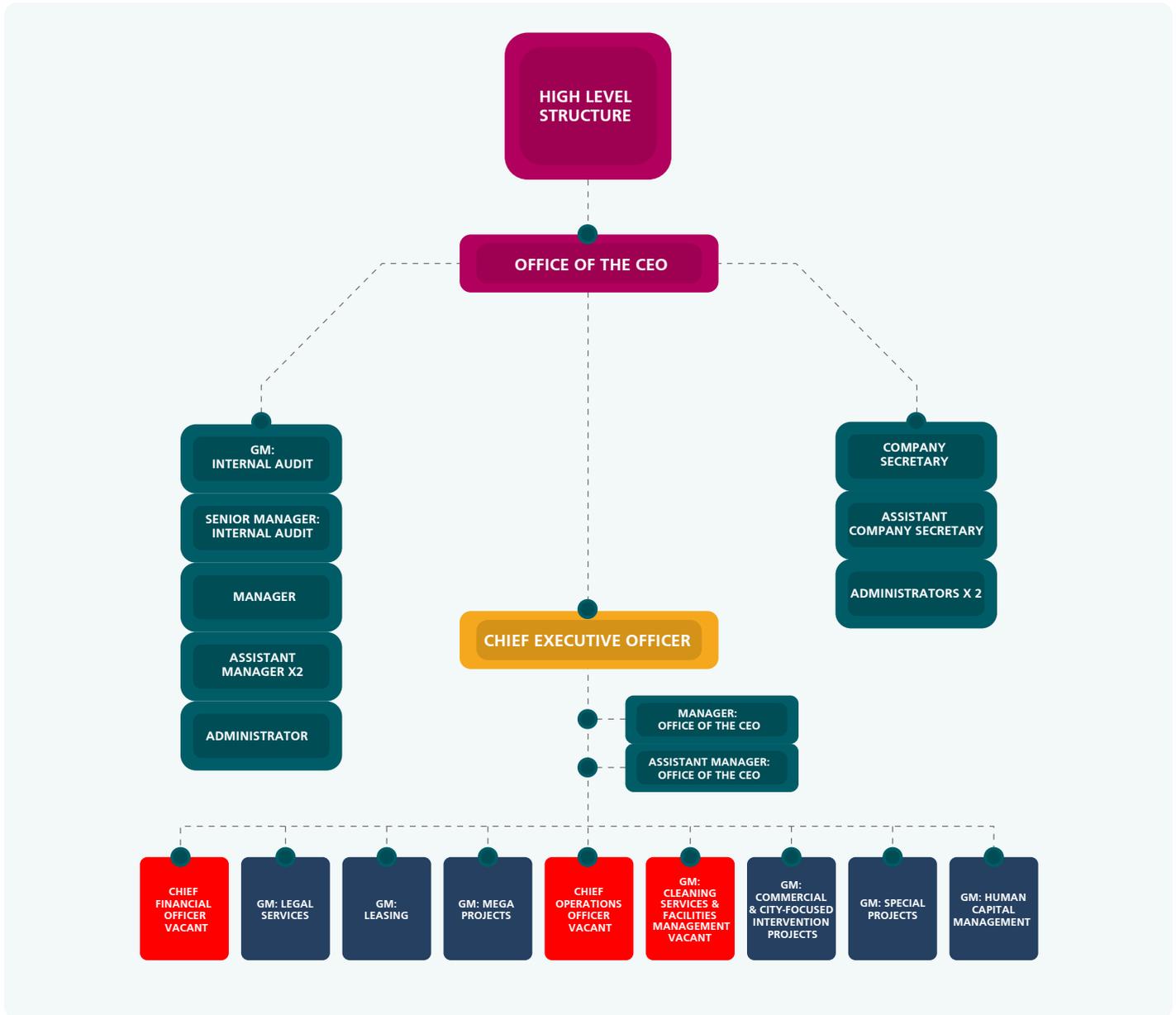


Figure 18: High-Level Structure

JPC’s current approved staff establishment consists of **2 065** positions, with **1 476** filled posts, reflecting a **71%** staffing capacity. The remaining **29%** vacancy rate—amounting to 589 positions—is largely attributed to funding constraints, with only **52** vacancies currently budgeted for. This highlights the critical need for strategic workforce planning and resource allocation to address capacity gaps and support operational efficiency.



Section 2: Human Capital Landscape

Employee Remuneration and Cost Including Executives

The total salary bill amounted to **R573 780 235** for the 2024/25 financial year, with salaries making up **59%** of the expenditure budget.

	ACTUAL		VARIANCE	
	30 June 2025	30 June 2024	%	Rand value
Employee-related costs	573 780 235	R521 296 685	10%	R52 483 550

Table 30: Total Remuneration

The salary bill for the 2024/25 financial year includes the following transactions that emerged:

- Cost of living increases, adjustments due to the Political Facilitated Agreement for qualifying employees, acting allowances, and overtime.
- Leave encashments and the 2023/24 executive performance bonuses
- Employee transfers
- Payroll and tax year-end reconciliations
- Payment of thirteenth cheques

Overtime

Overtime claimed and paid amounts to **R15 235 720** for the 2024/25 financial year. An average of two hundred and thirty-nine (239) staff worked overtime per month. HCM, in partnership with line managers, focused on reducing overtime costs and successfully achieved significant reductions compared to previous financial years.

Key contributing factors to this reduction include:

- **Enhanced Verification Controls:** A more stringent overtime approval process was introduced, ensuring all requests are thoroughly reviewed and aligned with departmental mandates. This has helped eliminate unnecessary and unjustified overtime claims.
- **Improved Oversight in the Cleaning Unit:** Historically a high contributor to overtime costs due to operational variability, the Cleaning Unit underwent tighter monitoring. This allowed the unit to remain responsive while minimising excess overtime.
- **Proactive Line Manager Engagement:** Line managers have taken a more active role in workforce planning and resource allocation. By better aligning staffing with operational needs, they have successfully reduced dependency on overtime to meet performance targets.



Employee no.	Name	Basic Salary	Travel Allowance	Housing Allowance	Leave Encashment	Acting Allowance	Performance Bonus/13th	Final Leave Pay	Company Contribution	TOTAL
10005164	Helen Botes	R2 744 250	R250 000	R-	R329 304	R-	R419 195	R371 287	R44 784	R4 158 820
10018008	Sizeka Tshabalala	R1 845 739	R120 000	R-	R68 843	R-	R233 034	R-	R426 429	R2 694 045
10018010	Mduduzi Makhunga	R1 858 672	R96 000	R-	R-	R87 384	R304 905	R-	R429 622	R2 776 583
10018011	Sipho Mzobe	R1 669 560	R110 000	R9 985	R-	R-	R233 034	R-	R386 498	R2 409 077
10018012	Phaqa Mhlongo	R1 981 182	R-	R-	R-	R-	R-	R-	R342 142	R2 323 324
10018144	Tshepo Mokataka	R1 923 476	R-	R-	R-	R-	R233 034	R-	R439 691	R2 596 201
10018147	Imraan Bhamjee	R2 362 483	R96 000	R-	R-	R-	R383 589	R-	R494 141	R3 336 213
10022875	Gontse Dlamini	R1 326 781	R-	R13 373	R41 340	R-	R107 657	R-	R292 808	R1 781 959
10101510	Sifiso Mabizela	R1 500 054	R-	R-	R53 905	R-	R232 565	R-	R267 001	R2 053 525
10114737	Ogotlhe Sathekge	R1 869 186	R-	R-	R52 295	R-	R214 000	R-	R267 165	R2 402 646
10019616	Mfanafuthi Zondo	R1 172 750	R136 688	R-	R37 319	R23 176	R97 186	R-	R227 040	R1 708 072

Table 31: Executive Management Remuneration for FY 2024/25

The discrepancy in payments to EXCO members stems from leave encashments, acting allowances, and different salary structuring in relation to travel and housing allowances. JPC’s remuneration philosophy aims to promote the interests of the organisation and its members with equitable and competitive compensation that reflects the value we place on our employees and our appreciation for their work.



Overview of Staff Turnover

During the reporting period, a total of **41 employees exited** the organisation through the following channels:

Retirement: 5 employees (12.2%)	Resignation: 2 employees (4.9%)	Early retirement (ill health): 4 employees (9.8%)	Deceased: 15 employees (36.6%)
Medical boarding: 2 employees (4.9%)	Dismissal: 10 employees (24.4%)	Incapacity: 1 employee (2.4%)	Contract expiry: 2 employees (4.9%)

Natural attrition (deaths) accounted for the highest proportion of exits at 36.6%, while dismissals (including abscondments) made up 24.4% of total exits. This trend highlights the need for targeted interventions in employee engagement, health management, and consistent application of disciplinary processes.

Several retirement extensions were granted, and a mentorship programme will guide knowledge transfer by allowing younger employees to shadow pre-retirees, ensuring workforce sustainability and empowerment.

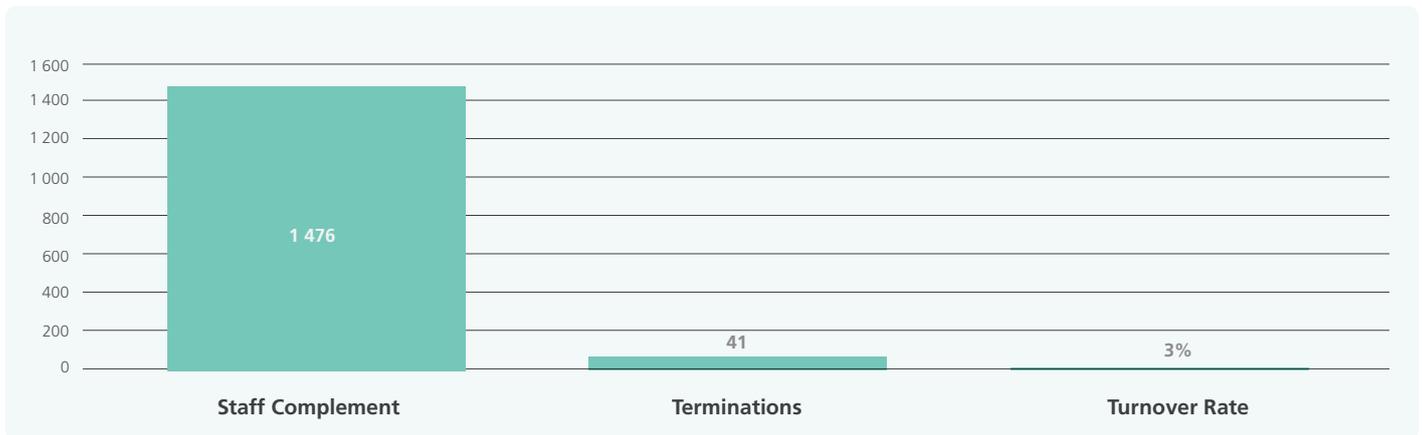


Figure 19: Staff Turnover Rate End YTD





Section 3: Key Vacancies

JPC is currently reviewing its approach to the filling of strategic and critical vacancies to ensure the organisation remains adequately resourced to deliver on its mandate. However, this effort is significantly constrained by the broader budgetary challenges faced by the City of Johannesburg.

Out of a total of **587** vacant positions, only **52** are funded for the 2024/25 financial year. This translates into a vacancy rate of **29%**, which is significantly above the generally accepted best practice benchmark of **10–15%** for public sector organisations. A vacancy rate of this magnitude not only affects operational efficiency and institutional memory but

also places considerable strain on existing personnel and undermines the organisation’s ability to meet service delivery expectations.

To manage the financial impact of filling positions across the City’s departments and municipal entities, the City of Johannesburg (CoJ) has instituted a Strategic Vacancies Panel. This panel exercises discretion on which funded positions can be prioritised and filled, striking a balance between service delivery imperatives and fiscal prudence. Within this framework, JPC submitted a list of critical positions for consideration, of which only six posts were approved for recruitment by the panel. Table 32 outlines the six positions

and their status since the commencement of the recruitment process.

JPC continues to engage with line managers to ensure the most essential roles are prioritised. All submissions are aligned with the City’s directive to consider displaced internal candidates first before any external advertising. This process, although fiscally responsible, highlights the pressing need for strategic workforce planning and targeted resourcing to safeguard business continuity, organisational performance, and effective service delivery.

Position	Department	Status
Chief Executive Officer	Entity	<p>The recruitment process for the CEO role is under way. Applications closed on 9 March 2025 (print) and 15 March 2025 (online), following broad advertising by an appointed recruitment agency.</p> <p>As a regulated position, the process is led by Group Governance in line with the Municipal Systems Act and directives from the City Manager and Mayoral Committee. It involves oversight by the JPC Board, Group Governance, and CoJ representatives, which may result in procedural delays.</p> <p>The shortlisting phase was concluded and will be followed by interviews and final approvals. JPC remains committed to a transparent and timely process that secures the right leadership for service delivery and impact.</p>
Chief Financial Officer	Finance	<p>The recruitment process for the CFO role is under way. Applications closed on 9 March 2025 (print) and 15 March 2025 (online), following broad advertising by an appointed recruitment agency.</p> <p>As a regulated position, the process is led by Group Governance in line with the Municipal Systems Act and directives from the City Manager and Mayoral Committee. It involves oversight by the JPC Board, Group Governance, and CoJ representatives, which may result in procedural delays.</p> <p>The shortlisting phase was concluded and will be followed by interviews and final approvals. JPC remains committed to a transparent and timely process that secures the right leadership for service delivery and impact.</p>
Senior Manager: Supply Chain	Finance & SCM	The recruitment process has been put on hold at the shortlisting stage due to budget constraints.
Manager Financial Management	Finance	The recruitment process has been put on hold at the candidate verification stage due to budget constraints.
Committee Officer	Finance & SCM	The recruitment process was completed, and the interviewed candidates failed to display concise knowledge of SCM processes.
HR Assistant	Human Capital Management	The recruitment process has been put on hold at the appointment stage due to budget constraints.

Table 32: Key Vacancies



JPC vacancy rate

JPC has a total of **589** vacant positions, as at the end of June 2025, with a vacancy rate of 29%.

Job Level	2022/23				2023/24				2024/25			
	Total no. of positions	Total filled positions	Vacancies (Full-time equivalent)	Vacancies (as a % of total posts)	Total no. of positions	Total filled positions	Vacancies (Full-time equivalent)	Vacancies (as a % of total posts)	Total no. of positions	Total filled positions	Vacancies (Full-time equivalent)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%	No.	No.	No.	%
0-3	6	1	5	83%	1	1	0	0%	1	1	0	0%
4-6	111	50	61	55%	111	63	48	43%	122	61	61	50%
7-9	597	261	336	56%	597	274	323	54%	503	256	247	49%
10-11 etc.	1 433	1 237	196	14%	1 433	1 175	258	18%	1 438	1 158	280	19%
Total Permanent	2 147	1 549	598	28%	2 142	1 513	629	29%	2 065	1 476	589	29%
Temporary	0	0	0	N/A	0	2	0	N/A	0	0	0	N/A
Total	2 147	1 549	598	28%	2 142	1 515	629	29%	2 065	1 476	589	29%

Table 33: Vacancy Rate



Section 4: Employment Equity and Workforce Demographics

The JPC employment equity demographics in Table 34 include permanent and temporary employees. For employment equity reporting purposes, as of June 2025, the total workforce is 1 476.

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management (1 & 2)	0	0	0	0	0	1	0	0	0	0	1
Senior Management (3 & 4)	5	0	1	0	4	0	0	0	0	0	10
Professional qualified and experienced specialists and mid-management (5 & 6)	18	1	2	2	20	1	2	3	0	0	49
Skilled and qualified workers, junior management, supervisors, foremen, and superintendents (7 & 8)	79	5	6	4	89	13	2	0	1	0	199
Semi-skilled and discretionary decision-making (9 & 10)	40	5	0	0	17	9	0	0	0	0	71
Unskilled and defined decision-making (11)	292	0	0	1	844	9	0	0	0	0	1 146
Total Permanent Staff	434	11	9	7	974	33	4	3	1	0	1 476
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	434	11	9	7	974	33	4	3	1	0	1 476

Table 34: Employment Equity and Workforce Demographics

Employment Equity Compliance

The Employment Equity and Skills Development (EESD) Forum plays a vital role in supporting JPC’s commitment to an inclusive, empowered workforce. In line with the Employment Equity Act, the Forum’s Terms of Reference have been carefully developed to clarify the roles and responsibilities of all members and ensure compliance with legislative requirements. Ongoing training will be provided to equip Forum members with the knowledge and tools needed to carry out their duties effectively, foster collaboration, and support the successful implementation of employment equity and skills development initiatives across the organisation.

Racial Split – June 2025	Target	Actual	Current Numerical
African	81%	95%	1 408
Coloured	3.30%	3%	44
Indian	3.20%	1%	13
White	12.70%	1%	10
TOTAL	100%	100%	1 476
People with Disabilities	2%	0.54%	8

Table 35: Racial Demographics



Racial and Gender Split with Gap Analysis Against EAP Targets as at End June 2025

The JPC workforce status is based on the current provincial Economically Active Population (EAP) demographics, as follows:

EAP Target				JPC Actuals					
Demographics	Male%	Female%	Target Total%	Male%	Female%	Total%	Male No.	Female No.	Total Number
African	45%	36%	81%	30%	65%	95%	434	974	1408
Coloured	2%	2%	3%	1%	2%	3%	11	33	44
Indian	2%	1%	3%	1%	0.33%	1%	9	4	13
White	7%	6%	13%	1%	0.20%	1%	7	3	10
Foreign National							1	0	1
Total	56%	44%	100%	32%	68%	100%	462	1 014	1 476
People with Disabilities			2.00%			0.54%			8

Table 36: JPC Workforce Demographics in terms of EAP

Gender and Racial Split Analysis

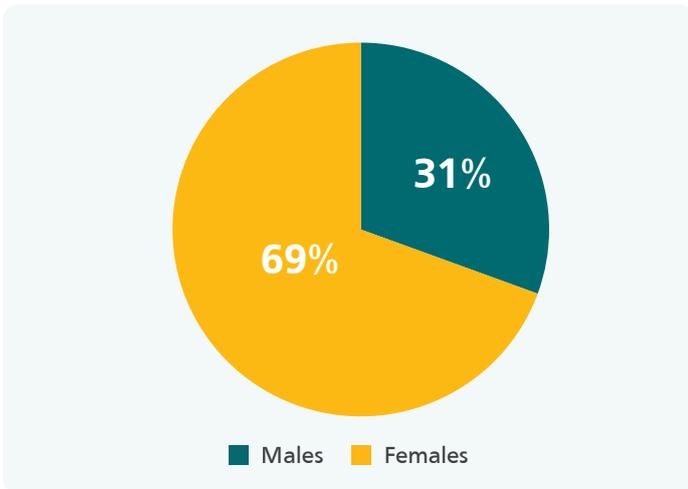


Figure 20: Gender Split

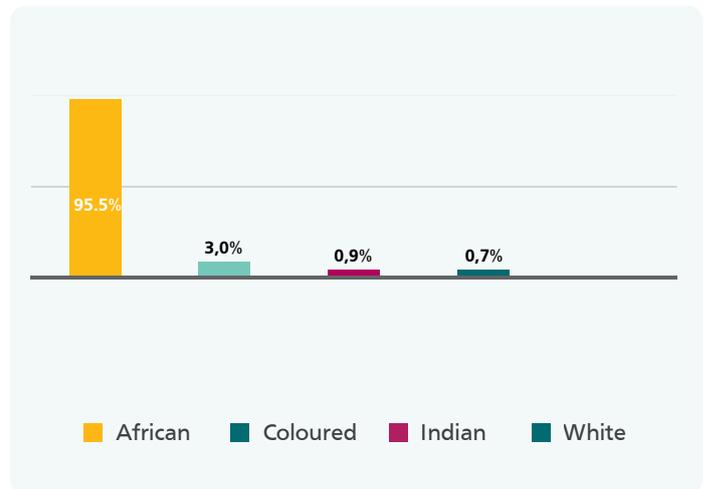


Figure 21: Racial Split

JPC’s gender distribution comprises 69% female and 31% male representation. No significant changes in percentages were recorded for terminations or in the racial split.



Employment Equity and Skills Development Transformation Initiatives

Following the establishment of the EESD Forum, the EESD Committee, in partnership with Human Capital Management, has worked on a range of skills development initiatives. Key areas of focus include the 2025/26 Workplace Skills Plan and the Annual Training Report, which form the foundation for future workforce development reporting and planning.

In a significant step towards educational equity, the Committee, supported by Human Capital, has successfully established governance for employee bursary applications. This milestone reflects a strong commitment to fairness, transparency, and accessibility in awarding bursaries to JPC employees.

Further advancing the transformation agenda, the Committee has also established a dedicated Committee for People Living with Disabilities. This initiative marks the beginning of broader engagements on diversity, inclusivity, and belonging, with plans to launch fully fledged forums in the 2025/26 financial year. These forums will serve as platforms for empowerment, inclusive dialogue, and the intentional recruitment and support of people living with disabilities.

These collective efforts are instrumental in embedding the Human Capital Strategy, while actively supporting the achievement of both JPC and EMT strategic objectives.

Employment Equity Impact on Organisational Culture

JPC aims to create a culture that drives sustainable growth and diversity, as well as employee engagement and satisfaction. The integration of employment equity and skills development has a far-reaching impact on organisational culture. It fosters inclusion, fairness, learning, and collaboration, while promoting ethical leadership and strengthening the organisation's reputation for social responsibility. This creates a more equitable workplace that is better positioned to adapt and thrive in the future.



Nelson Mandela Bridge



Section 5: Employee Capacitation

Training and Development Initiatives to Address Competency Gaps

In the first quarter of the 2024/25 financial year, Human Capital Management (HCM) consolidated Personal Development Plans to strengthen the alignment between individual development goals and organisational priorities. The training calendar was actively promoted to encourage participation across departments. In partnership with the CoJ, HCM facilitated targeted training interventions designed to support a smooth organisational transition and ensure alignment with the CoJ's operational standards.

These interventions were aimed at addressing identified competency gaps, reinforcing appropriate workplace behaviours, and equipping employees with practical knowledge for daily operations. A total of 1 147 employees participated in the following 11 training programmes during the 2024/25 financial year:

Training Programmes	Number of Employees
Electronic Documents and Records Management System	122
Batho Pele	397
Ethics and Professionalism	120
Performance Management	66
Digital Records Management	63
Contract Management	52
Financial Management Awareness	181
SCM Policy and Vetting	42
Skills Development	17
Consequence Management	43
Emotional Intelligence	44
	1 147

Table 37: Training and Development Initiatives





Section 6: Disciplinary Matters and Outcomes

During the 2024/25 financial year, a total of **34** disciplinary cases were recorded, reflecting JPC’s ongoing commitment to maintaining a culture of accountability and ethical conduct.

Of these, **26** cases have been concluded, representing a significant resolution rate that strengthens internal discipline and reinforces the organisation’s zero-tolerance stance on misconduct. The remaining **eight (8)** are historical cases that remain in progress and involve multiple employees in the Cleaning Department. **One (1)** additional case has been reclassified as an abscondment matter.

The concluded cases included serious violations such as **irregular expenditure, bribery, dishonesty, and insubordination**, resulting in decisive outcomes, **including two dismissals for gross misconduct.**

Abscondment cases accounted for the bulk of disciplinary matters, with:

- **7 employees dismissed,**
- **14 issued with final written warnings,**
- **1 matter provisionally withdrawn,** and
- **8 cases continuing into the new financial year** due to delays arising from the concurrent processing of other matters.

This robust disciplinary process not only upholds governance principles as outlined in the MFMA and company policies but also reinforces JPC’s internal controls, credibility, and ethical leadership culture.

Conflict Management

Two (2) conflict management matters were addressed:

- **Interpersonal Conflict:** A dispute between two employees is being addressed by line management,

including actions to resolve the conflict and assess related misconduct.

- **Office Space Allocation:** This matter has been resolved through direct intervention from the CEO.

Investigations

Investigations are initiated by management when employees’ conduct raises concern. These investigations may lead to disciplinary action or a wellness intervention, depending on the findings.

One (1) investigation is currently in progress. However, proceedings have been delayed due to the employee’s health.

Grievances

No.	Nature of Grievance	Status	Action Taken
1.	Bullying and intimidation	Ongoing	External chairperson has been appointed to preside over the matter, which will be concluded in the new financial year
2.	Salary disparity	Ongoing	A formal process will be initiated in the new financial year to resolve this matter.
3.	Harassment	Ongoing	The grievance was withdrawn by the complainant prior to formal adjudication.
4.	Ill-treatment	Ongoing	The grievance was resolved at Step 3 of the internal grievance procedure.

Table 38: Grievances



External Disputes

No.	Forum	Status	Action Taken
1.	SALGBC	New dispute	Set down for arbitration 10–11 July 2025 and will be concluded in the new financial year
2.	CCMA	Resolved	Finalised – applicant withdrew
3.	SALGBC	Abandoned	Unfair labour practice (suspension). Applicant failed to pursue the matter; case deemed abandoned

Table 39: External Disputes

Section 7: Union Representation

SAMWU Members	1 166
IMATU Members	494
Dual Membership (SAMWU & IMATU)	207
Non-Unionised Members	18

Table 40: Union Representation Membership

Section 8: Leave Provision

The leave provision for the 2024/25 financial year amounts to **R40 217 264**, and the leave encashment amounts to **R11 027 406**.

Absenteeism

The absenteeism rate per department at JPC for this financial year stands at 3%, which is considered moderate compared to the acceptable South African threshold of 3.6% to 6%. The absenteeism calculation aligns with national standards, ensuring that the organisation strives for optimal employee performance and attendance.

This elevated rate of unplanned leave indicates employee fatigue, stemming from the organisation’s shortage of human resources due to budget constraints and the stringent recruitment process implemented by the CoJ’s Strategic Appointment Committee.

Abscondment Cases with Cost

JPC’s approach to managing abscondments in 2024/25 has resulted in significant financial savings, improved accountability, and a clear shift toward a culture of compliance. Continued efforts to empower line managers, expedite disciplinary hearings, and recover costs through structured financial controls will further strengthen the organisation’s labour discipline and operational integrity.

The cost of AWOL (absence without leave) currently amounts to **R1 022 098.19**, primarily due to employees returning to work following salary stoppages and the issuance of disciplinary letters. This slight increase from the previous financial year is attributed to the addition of one (1) abscondment case, bringing the total number of live cases to twenty (20).



Key achievements:

- Cost reduction of over **R1.5 million** compared to the previous financial year—despite an increase in total cases, highlighting stronger control and faster intervention.
- **13 employees** returned to work; payroll is actively calculating recoverable amounts using attendance registers.
- **2 employees** have already fully refunded the amounts owed.
- **5 employees** are back on duty and being processed for payroll deductions.
- Proactive recall letters from line managers resulted in higher employee responsiveness and expedited resolutions.
- Line managers have been empowered and held accountable, leading to improved policy enforcement and disciplinary follow-through.

Section 9: Employee Wellness

Currently, **nine (9)** active EAP referrals are being supported, with the majority managed through a collaborative arrangement with **Metrobus**, while the remainder are handled by the City and other municipal entities. Common issues raised by employees include stress, burnout, financial difficulties, family and relationship challenges, substance dependency, and workplace-related conflicts. These challenges affect employee wellbeing and performance, making EAP support a critical pillar of organisational health.

The partnership with Metrobus has proven both cost-effective and high-impact, significantly enhancing JPC's employee value proposition. By leveraging shared services, JPC has been able to extend vital psychosocial support to staff despite constrained budgets. These inter-entity partnerships not only improve access to wellness services but also build resilience, improve retention, and promote a more engaged, productive workforce.

However, the absence of a dedicated internal EAP resource or a contracted provider limits service integration, oversight, and impact evaluation. Given the rising number of cases, JPC is prioritising the exploration of both a dedicated internal EAP coordinator and a formal external service provider to drive:

Analysis and Positive Trends

Despite a marginal increase in reported abscondment cases, the financial impact has significantly declined by **60%**, indicating more effective case management and salary recovery measures. The improvement is largely due to:

- Quicker salary stoppages
- Active return-to-work campaigns
- Consistent implementation of AoDs
- Improved coordination between line managers, payroll, and Human Capital Management

The backlog of unresolved cases from 2023/24 has been reduced, and current processes now allow for real-time monitoring and quicker resolutions. While recovery remains a challenge for terminated employees without active salaries, mitigation is being enhanced through early intervention.

- Greater service accessibility and responsiveness
- Compliance with wellness policies
- Systematic tracking of utilisation and return on investment
- Improved employee engagement outcomes

This integrated approach will strengthen the organisation's ability to proactively support its people, reinforce its culture of care, and drive sustainable performance outcomes through improved workforce wellbeing.

HIV/AIDS

JPC's objective is to focus on HIV/AIDS by providing employees access to treatment, reducing stigma, and eliminating discrimination. Employees affected by HIV/AIDS have access to the HIV/AIDS programme offered by CoJ Group Occupational Health Clinics where they receive testing, treatment, and counselling. The psychological well-being of employees is also addressed by offering counselling services through the City's Employee Assistance Programme.



Section 10: Employee Benefits

Table 41 depicts the distribution of JPC memberships across accredited pension funds, as of the end of June 2025. Pension fund membership is compulsory for all JPC employees, with the exception of the CEO and two (2) medically boarded employees who are already being paid by their respective pension funds. In terms of the salary and wage collective agreement, pension fund contributions increase proportionally with salary increases.

Pension Fund Membership	Total	Remarks
eJoburg Retirement Fund	1 439	Defined contributions
City of Johannesburg Pension Fund	28	Defined benefits
Municipal Employees Pension Fund	3	Defined contributions
Municipal Gratuity Fund	2	Defined contributions
Joint Municipal Pension Fund	1	Defined benefits
Non-Membership		Not compulsory and medically boarded employees

Table 41: Pension Fund Membership

Accredited Medical Aid Schemes Membership Distribution

Table 42 specifies the accredited medical aid schemes and distribution of membership to each scheme as at the end of June 2025. The provision is based on the 60/40 principle, as set out in the Main Collective Agreement. The current maximum medical aid employer contribution rate to the accredited medical schemes is now R5 277.38 for the 2024/25 financial year.

Medical Aid Scheme	Membership
Bonitas	200
Discovery	8
Sizwe Hosmed	29
KeyHealth	85
LA Health	223
SAMWUMED	202
Total Membership	747

Table 42: JPC Employee Medical Aid Fund Membership

Currently, 729 employees are without medical aid coverage. This presents a significant risk to both employee wellbeing and organisational resilience. The employer is exploring alternative solutions to address this gap, with a focus on balancing affordability for employees while ensuring access to adequate healthcare coverage.



CHAPTER 5

Financial Performance



a world class African city





Section 1: Statement of Financial Position

City of Joburg Property Company Statement of Financial Position as at 30 June 2025

	Note	2025	2024	Variance	Variance %
Assets					
Current Assets		1 384 381 767	1 251 929 853	132 451 914	10.58%
Cash and cash equivalents	1	2 000	2 000	0	0.00%
Receivables from exchange transactions	2	992 140 990	932 791 807	59 349 183	6.36%
Loans to Shareholder	3	376 417 356	318 594 198	57 823 158	18.15%
Receivables from non-exchange transactions	4	40 483	94 178	-53 335	-56.63%
Prepayments		-	-	0	0.00%
VAT receivable	5	15 780 578	447 670	15 332 908	3 425.05%
Non-Current Assets		163 779 731	106 038 335	-57 741 396	54.45%
Property, plant, and equipment	6	57 103 169	79 495 589	-22 392 420	-28.17%
Intangible assets	7	176 291	223 223	-46 932	-21.02%
Deposits	8	62 698 408	1 222 722	61 475 686	5 027.77%
Deferred tax assets	9	30 079 462	25 096 801	4 982 661	19.85%
Current tax receivable	10	13 722 401	-	13 722 401	100.00%
Total Assets		1 548 161 498	1 357 968 188	191 447 004	14.01%
Liabilities					
Current Liabilities		1 372 562 161	1 287 786 077	-84 776 084	-6.58%
Payables from exchange transactions	11	323 874 055	341 450 372	17 576 316	5.15%
Current tax payable	12	-	7 747 118	-7 747 118	-100.00%
Finance lease obligation	13	9 367 777	8 279 331	1 088 446	13.15%
Loans from Shareholder	14	1 008 266 872	920 355 724	-87 991 148	-9.55%
Provisions	15	4 195 612	7 757 269	-3 561 657	-45.91%
VAT Payable	16	-	-	-	0.00%
Operating lease liability	17	26 857 845	2 196 263	24 661 582	1 122.89%
Non-Current Liabilities		19 600 389	28 684 618	-9 084 229	-31.67%
Finance lease obligation	13	18 881 389	28 001 618	-9 120 229	-32.57%
Employee benefit obligation	18	719 000	683 000	36 000	5.27%
Total Liabilities		1 392 162 550	1 316 470 493	-75 692 057	-5.75%
Net assets		155 998 948	41 497 493	114 501 455	275.92%
Share capital	19	5 142 721	5 142 721	-	0.00%
Accumulated surplus/(deficit)	20	150 856 227	36 354 772	114 501 455	314.96%
Total Net Assets/(Liabilities)		155 998 948	41 497 493	114 501 455	275.92%

Table 43: Statement of Financial Position



Notes to the Statement of Financial Position

1. The petty cash float is maintained at R2 000 every month.
2. Included in trade receivables is a provision for bad debts related to facilitation fees to the value of R36.75 million. The total outstanding debt from related parties is R987 million. JPC Finance has engaged with all departments owing the City from September 2024 to date in an effort to collect. This engagement has resulted in over R440 million being collected from the second quarter to date.
3. Represents the CoJ Portfolio loan account with JPC and the sweeping account of R365 million. The cash position of JPC slightly increased, due to positive cash collections from departments. However, JPC is continuing to make payments to related-party loans to reduce its reliance on City-provided funding for day-to-day operations.
4. This relates to staff debtors for employees who have signed debt acknowledgement letters.
5. SARS had raised additional assessments for VAT. Management pre-cautiously paid the additional assessment to prevent incurring SARS interest. The receivable for VAT arose from JPC successfully objecting to the additional assessments raised. R1.7 million of the receivables relates to additional accruals raised post submission of the June VAT 201 form submitted in July 2025.
6. Property, plant, and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Where possible, the useful life of fixed assets has been extended due to their good condition.
7. Intangible assets comprise computer software that has been procured or internally generated. The decrease in asset value is a result of amortisation expense as per GRAP 31. The City is currently working on the SAP system to be used in the near future.
8. Electricity deposits (R1.2 million) with Eskom are for the Baragwanath informal trading facility and the Lenasia facilities management buildings. Interest on the deposit is accrued at financial year-end. The JPC entity also paid in the first quarter deposits amounting to R61.4 million on buildings occupied by the City.
9. Deferred tax has been calculated to account for movements in the balance sheet and temporary differences.
10. Provisional tax payments were made for the 2024/25 financial year in excess of the income tax expense incurred in the same year, hence the current tax receivable.
11. These consist of current liabilities that will become due and payable in the next 12 months. These liabilities include accruals, related-party accruals, etc. Comparatively, JPC has had a slight decrease in trade payables year-on-year.
12. This relates to normal tax expense incurred in the current year, as a result of leases not being renewed in the current year as anticipated. This was netted off against the provisional tax payments made in 2024/25.
13. The R28.2 million (current portion of R9 367 777 plus non-current of R18 881 389) is as a result of the new finance lease entered into in May 2023 for the acquisition of motor vehicles, and in November 2023 for the acquisition of new laptops.
14. This relates to loan accounts payable between JPC and various CoJ departments for JPC and insourced cleaners' payroll, as well as transactional loan accounts for the acquisition of property for the CoJ. Improved receipts from related-party receivables will allow JPC to pay its related-party liabilities, thus reducing this amount.
15. The provision relates to bonuses due to EXCO members for the 2024/25 financial year.
16. VAT payable is nil as at 30 June 2025, as JPC has had more VAT input than VAT output as at June 2025.
17. This item relates to the GRAP 13 adjustment for the straight-lining of operating leases over the lease duration of office accommodation buildings. The GRAP 13 straight-lining is performed at year-end.
18. Provision for post-retirement medical aid raised based on the 2024/25 actuarial valuation report in respect of personnel who qualify for the benefit. The reports are prepared annually and a new value has been calculated and provided by the actuaries at year-end.
19. JPC's share capital remains unchanged in the current financial year.
20. The statement includes accumulated surpluses and losses from the previous and current financial years.



Section 2: Statement of Financial Performance

	REF	30-Jun-25	30-Jun-24	Year-on-year Variance	
				%	R
Revenue					
Revenue from Exchange Transactions		454 791 722	325 163 438	40%	129 628 284
Cell mast services	1	21 033 841	19 539 743	8%	1 494 098
Commissions and ad hoc fees	2	25 717 107	26 742 911	-4%	-1 025 804
Management fees	3	24 673 153	17 608 077	40%	7 065 076
Other revenue	4	5 769 877	1 370 745	321%	4 399 132
Cleaning services	5	347 887 976	235 112 530	48%	112 776 446
Facilitation fees	6	2 083 922	-	100%	2 083 922
Interest received	7	27 625 846	24 789 432	11%	2 836 414
Revenue from Non-Exchange Transactions		697 593 616	624 867 949	12%	72 677 898
Medical boarding refunds	8	977 073	934 734	5%	42 339
SETA refunds	9	650 863	465 984	40%	184 879
CoJ – Subsidies received	10	695 732 000	623 131 002	12%	2 601 000
Interest received	11	233 680	242 051	-3%	-8 371
Staff debtors		-	94 178	-100%	-94 178
Total Revenue		1 152 385 338	950 031 387	21%	201 930 421
Expenditure					
Employee-related costs	12	(573 780 235)	(521 296 685)	10%	52 483 550
Depreciation and amortisation	13	(19 779 567)	(15 575 923)	26.99%	4 203 644
Impairment losses		-	(12 761 889)	-100%	-12 761 889
General and operating expenses	14	(199 183 291)	(192 664 954)	3%	6 518 331
Interest and finance costs	15	(4 368 894)	(2 034 056)	115%	2 334 838
Debt impairment	16	(2 396 511)	(4 853 920)	-51%	-2 457 409
Lease rentals on operating leases	17	(184 982 724)	(158 261 366)	17%	26 721 358
Loss on disposal of fixed assets	18	(7 632 842)	(157 839)	4 736%	7 475 003
Total Expenditure		(992 124 064)	(907 606 632)	9.31%	84 517 432
(Deficit)/surplus before taxation		160 261 274	42 424 755	277.75%	117 836 521
Taxation	19	45 759 813	11 854 231	286%	33 905 581
(Deficit)/surplus for the year		114 501 461	30 570 524	274.55%	83 930 940

Table 44: Statement of Financial Performance



Notes to the Statement of Financial Performance

1. Cell mast revenue has decreased by 8% compared to the prior year. The revenue is generated in line with the contract.
2. The CoJ rental collection commission, servitudes, and rates and taxes have decreased by 4% compared to the prior year, which is in line with rental collections in Portfolio. There is currently an undertaking to further renew leases, which will increase the amount of revenue Portfolio can collect and the commission receivable by JPC.
3. JPC earns a 10% management fee for facilitating and managing repairs and maintenance (R&M) and CAPEX projects for the CoJ's departments and other municipal-owned entities (MOEs). Income exceeded the budget following JPC's implementation of a 10% charge on cleaning services from July 2024.
4. Other revenue relates to rental recovery for Forum 1 rental.
5. Cleaning service costs are billed and recovered for services rendered. The cleaning cost rate has been revised to a fixed rate that will cover all costs associated with the cleaning services that JPC provides. This has yielded higher revenue from previous financial years. The rate will increase in line with the CoJ's budget indicators.
6. This relates to development facilitation fees. Facilitation fees for the current financial period are below budget due to site preparation challenges, delaying project initiation. The Soweto Gateway project, which contributes to facilitation fees, has been awarded and is in the contractual agreement phase.
7. Interest received from the sweeping account increased year-on-year as the account had accumulated a R368 million surplus by 30 June 2025. The positive cash balance throughout the financial year has also been beneficial to the growth of the account balance.
8. Medical boarding is the inability of an employee to work according to the requirements of his/her job as a result of ill-health or injury. Refunds claimed vary and cannot be budgeted or planned for.
9. JPC received refunds from the Services SETA for staff training that was conducted during the financial year.
10. The subsidy was provided to JPC for the 2024/25 financial year. The subsidy was revised during the midterm budget review.
11. This refers to interest received from SARS.
12. As JPC is a human capital-intensive, service-based business, employee-related costs represent 58.6% of its expenditure. The expenditure has increased slightly year-on-year to align with reductions in the budget. However, this has come at a disadvantage as the entity is unable to fill its critical vacancies.
13. Depreciation has remained consistent year-on-year as per the expectation and timing of additions.
14. General and operating expenditure has increased by 3% compared to the prior year. Operational expenditure includes large expenditure items such as rental, R&M, utilities, and security, all of which have increased in the current year.
15. JPC incurred interest mainly due to the finance lease entered into in the current year.
16. The recoverability of third-party debtors is assessed annually and the provision for bad debts is adjusted accordingly in line with the requirements of GRAP 104. No further debt impairment was incurred in the current year.
17. Lease rentals increased year-on-year as annual escalations on existing office accommodation leases came into effect. The expense has increased as leases are renewed at current market rates in the 2024/25 financial year.
18. Loss on disposal of fixed assets is a result of scrapped items of property, plant, and equipment.
19. JPC incurred normal income tax of R51 million and recognised deferred tax of R8.5 million.



Section 3: Cash Flow Statement

City of Joburg Property Company Statement of Cashflows as at 30 June 2025

	30-Jun-25	30-Jun-24
Cash Flows from Operating Activities		
Rendering of services	369 444 628	355 043 300
Subsidies	695 732 000	623 131 002
Interest income	27 859 526	24 789 432
	1 093 036 154	1 002 963 433
Payments		
Employee costs	-577 305 892	-517 335 747
Suppliers	-394 810 168	-258 882 540
Finance costs	-4 368 894	-2 034 056
Taxation refund	-72 211 992	34 621
	-1 048 696 946	-778 217 722
Net Cash Flows From Operating Activities	44 339 208	224 746 012
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	-5 019 989	-
Purchase of deposits	-61 401 637	-
Purchase of intangible assets	-	-
Net Cash Flows from Investing Activities	-66 495 675	-
Cash Flows from Financing Activities		
Net movement of shareholder loan	30 087 990	-211 373 596
Finance lease payments	-7 931 523	-13 372 416
Net Cash Flows from Financing Activities	22 156 467	-224 746 012
Net Increase/(Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at the Beginning of the Period	2 000	2 000
Cash and Cash Equivalents at the End of the Period	2 000	2 000

Table 45: Statement of Cashflows

Overview

The statement of cash flows indicates how the entity has generated its cash flows and how it has utilised its cash. A review of JPC's statement of cash flows at 30 June 2025 indicates:

- Constrained inflows of monies from trade receivables and the subsidy.
- Cash outflows to suppliers exceeding inflows from the rendering of services, as JPC abides by the MFMA provisions to settle its suppliers within 30 days.
- Utilisation of CAPEX budgets to capacitate JPC's IT infrastructure and cleaning services.
- Reduction in financial obligations for loans from the Shareholder, as the entity is funded through its operating activities rather than its financing activities with the Shareholder. This is evident by a **R224 million** inflow from operating activities and a **R211 million** outflow from financing activities.



Section 4: Capital Projects and Expenditure

Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
City-wide revamping of Informal Trading Stalls and Linear Markets	2284	2 250	2 229	21	99%	Completed
Orlando Ekhaya Waterfront Development Renewal Park Orlando Ekhaya D Regional	2522	12 000	11 904	96	99%	Completed
Computer Equipment – New computer upgrades (acquisition and installation of the digital security and ICT WAN)	2669	2 000	2 000	0	0%	Completed
Erf 43–46 Victoria Ext. 3 (Paterson Park Node) Victoria Ext. 3 E Regional	4142	1 726	332	1 394	19%	RFQ awarded for refurbishment – R400 000
Office Space Optimisation Programme New Precinct Redevelopment Johannesburg F City-Wide	4184	8 586	4 301	4 285	50%	
Marlboro Station Project Land Preparation	6309	400	305	95	76%	Completed
Inner City Rejuvenation Programme/Project	22740	6 000	–	6 000	0%	The negotiations were not positive. The property valuation amounted to R3.7 million and the owner wanted R7 million which was not backed by a valuation. The deal did not materialise. JPC will initiate the expropriation process.
Acquisition of various properties in Soweto	23543	800	157	643	20%	Currently, there is a stand-off due to property owners demanding that the offers include the costs of enhancements made to the properties. The entity is consulting on the expropriation of these properties.
Acquisition of cleaning equipment	23560	1 913	1 913	50	100%	This project has been completed.
23776_Walter Sisulu Square Upgrade	24027	4 000	3 692	308	92%	Spent
JPC Furniture fittings/office alterations and equipment	31126	2 000	2 000	–	100%	This project has been completed.
Temporary emergency accommodation	31138	22 393	–	22 393	0%	This was a multi-year project; however, the budget was cut in the outer years. Spending the current year amount would have resulted in audit risks for JPC. Work in progress or halted projects have been highlighted as an area of poor planning by the Auditor-General.
TOTAL		64 068	28 833	35 235	45%	



Section 5: Ratio Analysis

Ratio	2025	2024
Liquidity Ratio (1:1)	1.08	0.97
Solvency Ratio (1:1)	1.18	1.03
Trade receivables turnover		
Related parties (30 days)	353	881
Provision for bad debts	36 753 256	34 356 745
Trade receivables to total assets (%)	55%	69%
Cash coverage ratio (1:1)	4.64	0.33
Cash position	368 430 613	291 688 290

Table 46: Ratio Analysis of the Statement of Financial Performance

Liquidity Ratio

JPC's current ratio of 1.08 reflects a slight improvement compared to the 2024 financial year-end. JPC is currently owed **R992 million** from trade and inter-company debtors. In September 2024, JPC Finance engaged with all departments owing the City to collect outstanding amounts. This resulted in over **R200 million** being collected in the second quarter, **R140 million** in the third quarter, and a further **R100 million** in the fourth quarter.

The sweeping account currently reflects a positive **R368 million**, while related-party loans exceeding R863 million for salary costs are still to be paid to the CoJ's Group Finance and Corporate Shared Services for previous and current financial years. The increase in the cash position results from JPC receiving over **R100 million** in outstanding monies from the CoJ for facilities management services rendered. The cash receipts have been used to improve creditor payments.

Solvency Ratio

JPC has a solvency ratio of 1.18:1 against the norm of 2:1, and is factually solvent, as the financial statements indicate sufficient assets to cover all liabilities. Solvency is demonstrated by a net asset position of **R142 million**. Given the financial support and access to cash facilities, JPC remains commercially solvent with sufficient resources to service its operational obligations as they arise. Increased revenue from facilitation fees, outdoor advertising, and rentals will further bolster JPC's solvency position through commissions receivable from the Portfolio.

Cost Coverage Ratio

Due to JPC's positive cash position, the cost coverage ratio is positive at 4.64 (in months), representing a marked improvement from the previous year, which stood at 1.85 (in months). Surplus cash, if any, will be utilised to settle CoJ salary loan accounts.

Debtors Collection Period

JPC has a debtor collection period exceeding one year, with a collection ratio of 353 days. The inter-company debtor collection ratio has improved due to better collections in the current year.

Provision for Bad Debts

JPC raised a provision for bad debts related to previously raised facilitation fees. The provision accounts for 100% of total external debtors. Although the facilitation fees are due and payable based on completion stages, the companies awarded the development sites have not initiated their projects due to various delays. From an accounting perspective, JPC has raised a provision for bad debts against these facilitation fees at 100% of the award values. As per GRAP 104, additional debtors have been added to the provision by discounting active third-party debtors at amortised cost at an effective interest rate linked to the prime lending rate.

Creditors Payment Cycle

Reasonable steps were taken to ensure that money owed by the municipal entity was not always paid within 30 days, as required by section 99(2)(b) of the MFMA.

Surplus/(Deficit)

The net surplus as at 30 June 2025 is **R114.5 million**, compared to a surplus of **R30.5 million** for the period ended 30 June 2024.

JPC prepares a break-even budget with estimated income matched to estimated expenditures. The majority of JPC's expenses are fixed, except for repairs and maintenance. However, expenditure is managed to ensure that no overspending occurs.

Expenditure

A review of JPC's expenditure indicates that the main drivers are employee costs, repairs and maintenance, security, and leased office accommodation. Due to under-spending on repairs and maintenance during the financial year, the expense base for ratio calculations is lower than the previous financial year. Employee costs are higher year-on-year, and their percentage of total expenditure has increased, resulting in a ratio of 58.6%.

Rental expenditure is expected to increase further in 2025/26, as office accommodation lease contracts have expired and are undergoing extension and renewal. The supply chain processes for extensions and renewals are activated and approved by the Executive Adjudication Committee of the CoJ. This approval process has caused delays in initiating lease renewals. Upon completing the lease renewal process, expenditure is anticipated to increase in 2025/26 as leases will be renewed at current market rates for office accommodation.



	2025	2024
Surplus before tax	160 261 274	42 424 755
Net surplus/(deficit)	114 501 461	30 570 524
Net operating margin (%)	15.67%	2.88%
Operating subsidy to total revenue (%)	61.24%	66.10%
Exchange transactions to total revenue (%)	36.27%	33.90%
Employee costs to total expenditure (%)	58.60%	57.20%
R&M to total expenditure (%)	1.05%	2.63%
Rental to total expenditure (%)	18.49%	17.43%

Table 47: Ratio Analysis of the Statement of Financial Performance

Section 6: Irregular, Fruitless, and Wasteful Expenditure

Fruitless and wasteful expenditure refers to unnecessary expenditure that would have been avoided had reasonable care been exercised.

	2025	2024
Opening balance	4 103 153	70 754 362
Current year additions	231 470	3 588 850
Less: Amount recovered	(143 894)	
Less: Amount written off- current	(206 812)	(70 240 059)
Closing balance	3 983 917	4 103 153

Table 48: Year-on-Year Movement of Fruitless and Wasteful Expenditure

For the financial year ended 30 June 2025, fruitless and wasteful expenditure increased by **R231 470** due to the following incidents:

Category	Description	Disciplinary Status	Amount
Supplier disputes	SARS interest	Under investigation by Internal Audit	34 363
Supplier disputes	SARS penalty	Under investigation by Internal Audit	197 107

Table 49: Incidents Leading to Fruitless and Wasteful Expenditure



SARS issued JPC penalties of R197 107 for various invoices. Interest related to these penalties amounted to R34 363. JPC has successfully objected to some of the penalties and interest and is awaiting SARS' response on the remaining items. The basis of objection for the successful objections is exactly the same for all affected invoices.

Treasury guidelines on irregular expenditure provide that this is only recognised when payment pertaining to non-compliance is actually made. Any irregular expenditure determined prior to a payment being made will only be regarded as non-compliant until the payment is made, at which point the irregular expenditure will be recorded.

Irregular expenditure	2025	2024
Opening balance	219 626 409	216 366 561
Current year additions	178 910 813	171 202 873
Prior period additions	–	–
Amount written off	–159 772 421	–167 943 025
Closing balance	238 764 801	219 626 409

Table 50: Year-on-Year Irregular Expenditure Movement

Category	Description	Disciplinary Status	Amount
Non-compliance with laws and regulations	Non-compliance with Circular 62 of the MFMA (leases)	Tender process currently under way. Investigations concluded by Internal Audit and the current year cost has been approved to be written off as a recovery	163 192 907
Non-compliance with laws and regulations	Competitive bidding not invited – current period – IT expenses		4 245 761
Non-compliance with laws and regulations	Competitive bidding not invited – current period – IT expenses	Reported for investigation	2 620 696
Non-compliance with laws and regulations	City centralised fleet contract	Under review by the CoJ	8 851 449

Table 51: Irregular Expenditure



Section 7: Pending Litigation and Possible Liabilities

JPC currently has ten (10) litigation matters against the entity from external parties. The matters are at varying stages of litigation, with the likelihood that they may be concluded and/or finalised in 2025.

Plaintiff	Claim	Status
TIRO Projects Pty Ltd: JPC appointed Bayete Capital as Turnkey Project Manager for construction works at the IOC	Amount not specified	The claim has been denied and no payment is due and payable to TIRO
Daniel Schwartz: Alleged negligence: the plaintiff suffered alleged bodily injuries when an elevator fell from the 5 th floor to the basement	R4 500 000.00	Dispute in litigation
Govender: Damages suffered due to an alleged malfunctioning gate at a COJ property	R27 934.50	Dispute in litigation
Madirommogo: cleaning services allegedly rendered at Fleet Africa Transport Facility	R2 010 005.00	Dispute in litigation
4T Group: claim is for outstanding invoices which appear to be fraudulent	Amount not specified	Invoice deemed to be fraudulent, plaintiff informed
Wild Goose: seeking an order directing the JPC to consent to the cession and assignment by Wild Goose.	Amount not specified	Dispute in litigation
Red Coral Investments: Claiming for work done for which they were not appointed for	R1 158 160.11	Dispute in litigation
Atlelga Development: claiming for non-payment of services render for Mooki Street project	R126 500.00	Dispute in litigation
Atlelga Development: claiming for non-payment of services rendered for project Farm Laanglaagte	R589 950.00	Dispute in litigation
Double Dose: referred a dispute in terms of clause 37.2 of the signed development lease agreement	R67 847.20	Dispute in litigation

Table 52: Insurance claims

Section 8: Insurance Claims Against/to JPC

Deviations/Ratification JPC Entity

Regulation 12(1)(d)(i) of the Municipal Supply Chain Management Regulation, 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. Regulation 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, reports them to the next meeting of the board, and includes a note to the annual financial statements.

Deviations related to IT related services (Sole provider)

Nated systems (Pty) Ltd (An electronic document management system) R8 000 000 per annum (R24 000 000 over three years).



Section 9: Insurance Claims Against/to JPC

None

Section 10: Statement of Amount Owed to Government Departments and Public Entities

None



CHAPTER 6

Internal and External Audit



Section 1: Internal Audit Overview

JPC’s internal audit function operates through a co-sourced model, combining in-house expertise with a panel of external service providers to ensure technical depth and operational agility. The Internal Audit Department is staffed by qualified professionals and functions under a clear mandate from the Audit and Risk Committee (ARC) to independently evaluate the adequacy and effectiveness of internal controls, governance, and risk management.

The GM: Internal Audit reports administratively to the CEO and functionally to the ARC, with

direct access to both the ARC Chairperson and the Board Chair to safeguard objectivity. JPC aligns its practices with the International Standards for the Professional Practice of Internal Auditing (ISPPA), which define internal audit as an “independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations.”

To maintain audit quality, an independent review of the function is commissioned every three years exceeding the ISPPA’s five-year benchmark.

Internal audit activities were implemented throughout the 2024/25 financial year, while the Auditor-General of South Africa (AGSA) conducts its annual external audit during the August to November cycle.

The role of internal audit is to provide independent assurance that an organisation’s risk management, governance, and internal control processes are operating effectively. The roles and responsibilities of the internal audit function are set out in the Audit Charter, which includes the following:

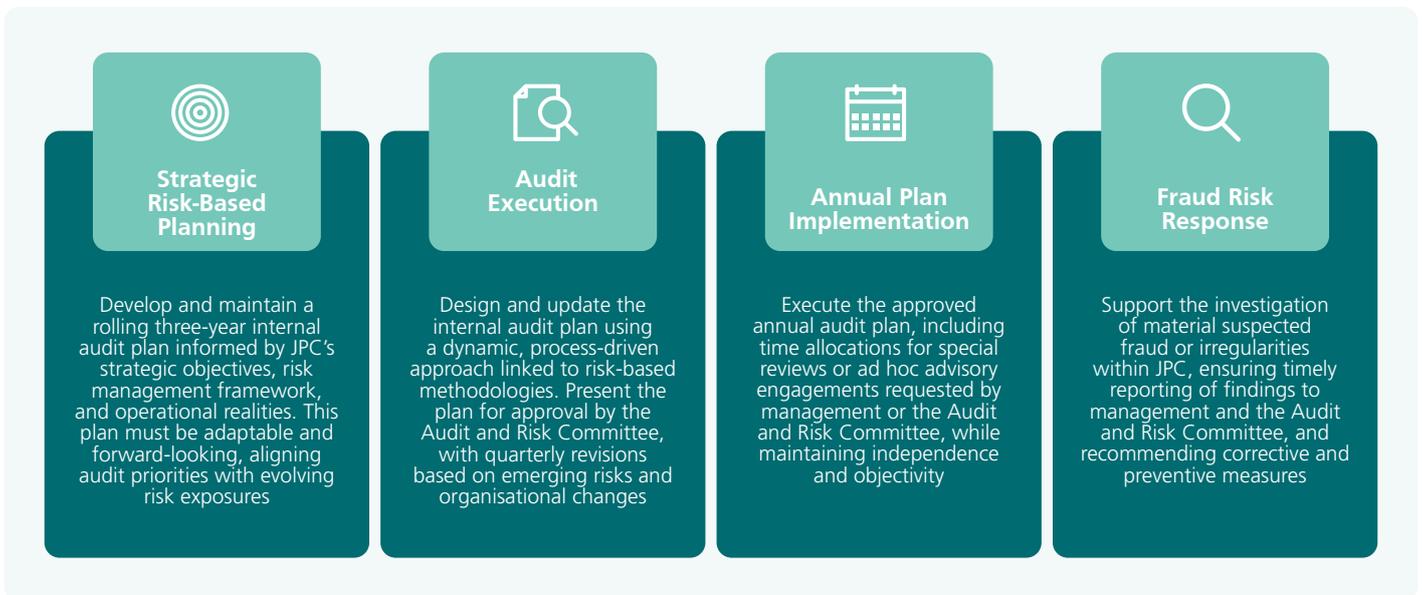


Figure 22: Roles and Responsibilities of Internal Audit

Internal Audit Coverage and Assurance Summary – 2024/25

The annually updated audit plan focuses on key operational and compliance areas, including:

- Human Resources
- Supply Chain Management
- Predetermined Objectives
- Information Technology
- Records Management

- Financial Reporting
- Compliance
- Fleet Management

Audit execution targeted high-risk areas while allowing selective coverage of lower-risk functions as resources permitted. Internal controls across the organisation were assessed to be generally adequate and effective.

Findings were communicated to management with agreed corrective actions and follow-up audits scheduled to track resolution progress. Coordination with other assurance providers helped avoid duplication and enhanced coverage. Overall, internal controls for 2024/25 were found to be reasonably adequate and effective.



Section 2: Annual Audit Plan Progress and Resolution of Internal Audit Findings

In line with JPC's commitment to accountability and governance, twelve (12) audits were conducted during 2024/25. These reviews aimed to assess the strength of internal controls and support continuous improvement.

Highlights from completed audits:

- **Follow-Up on Prior Findings:** Of the 28 findings from 2023/24, 27 were resolved (97% resolution). One HR policy matter is pending due to labour consultations.
- **Audit of Pre-Determined Objectives:** Controls were generally sound, although timely evidence submission requires improvement.
- **Finance and Supply Chain Management (SCM):** Controls are effective, with policies aligned to compliance standards.
- **Human Resources Audit:** The audit assessed the design and application of HR policies and controls. While certain fundamental processes are in place, areas requiring refinement were identified to improve alignment with evolving organisational demands. Improvement plans are in motion.
- **Information Technology General Controls Review:** This assessment focused on IT governance, user access, and systems continuity. While no material deficiencies were identified, enhancements to strengthen control maturity were recommended and accepted by management.
- **Records Management Audit:** Internal Audit concluded that records-related controls are largely appropriate, offering reasonable assurance that risks related to data integrity and access are being managed at acceptable levels.
- **Compliance Audit:** This audit affirmed strong adherence to legislative frameworks and internal policies. Preventive controls are in place and operating adequately to support a culture of compliance.
- **SCM, Compliance, and Contract Management Audit:** The review evaluated contract oversight and compliance within procurement practices. Controls were determined to be effective in ensuring service delivery obligations are met in line with contractual terms.
- **Fleet and Fuel Management:** Controls are adequately designed, and minor improvements were advised.
- **Information Technology Audit (Repeat):** The audit reconfirmed the robustness of digital operational controls.





Progress made on the Annual Audit Plan:

Table 53 below indicates the control environment rating based on the audit plan for the 2024/25 financial year.

Internal Audit Reference No	Audit Description	Status	Control Environment Rating	Rating Comparison from Previous Year
1	Follow up on Internal and AGSA Findings	Complete	Preventive or detective controls are in place	Improvement
2	Audit of Pre-Determined Objectives	Complete	Preventive or detective controls are in place	Improvement
3	Contract Management	Complete	Control environment requires improvement	Stagnant
4	Fleet and Fuel Management	Complete	Control environment requires improvement	Stagnant
5	Annual Financial Statement Review	Complete	Preventive or detective controls are in place	Stagnant
6	Supply Chain Management	Complete	Preventive or detective controls are in place	Improvement
7	Related-Parties Transactions	Complete	Control environment requires improvement	Stagnant
8	Human Resources	Complete	Preventive or detective controls are in place	Improvement
9	Revenue and Expenditure Management	Complete	Preventive or detective controls are in place	Stagnant
10	Risk and Compliance	Complete	Preventive or detective controls are in place	Improvement
11	Information Technology	Complete	Control environment requires improvement	Stagnant
12	Records Management	Complete	Control environment requires improvement	Stagnant

Table 53: Control Environment Rating 2024/25

Control Environment Rating Legend:

- Preventive or detective controls are in place
- Control environment requires improvement
- Internal controls are not in place and intervention is required to design and implement appropriate controls
- Not yet due

- Improvement
- Stagnant
- Decline





Management continues to address audit findings through structured action plans. Follow-ups are conducted quarterly to confirm closure and prevent recurrence. As of year-end, 97% of internal audit findings were resolved.

Management’s response to audit findings continues to demonstrate accountability and operational focus. The consistent closure of findings across multiple audits signals

a strengthening control environment and increasing awareness of internal governance responsibilities across the organisation.

Corrective actions are tracked and reviewed quarterly, with a formalised mechanism in place for escalating unresolved items. This structured approach ensures that control deficiencies are addressed in a timely manner and that recurring issues are prevented.

JPC remains committed to embedding audit responsiveness, strengthening internal controls, and fostering a culture of accountability and continuous improvement. Internal Audit, in line with its mandate under Section 165 of the MFMA and the approved Audit Charter, will continue to provide independent oversight and assurance to support improved operational performance and risk mitigation.

Current Year: 2024/25	Total Findings Raised	Total Resolved	% Resolved
Q1	28	00	0%
Q2	28	12	43%
Q3	28	23	82%
Q4	28	27	97%
Total	28	27	97%

Table 54: Progress on Resolution of Audit Findings 2024/25

Section 3: Progress on the Resolution of the AGSA Findings

The Auditor-General has concluded the 2024/25 audit, issuing JPC an **unqualified audit opinion**. This outcome reaffirms the municipal entity’s commitment to strong governance, financial discipline, and credible reporting.

The AGSA identified **25 findings**, primarily relating to **compliance in procurement and contract management, expenditure management, and misstatements in the financial statements**. Of these, **seven findings have been classified as matters of significance** and will be included in the AGSA’s final audit report.

These findings highlight critical areas where internal controls must be tightened to safeguard public resources, strengthen accountability, and ensure continued operational effectiveness. Management has prioritised a comprehensive remedial action plan to address all findings, with a clear focus on eliminating repeat issues in the next audit cycle. Our objective is to reinforce compliance, improve data integrity, and embed sustainable control enhancements across all business areas.



Johannesburg City Skyline



JPC remains firmly committed to clean governance and responsible financial management. Over the past audit cycles, the entity has demonstrated continuous improvement, resolving findings and strengthening compliance practices. The table below reflects the trend in findings and JPC’s resolution rates:

Financial Year	Total Findings	Repeat Findings	Resolved	In Progress	Unresolved
2020/21	17	0	16	0	1
2021/22	16	0	7	0	9
2022/23	12	2	12	0	0
2023/24	13	2	13	0	0
2024/25	25	1	19	0	6

Table 55: Comparison of resolution rate findings

Section 4: State of Internal Controls

The unqualified audit opinion for 2024/25 reflects positively on JPC’s overall governance maturity and confirms that the internal control environment has strengthened. The Auditor-General’s assessment indicates that **meaningful progress** has been made in implementing both preventative and detective controls, contributing directly to the credibility of the audit outcome and reinforcing confidence in JPC’s financial management and reporting practices.

This progress is supported by strong audit resolution performance:

- **100% resolution** of all AGSA findings for the year ended 30 June 2024.
- **97% resolution** of internal audit findings (27 of 28), demonstrating management’s responsiveness and continued commitment to closing control gaps.

These results show that internal controls are increasingly effective in supporting compliance, improving operational consistency, and driving accountability. The stabilisation of key departments remains

dependent on securing funding to fill critical vacancies, which is essential to strengthening control execution, process discipline, and oversight.

However, the AG’s analysis also highlights that **improvement remains necessary**. Certain controls were found to be **not yet sustainable**, and the presence of findings indicates areas where controls require further strengthening to prevent regression.

The strategic risk profile underscores these concerns:

- **Six of ten strategic risks** are operating with ineffective controls.
- **Four strategic risks** currently lack formalised controls.

This demonstrates the need for urgent action to embed stronger, sustainable controls within high-risk areas and ensure alignment with JPC’s governance and performance objectives.

Internal Audit, in accordance with Section 165 of the MFMA and its approved Audit

Charter, will continue providing independent assurance and oversight. Collaboration across the organisation remains essential to entrenching a culture of compliance, risk responsiveness, and disciplined internal control.

Effectiveness and Impact

Overall, the outcomes show that JPC’s internal control environment is improving and increasingly effective. The business impact is significant:

- Enhanced accountability and transparency
- Stronger data integrity and reliable reporting
- Greater process discipline and operational stability
- Improved resilience and readiness for future audit cycles.

These improvements not only supported the unqualified audit outcome but also position JPC to further strengthen governance and reduce the risk of future findings.



APPENDIX A

Annual Financial Statements



a world class African city



City of Joburg Property Company (SOC) Limited
(Registration number 2000/017147/07)
Annual Financial Statements for the year ended
30 June 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provide property and facilities management functions for the City of Johannesburg Metropolitan Municipality and other municipal owned entities within the group.
Business address	33 Hoofd Street Forum 1 Braampark Building Braamfontein 2000
Postal address	P O Box 31565 Braamfontein 2017
Controlling entity	The City of Johannesburg Metropolitan Municipality incorporated in South Africa
Bankers	Standard Bank
Auditors	Auditor General South Africa
Secretary	Ms G Dlamini
Company registration number	2000/017147/07
Tax reference number	9292/129/146
Preparer	The annual financial statements were internally compiled by: Mr M Zondo CA (SA) Acting Chief Financial Officer

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Index

Board of Directors' Responsibilities and Approval	159
Audit and Risk Committee Report	160
Board of Directors' Report	162
Company Secretary's Certification	168
Statement of Financial Position	169
Statement of Financial Performance	170
Statement of Changes in Net Assets	171
Cash Flow Statement	172
Statement of Comparison of Budget and Actual Amounts	173
Significant Accounting Policies	175
Notes to the Annual Financial Statements	191

Abbreviations used

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts

Board of Directors' Responsibilities and Approval

The directors are required by the Municipal Finance Management Act (Act 56 of 2003), to ensure adequate accounting records are kept and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity, as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity, and place considerable importance on maintaining a strong control environment.

To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the entity is on identifying, assessing, managing, and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems, and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the entity's cash flow and operational budget for the year to 30 June 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or had access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the entity for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

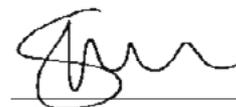
Although the board are primarily responsible for the financial affairs of the entity, they are supported by the entity's management and internal auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors, and their report is presented on page 223.

The annual financial statements set out on page 156, which have been prepared on the going concern basis, were approved by the board on the 26 November 2025 and were signed on its behalf by:



Mr M Makhunga
Chief Executive Officer



Mr S Motha
Board Chairperson

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Audit and Risk Committee Report

We present our report for the financial year ended 30 June 2025.

Audit and risk committee members and attendance

The audit and risk committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. The committee has met on nine occasions during the financial year.

Name of member	Number of meetings attended
Mr T Mashamaite (ARC Chairperson)	6
Mr X Lingani (Retired 31 July 2024)	1
Mr F Ratshikhopha	9
Mr M Zondo	2
Ms R Makwela (Independent)	8
Mr T Chiloane (Independent) (Retired 31 July 2024)	1
Ms K Ngubane (Independent)	8
Mr M Karedi (Independent)	8
Ms YPamla-Dhludhlu (Independent)	9

Audit and risk committee responsibility

The audit and risk committee reports that it has complied with its responsibilities arising from Section 166(2)(a) of the MFMA.

The audit and risk committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Internal audit

The company's internal audit function is performed internally with the assistance of a panel of auditors to complete various internal audit engagements. The appointments are made in compliance with Section 165 of the Municipal Finance Management Act No. 56 of 2003.

The effectiveness of internal control

The system of internal controls applied by the company over financial and risk management are satisfactory. In line with the MFMA and the King Code on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are satisfactory. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters relating to the annual financial statement audit were reported (besides the matters highlighted by the Auditor-General) that indicate any material deficiencies in the system of internal control or any deviations there from.

Audit and Risk Committee Report (continued)

Evaluation of annual financial statements

The Audit and Risk Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor- General and the board;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The audit and risk committee concurs with and accepts the Auditor-General of South Africa's report on the annual financial statements and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

Risk management

The audit and risk committee ensures that the company has effective policies and plans for risk management. The committee also oversees the following:

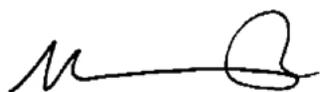
- Development and annual review of risk management policies and plans
- Monitors implementation of risk management policies and plans
- Recommends to the Board on levels of risk tolerance and appetite
- Ensures risk management is integrated into business operations
- Ensures risk management assessments are conducted on a continuous basis
- Ensures frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Ensures that management considers and implements appropriate risk responses

Finance function

The Chief Financial Officer remains vacant. The committee has reviewed and considered the experience and resources available to the company's finance function, and the Acting Chief Financial Officer was appointed. The committee remains concerned with the delay in appointing a permanent CFO and has escalated the matter to the board.

Auditor-General of South Africa

The audit and risk committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Chairperson of the Audit Committee

03/12/2026

Date

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Board of Directors' Report

The Directors have pleasure in submitting to the Shareholders their report together with the annual financial statements for the year ended 30 June 2025.

1. Incorporation

The entity was incorporated on 27 July 2000 and obtained its certificate to commence business on the same day.

2. Controlling entity

The entity's controlling entity is The City of Johannesburg Metropolitan Municipality incorporated in South Africa.

3. 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 ability of the entity to remain a going concern is dependent on funding received from the shareholder, namely City of Johannesburg Metropolitan Municipality. Surety has been provided through the Office of the City Manager that the entity is funded and backed by the City of Johannesburg Metropolitan Municipality. The surety will remain in effect for so long as it takes the entity to restore its solvency.

4. Review of activities

Main business and operations

Net surplus of the entity was R114 501 461 (2024: surplus R 30 570 524), after taxation of R45 759 813 (2024 R11 854 231).

5. Subsequent events

No subsequent events have been identified to date.

6. Directors' interest in contracts

Directors' personal financial interest in any contracts have been disclosed and no Directors, both executive and non-executive, have any interest in contracts with the company.

7. Share capital/contributed capital

There were no changes in the authorised or issued share capital of the entity during the year under review.

8. Borrowing limitations

In terms of the sale of business agreement, the City of Joburg Property Company (SOC) Limited does not have the authority to borrow funds on its own behalf. All external funding is managed under the auspices of the City of Johannesburg Metropolitan Municipality.

9. Non-current assets

There were no changes in the nature of non-current assets of the company during the year.

Board of Directors' Report

10. Board

There were no changes in the nature of non-current assets of the company during the year.

Name	Nationality	Changes
Ms HM Botes	South African	Resigned 31 July 2025
Mr M Makhunga	South African	Appointed 29 December 2024
Mr Mfanafuthi Zondo	South African	Appointed 01 April 2025
Mr S Motha	South African	
Ms S Collophen	South African	
Mr M Rabodila	South African	
Ms Y Ngxabazi	South African	
Mr T Mashamaite	South African	
Mr S Mtolo	South African	
Ms E Rakodi	South African	
Mr F Ratshikhopha	South African	
Ms S Gwebani	South African	Resigned 31 March 2025
Ms B Teffo	South African	
Adv T Thatelo	South African	
Ms N Tini	South African	
Mr M Zondo	South African	

11. Secretary

The secretary of the entity is Ms G Dlamini.

Business address 33 Hoofd Street Forum I
Braampark Building Braamfontein
2000

Postal address P O Box 31565
Braamfontein 2017

12. Corporate governance

General

The board is committed to business integrity, transparency, and professionalism in all its activities. As part of this commitment, the board supports the highest standards of corporate governance and the ongoing development of best practice.

The City of Joburg Property Company SOC Ltd confirms and acknowledges its responsibility to comply with the Code of Governance Principles ("the Code") as laid out in the King Code on Corporate Governance for South Africa. The Board of Directors discuss the responsibilities of management in this respect, at Board meetings and monitor the company's compliance with the code on a continuous basis.

Board of Directors' Report

12. Corporate governance (continued)

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy implementation, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency, and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
 - › 11 non-executive directors, all of whom are independent directors as defined in the Code; and
 - › 2 executive directors.

Chairperson and chief executive

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The Chairperson is responsible for oversight, whilst Chief Executive is responsible for operations.

Remuneration

The upper limits of the remuneration of the Chief Executive Officer, and the Chief Financial Officer, who are the only two executive directors of the entity, are determined by the Parent entity, and the board will determine the remuneration within the above-mentioned limits.

Board of Directors' Report

12. Corporate governance (continued)

Board meetings

The board has met on 11 separate occasions during the financial year. The board schedules to meet at least four times per annum.

Non-executive directors have access to all members of management of the entity.

The board has delegated responsibilities to:

1. Audit and risk committee must-

- a. advise the municipal council, the political office-bearer, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:
 - i. internal financial control and internal audits;
 - ii. risk management;
 - iii. accounting policies;
 - iv. the adequacy, reliability and accuracy of financial reporting and information;
 - v. performance management;
 - vi. effective governance;
 - vii. compliance with this Act, the annual Division of Revenue Act and any
 - viii. performance evaluation; and other applicable legislation;
 - ix. any other issues referred to it by the municipality or municipal entity:
- b. review the annual financial statements to provide the council of the municipality or, in the case of a municipal entity, the council of the parent municipality and the board of directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation:
- c. respond to the council on any issues raised by the Auditor-General in the audit report;
- d. carry out such investigations into the financial affairs of the municipality or municipal entity as the council of the municipality, or in the case of a municipal entity, the council of the parent municipality or the board of directors of the entity, may request: and
- e. perform such other functions as may be prescribed.

2. Social, ethics, transformation and remuneration committee- The committee advises the Board on the remuneration policies, remuneration packages and other terms of employment for senior managers. Its specific terms of reference also include recommendations to the Board on matters relating inter alia, human resources policies, executive remuneration and other human resource affairs of the company.

It is further tasked with looking into the entity's social and ethics, and transformation, including the organisation's standing in terms of the goals and purposes; good corporate citizenship; the environment; health and public safety; consumer relationships including the entity's advertising, public relations and compliance with consumer protection laws; and labour and employment.

3. Transactions and Service Delivery committee- The primary objective of the committee is to assist the Board in discharging its responsibility by considering all reports relating to property transactions. The committee also ensures that revenue generation targets are achieved in relation to the property portfolio and to make the necessary recommendations to the Board to ensure that service delivery is enhanced and property-related transactions are concluded efficiently within the legal framework that JPC operates in.

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Board of Directors' Report

12. Corporate governance (continued)

Directors' attendance at board and sub-committee meetings are as follows:

Name	Board Meeting	Social, ethics remuneration and transformation committee	Transaction and service delivery committee	Other
Mr S Motha	11	1	5	11
Ms S Collophen	10	4	-	3
Mr S Gwebani	8	-	3	2
Mr F Ratshikhopha	11	-	1	5
Mr M Rabodila	10	4	-	2
Ms B Teffo	11	5	5	3
Ms E Rakodi	1	1	-	-
Mr M Zondo	11	-	5	3
Miss N Tini	11	5	-	3
Miss R Makwela (IAC)	-	-	-	2
Mr M Mashamaite	10	-	-	10
Mr T Thatelo	11	1	4	15
Mr S Mtolo	1	-	-	-
Ms Y Ngxabazi	10	4	-	3

Audit and Risk Committee

As at 30 June 2025 the committee comprised of 2 (two) Non-Executive Directors.

In terms of Section 166 of the Municipal Finance Management Act, City of Johannesburg, as a parent municipality, must appoint members of the Audit and Risk Committee. Notwithstanding that non-executive directors appointed by the parent municipality constituted the municipal entities' Audit and Risk Committees, National Treasury policy requires that parent municipalities should appoint further members of the municipal entity's Audit and Risk Committees who are not directors of the municipal entity onto the Audit and Risk Committee. The Audit and Risk Committee has fulfilled its responsibilities as provided for in Section 166 of the Municipal Finance Management Act.

Transactions and Service Delivery committee

The Transaction and Service Delivery Committee is comprised of 6 (six) members.

The primary objective of the committee is to assist the Board in discharging its responsibility by considering all reports relating to property transactions. The committee also ensures that revenue generation targets are achieved in relation to the property portfolio and to make the necessary recommendations to the Board to ensure that service delivery is enhanced and property-related transactions are concluded efficiently within the legal framework that JPC operates in.

Social, Ethics, Transformation and Remuneration committee

The committee comprised of 5 (five) members.

The committee advises the Board on the remuneration policies, remuneration packages and other terms of employment for senior managers. Its specific terms of reference also include recommendations to the Board on matters relating inter alia, human resources policies, executive remuneration and other human resource affairs of the company.

It is further tasked with looking into the entity's social and ethics, and transformation, including the organisation's standing in terms of the goals and purposes; good corporate citizenship; the environment; health and public safety; consumer relationships including the entity's advertising, public relations and compliance with consumer protection laws; and labour and employment.

Board of Directors' Report

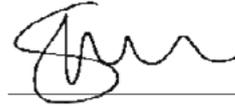
13. Auditors

Auditor General South Africa will continue in office in accordance with the Public Audit Act 25 of 2005, section 92 of the Municipal Finance Management Act No. 56 of 2003.

The annual financial statements set out on page 156, which have been prepared on the going concern basis, were approved by the board on 26 November 2025 and were signed on its behalf by:



Mr M Makhunga
Chief Executive Officer



Mr S Motha
Board Chairperson

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, and the Municipal Finance Management Act No. 56 of 2003. I, Gontse Dlamini, certify that, to the best of my knowledge and belief, that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



Ms G Dlamini
Company Secretary

Statement of Financial Position as at 30 June 2025

Figures in Rand

	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Loans to shareholders	5	376 417 356	318 594 198
Receivables from exchange transactions	4	992 140 990	932 791 807
Receivables from non-exchange transactions	7	40 843	94 178
VAT receivable	6	15 780 578	447 670
Cash and cash equivalents	3	2 000	2 000
		1 384 381 767	1 251 929 853
Non-Current Assets			
Property, plant and equipment	9	57 103 169	79 495 589
Intangible assets	10	176 291	223 223
Deferred tax	14	30 079 462	25 096 801
Income tax receivable	11	13 722 401	-
Deposits	8	62 698 408	1 222 722
		163 779 731	106 038 335
Total Assets		1 548 161 498	1 357 968 188
Liabilities			
Current Assets			
Loans from shareholders	5	1 008 266 872	920 355 724
Current tax payable	11	-	7 747 118
Finance lease obligation	15	9 367 777	8 279 331
Operating lease liability	16	26 857 845	2 196 263
Payables from exchange transactions	12	323 874 055	341 450 372
Provisions	13	4 195 612	7 757 269
		1 372 562 161	1 287 786 077
Non-Current Liabilities			
Finance lease obligation	15	18 881 389	28 001 618
Employee benefit obligation	17	719 000	683 000
		19 600 389	28 684 618
Total Liabilities		1 392 162 550	1 316 470 695
Net Assets		155 998 948	41 497 493
Share capital/contributed capital	18	5 142 721	5 142 721
Accumulated surplus		150 856 227	36 354 772
Total Net Assets		155 998 948	41 497 493

*See Note 36

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

Figures in Rand

	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Cell mast services	19	21 033 841	19 539 743
Commissions and ad hoc fees	19	25 717 107	26 742 911
Management fees	19	24 673 153	17 608 077
Other revenue	19	5 769 877	1 370 745
Cleaning services	19	347 887 976	235 112 530
Facilitation fees	19	2 083 922	-
Interest received	19&20	27 625 846	24 789 432
Total revenue from exchange transactions		454 791 722	325 163 438
Revenue from non-exchange transactions			
Interest received	21	233 680	242 051
Transfer revenue			
Subsidies	19	695 732 000	623 131 002
Staff debtors	19	-	94 178
Medical boarding refunds	19	977 073	934 734
SETA refunds	19	650 863	465 984
Total revenue from non-exchange transactions		697 593 616	624 867 949
Total revenue	19	1 152 385 338	950 031 387
Expenditure			
Employee-related costs	22	(573 780 235)	(521 296 685)
Depreciation and amortisation	23	(19 779 567)	(15 575 923)
Impairment losses	24	-	(12 761 889)
Finance costs	25	(4 368 894)	(2 034 056)
Lease rentals on operating lease	26	(184 982 724)	(158 261 367)
Doubtful debts	27	(2 396 511)	(4 853 920)
Loss on disposal of assets	28	(7 632 842)	(157 838)
General expenses	29	(199 183 291)	(192 664 954)
Total expenditure		(992 124 064)	(907 606 632)
Surplus before taxation		160 261 274	42 424 755
Taxation	30	45 759 813	11 854 231
Surplus for the year		114 501 461	30 570 524

Statement of Changes in Net Assets

Figures in Rand

	Share capital contributed capital	Share premium	Total share capital	Accumulated surplus/deficit	Total net assets
Balance at 01 July 2023	1 000	5 141 721	5 141 721	155 845	5 298 566
Changes in net assets					
Correction of error note 36	-	-	-	5 628 403	5 628 403
Total changes	-	-	-	30 570 524	30 570 524
Restated* Balance at 01 July 2024	1 000	5 141 721	5 142 721	36 354 766	41 497 487
Changes in net assets					
Surplus for the year	-	-	-	114 501 461	114 501 461
Total changes	-	-	-	114 501 461	114 501 461
Balance at 30 June 2025	1 000	5 141 721	5 142 721	150 856 227	155 998 948
Note(s)	18	18	18	-	-

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

Figures in Rand	Note	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		369 444 628	355 043 300
Grants		695 732 000	623 131 002
Interest income		27 859 526	24 789 432
		1 093 036 154	1 002 963 734
Payments			
Employee costs		(577 305 892)	(517 335 747)
Suppliers		(394 810 168)	(258 882 540)
Interest paid		(4 368 894)	(2 034 056)
Taxation received/(paid)	11	(72 211 992)	34 621
		(1 048 696 946)	(778 217 722)
Net cash flows from operating activities	33	44 339 208	224 746 012
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(5 019 989)	-
Deposits		(61 475 686)	-
Net cash flows from investing activities		(66 495 6750)	-
Cash flows from financing activities			
Repayment of shareholders' loan		30 087 990	(211 373 596)
Finance lease payments		(7 931 523)	(13 372 416)
Net cash flows from investing activities		22 156 467	(224 746 012)
Cash and cash equivalents at the beginning of the year		2 000	2 000
Cash and cash equivalents at the end of the year	3	2 000	2 000

The accounting policies on pages 175 to 190 and the notes on pages 191 to 221 form an integral part of the annual financial statements.

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Cell mast services	12 306 000	-	12 306 000	21 033 841	8 727 841	1
Commissions and ad hoc revenue	46 159 000	-	46 159 000	25 717 107	(20 441 893)	2
Management fees	11 014 000	-	11 014 000	24 673 153	13 659 153	3
Other revenue	1 104 000	-	1 104 000	5 769 877	4 540 854	4
Cleaning services	275 413 000	89 000 000	364 413 000	347 887 976	(16 525 024)	5
Facilitation fees	31 856 000	-	31 856 000	2 083 922	(29 772 078)	6
Interest received	7 159 000	-	7 159 000	27 625 846	20 466 846	7
Total revenue from exchange transactions	385 011 000	89 000 000	474 011 000	454 791 722	(19 219 278)	
Revenue from non-exchange transactions						
Interest – Taxation revenue	-	-	-	233 680	233 680	8
Transfer revenue						
Government grants & subsidies	656 397 000	39 335 000	695 732 000	695 732 000	-	
Medical boarding refunds	-	-	-	977 073	977 073	9
SETA refunds	-	-	-	650 863	650 863	10
Total revenue from non-exchange transactions	656 397 000	39 335 000	695 732 000	697 593 616	1 861 616	-
Total revenue	1 041 408 000	128 335 000	1 169 743 000	1 152 385 338	(17 357 662)	
Expenditure						
Employee-related costs	(557 007 000)	(19 335 000)	(576 342 000)	(573 780 235)	2 561 765	11
Depreciation and amortisation	(23 091 000)	-	(23 091 000)	(19 779 567)	3 311 897	12
Finance costs	(2 704 000)	-	(2 704 000)	(4 368 894)	(1 664 894)	13
Lease rentals on operating lease	(263 741 000)	(49 640 000)	(313 381 000)	(184 982 724)	128 398 276	14
Debt Impairment	-	-	-	(2 396 511)	(2 396 511)	18
General expenses	(194 865 000)	(59 360 000)	(254 225 000)	(199 183 291)	55 041 709	15
Total expenditure	(1 041 408 000)	(128 335 000)	(1 169 743 000)	(984 491 222)	185 251 778	
Operating surplus	-	-	-	167 894 116	167 894 116	
Loss on disposal of assets	-	-	-	(7 632 842)	(7 632 842)	16
Surplus before taxation	-	-	-	160 261 274	160 261 274	
Taxation	-	-	-	45 759 813	45 759 813	17
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	114 501 461	114 501 461	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand

Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
-----------------	-------------	--------------	------------------------------------	--	-----------

- Cell mast is above the budget, the revenue is generated in line with the contract. JPC saw increase in upliftment fees of R3.7m in the month of May and R4.9m in June due to increased sites. This has been sustained well into the current financial year.
- Rentals commission is below the budget, this is in line with poor rental billing and collections in Portfolio. Commission has been severely hampered by the expiry, non-renewal and delay in renewal of leases.
- JPC earns a 10% management fee for facilitating and managing repairs and maintenance (R&M) and CAPEX projects for the CoJ's departments and other MOEs. Income exceeded the budget following JPC's implementation of a 10% charge on cleaning services from July 2024.
- Recovery of rent from other City Departments for the occupation of the 5th and 6th floor on forum 1.
- Cleaning service costs are billed and recovered for services rendered. Cleaning services are below budget as a result of the closure of the Metro Centre in the year under review, resulting in less billable services for the year under review.
- Relates to development facilitation fees. Facilitation fees for the current financial period are below the budget due to site preparation challenges, delaying project initiation. The Soweto Gateway project, which contributes to facilitation fees, has been awarded and is in the contractual agreement phase.
- Interest received from the sweeping account increased year-on-year as the account has accumulated to a R368 million positive balance by 30 June 2025. The increase in interest rates throughout the financial year has also been beneficial to the growth of the account balance.
- This is interest earned in the current year on the provisional tax paid to SARS.
- Medical boarding is the inability of an employee to work according to the requirements of his/her job as a result of ill-health or injury. Refunds claimed vary and can't be budgeted or planned for hence the variance.
- The EPWP Grant is the SETA refund received by JPC on the training offered to interns.
- The expenditure has slightly increased year-on-year to align with the reductions in budget, however this has come at a disadvantage as the entity is not able to capacitate its critical vacancies. JPC is underbudget by R2.6 million.
- Depreciation has remained consistent year on year as per the expectation and timing of additions.
- JPC incurred interest due to mainly the finance lease entered into in the current year. Other interest costs associated with overdrawn bank balances were avoided.
- Lease rentals on operating leases is below budget as renewal of leases took longer than initially anticipated. The expense is expected to increase in the 2025/2026 financial year.
- General expenses are under budget as a result of additional budget that was allocated for repairs and maintenance during adjustment budget which was not feasible to be spent by year-end.
- This relates to scrapping of various old and unusable items of property plant and equipment.
- This relates mainly to normal tax expense incurred in the current year. This was not budgeted for as in was anticipated that leases would be renewed on time, resulting in minimal profits or breaking even for JPC.

Significant Accounting Policies

Figures in Rand

Note(s)

2025

2024

1. Presentation of Annual Financial Statements

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

1.1. Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

1.2. Going concern assumption

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

1.3. Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 annual financial statements. Significant judgements include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 13 – Provisions.

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. 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 entity 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 entity 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 entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Post retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity 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 entity 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 17.

Significant Accounting Policies

1.3. Significant judgements and sources of estimation uncertainty (continued)

Effective interest rate

The company used the City of Johannesburg Metropolitan Municipality average borrowing rate as a reference rate.

1.4. Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment, and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Indefinite
Buildings	Straight-line	36 years
Plant and machinery	Straight-line	14 years
Furniture and fixtures	Straight-line	29 years
Motor vehicles	Straight-line	Lease period
Office equipment	Straight-line	14 years
IT equipment	Straight-line	12 years
Computer software	Straight-line	18 years
Leasehold improvements	Straight-line	Term of lease
Cleaning equipment	Straight-line	5 years

Significant Accounting Policies

1.4. Property, plant and equipment (continued)

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is 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 is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.5. Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Significant Accounting Policies

1.5. Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	Indefinite
Computer software	Straight-line	18 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

The amortisation charge for each period shall be recognised in surplus or deficit unless this or another standard permits or requires it to be included in the carrying amount of another asset.

The amortisation period and the amortisation method for an intangible asset 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. Such changes shall be accounted for as changes in accounting estimates in accordance with the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Significant Accounting Policies

1.6. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - › receive cash or another financial asset from another entity; or
 - › exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Significant Accounting Policies

1.6. Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Loans to (from) Group Companies

These include loans to and from controlling entities, fellow controlled entities, controlled entities, joint ventures and associates, and are recognised initially at fair value plus direct transaction costs.

Loans to shareholders

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

Subsequently, these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Loans to group company (City of Johannesburg Metropolitan Municipality) are classified as loans and receivables.

Receivables from exchange transactions

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Amounts that are receivable within 12 months from the reporting date are classified as current. Payables from exchange transactions

Payables from exchange transactions

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

Significant Accounting Policies

1.6. Financial instruments (continued)

Cash and cash equivalents

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

Bank overdraft

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Other financial liabilities are measured initially at fair value and subsequently at amortised cost, using the effective interest rate method.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - › derecognises the asset; and
 - › recognises separately any rights and obligations created or retained in the transfer.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

1.7. Statutory receivables

Identification

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

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

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

Significant Accounting Policies

1.7. Statutory receivables (continued)

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

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

The Joburg Property Company has identified the following statutory receivables and their applicable legislation: VAT Receivable – Value Added Tax Act 89 of 1991 (VAT Act).

1.8. Taxation

Current tax assets and liabilities

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

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

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.

Deferred tax assets and liabilities

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

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

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

Tax expenses

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

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

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.9. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

Significant Accounting Policies

1.10. Impairment of non-cash-generating assets

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

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

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life. Useful life is either:

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

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

Reversal of an impairment loss

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

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

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

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

1.11. Share capital/contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into.

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Significant Accounting Policies

1.12. Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related services.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an entity's action where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those parties that will discharge those responsibilities.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined benefit plans

Defined contribution plans are post-employment benefit plans under which an entity 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.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

Significant Accounting Policies

1.12. Employee benefits (continued)

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

Significant Accounting Policies

1.12. Employee benefits (continued)

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Other post-retirement obligations

The municipality provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly

Significant Accounting Policies

1.12. Employee benefits (continued)

The entity shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset; actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.13. Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 43.

1.14. Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.15. Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Significant Accounting Policies

1.15. Revenue from exchange transactions (continued)

Measurement

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

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.16. Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature, or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and/or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Significant Accounting Policies

1.17. Accounting by principals and agents

Identification

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

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

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

Recognition

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

1.18. Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as predictable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is predictable, and the prior year comparatives are restated accordingly.

1.19. Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines, etc. (as applicable).

1.20. 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), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines, etc. (as applicable).

Significant Accounting Policies

1.21. Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

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

1.22. Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

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

1.23. VAT

VAT is indirect tax based on the consumption in the economy. Vendors act as the agent of the government in collecting the VAT charged on taxable transactions. South African Revenue Services (SARS) is a government agency which administers the VAT Act and ensures that the tax is collected and that the tax law is properly enforced.

VAT is currently levied at the standard rate of 15% on most suppliers.

The entity is registered with SARS for VAT on invoice basis, in accordance with section 15(1) of the VAT Act No. 89 of 1991.

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

2. New standards and interpretations

2.1. Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 1(Updated) GRAP 104 (Updated) Amendments to GRAP	Not yet effective Not yet effective Not yet effective	Not yet evaluated Not yet evaluated Not yet evaluated

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 000	2 000
--------------	-------	-------

The entity had the following bank accounts

Account number/description	Bank statement balances		Cash book balances	
XXX BANK - Account Type - 000####900	30 June 2025	368 430 613	30 June 2025	368 430 613
	30 June 2024	291 688 290	30 June 2024	291 688 290
	30 June 2023	250 504 196	30 June 2023	250 504 196

4. Receivables from exchange transactions

External trade debtors	41 868 971	39 306 717
Doubtful debts	(36 753 256)	(34 356 745)
Related party debtors	987 025 275	927 841 835
	992 140 990	932 791 807

Receivables from exchange transactions ageing

Current	172 029 251	18 011 956
30 days	44 775 528	28 465 396
60 days	22 975 552	10 034 435
90 days	4 871 618	10 323 412
120 days	14 310 702	13 369 329
<365 days	64 470 685	70 979 876
>365 days	668 707 654	781 607 403
	992 140 990	932 791 807

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Receivables from exchange transactions ageing (continued)

Trade receivables are predominantly comprised of related party debtors and as per the policies of JPC and the CoJ cannot be impaired. Related parties have long outstanding amounts as can be seen above.

The R36 million provision for doubtful debts relates to external debtors, R2 million of which is a movement in the current year and the balance (R34 million) being long outstanding amounts.

Reconciliation of the provision for doubtful debts

Opening balance	34 356 745	29 502 825
Current year movement	2 396 511	4 853 920
Closing Balance	36 753 256	34 356 745

Trade and other receivables impaired

As of 30 June 2025, external trade and other receivables of R36 753 256 (2024:R34 356 745) were impaired and provided for.

According to JPC policy, external debtors over 120 days are provided for.

The ageing of these external trade and other receivables is as follows:

3 to 6 months	2 395 511	-
Over 12 months	34 356 745	34 356 745

Notes to the Annual Financial Statements

Figures in Rand

5. Loans to (from) shareholders

	2025	2024
City of Johannesburg Metropolitan Municipality - Group Finance Loan payable to Group Finance for the administration of the JPC payroll. The loan bears no interest.	(253 998 913)	(166 214 354)
City of Johannesburg Metropolitan Municipality – Portfolio The loan account through which accounting transactions transfer between JPC and Portfolio for commissions. The loan bears no interest.	7 986 743	26 905 908
City of Johannesburg Metropolitan Municipality – Group Treasury The sweeping account bears interest at an average interest rate of 6.78% p.a. irrespective of a favourable bank balance or not.	368 430 613	291 688 290
City of Johannesburg Metropolitan Municipality – Revenue Services The loan account for the administration of payroll deductions for employees in the service of the municipality. The loan bears no interest.	(4 803 577)	(4 803 577)
City of Johannesburg Metropolitan Municipality – Group Corporate Services Loan payable to Group Corporate and Shared Services for the administration of the insured cleaners' payroll. The loan bears no interest.	(794 464 382)	(749 337 793)
	(631 849 516)	(601 761 526)
Current assets	376 417 356	318 594 198
Current liabilities	(1 008 266 872)	(920 355 724)
	(631 849 516)	(601 761 526)

6. VAT receivable (Statutory receivables)

VAT	15 780 578	447 670
-----	------------	---------

VAT is statutory receivable as defined in GRAP 108. There is currently no impairment against VAT.

7. Receivables from non-exchange transactions

Staff debtors	131 768	185 103
Provision for doubtful debts (non-exchange)	(90 925)	(90 925)
	40 843	94 178

8. Deposits

Deposits	62 698 408	1 222 722
----------	------------	-----------

Deposits relate to deposits held by Eskom for electricity at informal trading facilities and deposits for rental agreements.

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

9. Property, plant and equipment

Figures in Rand

	2025			2024		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	487 200	-	487 200	487 200	-	487 200
Buildings	6 350 957	(5 095 577)	1 255 380	6 350 957	(4 841 539)	1 509 418
Plant and machinery	2 010 954	(1 615 422)	395 532	2 086 854	(1 477 594)	609 260
Furniture and fixtures	6 613 859	(4 063 734)	2 550 125	7 242 220	(4 113 717)	3 128 503
Motor vehicles	27 680 300	(7 991 467)	19 688 833	27 680 301	(2 455 407)	25 224 894
Office equipment	5 602 996	(3 457 027)	2 145 969	5 734 678	(2 943 034)	2 791 644
IT equipment	32 733 934	(14 333 854)	18 400 080	64 697 335	(32 377 588)	32 319 747
Leasehold improvements	27 188 559	(24 701 488)	2 487 071	25 151 192	(22 682 400)	2 468 792
Cleaning equipment	15 990 572	(6 297 593)	9 692 979	14 077 622	(3 121 491)	10 956 131
Total	124 659 331	(67 556 162)	57 103 169	153 508 359	(74 012 770)	79 465 589

Reconciliation of property, plant and equipment – 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	487 200	-	-	-	487 200
Buildings	1 509 418	-	-	(254 038)	1 255 380
Plant and machinery	609 260	-	(5 043)	(208 685)	395 532
Furniture and fixtures	3 128 503	-	(163 740)	(414 638)	2 550 125
Motor vehicles	25 224 894	-	-	(5 536 061)	19 688 833
Office equipment	2 791 644	36 297	(10 025)	(671 947)	2 145 969
IT equipment	32 319 130	987 060	(7 454 034)	(7 452 660)	18 400 080
Leasehold improvements	2 468 792	2 037 367	-	(2 019 088)	2 487 071
Cleaning equipment	10 956 131	1 912 950	-	(3 176 102)	9 692 979
Total	79 495 972	4 973 674	(7 632 842)	(19 732 635)	57 103 169

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Land	487 200	-	-	-	487 200
Buildings	1 764 153	-	-	(254 735)	1 509 418
Plant and machinery	815 669	-	-	(206 409)	609 260
Furniture and fixtures	3 582 130	-	-	(453 627)	3 128 503
Motor vehicles	511 254	27 141 284	-	(2 427 644)	25 224 894
Office equipment	3 484 074	-	-	(692 430)	2 791 644
IT equipment	18 978 273	21 075 470	(57 847)	(7 676 149)	32 319 747
Leasehold improvements	3 890 794	-	-	(1 422 002)	2 468 792
Bins and containers	10 388 752	2 828 101	-	(2 260 722)	10 956 131
	43 902 299	51 044 855	(57 847)	(15 393 718)	79 495 589

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

9. Property, plant and equipment (continued)

Pledged as security

No property, plant and equipment assets are pledged as security:

Depreciation rates

Land	Straight-line	Indefinite
Buildings	Straight-line	36 years
Plant and machinery	Straight-line	14 years
Furniture and fixtures	Straight-line	29 years
Motor vehicles	Straight-line	Lease period
Office equipment	Straight-line	14 years
IT equipment	Straight-line	12 years
Computer software	Straight-line	18 years
Leasehold improvements	Straight-line	Term of lease
Cleaning equipment	Straight-line	5 years

Included in the property plant and equipment above, is the assets subject to finance lease (net carrying amount):

Motor vehicles	19 688 833	25 224 894
IT equipment	16 474 826	19 525 232
Leasehold improvements	2 487 071	2 468 792
	36 650 730	47 218 918

Details of properties

Property 1

Purchase price: 1 December 2008	487 200	487 200
---------------------------------	---------	---------

Property 2

Purchase price: 1 December 2008	6 350 957	6 350 957
Additions since purchase or valuation	(5 095 577)	(4 841 538)
	1 255 380	1 509 419

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

10. Intangible assets

Figures in Rand

	2025			2024		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software, internally generated	12 761 889	(12 761 889)	-	12 761 889	(12 761 889)	-
Computer software, other	565 668	389 377	176 291	565 668	(342 445)	223 223
Total	13 327 557	(13 151 266)	176 291	13 327 557	(13 104 334)	223 223

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Carrying value
Computer software, other	223 223	(46 932)	176 291

Reconciliation of intangible assets - 2024

	Opening balance	Disposals	Amortisation	Impairment loss	Total
Computer software, internally generated	12 761 889	-	-	(12 761 889)	-
Computer software, other	505 420	(99 993)	(182 204)	-	223 223
	13 267 309	(99 993)	(182 204)	(12 761 889)	223 223

Pledged as security

No intangible assets are pledged as security.

11. Income tax receivable/(payable)

Balance at the beginning of the period

Interest earned	(7 747 118)	3 289 475
Interest expense	233 680	242 051
Refunds received	(171 172)	-
Local income tax- current period	-	(34 621)
Provisional payments	(50 742 475)	(11 244 023)
	72 149 486	-
	13 722 401	(7 747 118)

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

12. Payables from exchange transactions

Trade payables	162 946	163 423
Related parties	123 777 806	174 911 959
Accrued leave pay	40 217 264	43 068 211
Accrued 13th cheques	18 408 472	17 478 402
Accruals	141 307 567	105 828 377
	323 874 055	341 450 372

13. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised during the year	Total
Exco bonuses	7 757 269	3 981 424	(7 543 081)	4 195 612

Reconciliation of provisions – 2024

	Opening balance	Additions	Utilised during the year	Total
Exco bonuses	5 958 718	3 948 939	(2 150 388)	7 757 269

14. Deferred tax

Deferred tax liability

Property, plant, equipment and intangibles	(7 909 141)	(10 575 082)
--	-------------	--------------

Deferred tax asset

Post-retirement benefit obligation	194 130	184 410
Provision for leave pay	10 858 662	12 719 201
Provision for bonuses and 13th cheques	6 103 103	6 813 632
Provision for doubtful debts	5 565 793	5 565 793
Straight-lining of operating leases	7 251 405	592 991
Finance lease obligations	7 627 275	9 795 856
Provision for legal proceedings	388 235	-
Total deferred tax asset	37 774 666	35 671 883

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows

Deferred tax liability	(7 909 141)	(10 575 082)
Deferred tax asset	37 988 603	35 671 883
Total deferred tax asset	30 079 462	25 096 801

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

15. Finance lease obligation

Minimum lease payments due

- within one year	12 434 264	12 434 264
- in second to fifth year inclusive	22 070 057	34 361 336
	34 504 321	46 795 600
Less: future finance charges	(6 255 155)	(10 514 651)

Present value of minimum lease payments

28 249 166

36 280 949

Present value of minimum lease payments due

-within one year	9 367 777	8 279 331
- in second to fifth year inclusive	18 881 389	28 001 618

28 249 166

36 280 949

Non-current liabilities

18 881 389

28 001 618

Current liabilities

9 367 777

8 279 331

28 249 166

36 280 949

The entity leased IT infrastructure and equipment and motor vehicles under finance lease. These assets were leased over a period of three to five years at an interest rate linked to the prime lending rate of 11.75% (IT equipment) and 13.24% (motor vehicles). Refer to Note 9.

Interest rates are fixed at the contract date. All leases have fixed repayments, and no arrangements have been entered into for contingent rent.

16. Operating lease asset (liability)

Current liabilities

28 857 845

2 196 263

Office accommodation leases were renewed in the 2024 financial year resulting in an operating lease liability from the straight lining of the lease contract. The liability will be amortised over the term of the lease.

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

17. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation – wholly unfunded	(683 000)	(671 000)
Net expense recognised in the statement of financial statements	(36 000)	(12 000)
	(719 000)	(683 000)

Actuarial valuations are done at an interval of not more than one year using the projected credit method. The fair value of plan assets includes:

Net expense recognised in the statement of financial performance

Actuarial (gains) losses	35 764	5 088
Benefits paid	(73 764)	(68 088)
Interest costs	74 000	75 000
	36 000	12 000

Comparative figures

	2024/25	2023/24	2022/23	2021/22	2020/21
Present value	(683 000)	(671 000)	(714 000)	(774 000)	(686 000)
Net expense recognised	(36 000)	(12 000)	43 000	60 000	(88 000)
	(719 000)	(683 000)	(671 000)	(714 000)	(774 000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.88%	11.35%
Consumer Price Inflation	4.52%	5.89%
Medical aid contribution inflation	5.52%	6.89%
Net effective discount rate (PRMA)	4.13%	4.18%

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

17. Employee benefit obligations (continued)

The calculations for post-retirement medical aid were based on the policy adopted by the City of Johannesburg Metropolitan Municipality with regard to post-retirement medical aid subsidies.

Employees over the age of 55 on 1 July 2003 will get a 60% subsidy on retirement. Employees over the age of 50 but under the age of 55 will get a 50% subsidy on retirement. Employees under the age of 50 on 1 July 2003 will not receive any post-retirement medical aid subsidy.

The valuation method and assumptions do not affect the ultimate cost of the long-term benefits – this is determined by actuarial experience and by the benefits provided. The method and assumptions influence how the past service liability and future service costs are recognised over time.

The projections assume that the entity's benefit and subsidy policies will remain consistent, and that all the actuarial assumptions made are borne out in practice.

In addition, it is assumed that no contributions are made by the entity towards prefunding its liability via an off-balance sheet vehicle.

Benefits paid refer to the Municipality's subsidy of current continuation members or beneficiaries.

There are no past service costs, curtailments or settlements to reflect.

18. Share capital/contributed capital

Authorised

1000 Ordinary shares of R1 each

1 000

1 000

Reconciliation of number of shares issued:

Reported as at 30 June 2025

1 000

1 000

Issued

Ordinary

1 000

1 000

Share premium

5 141 721

5 141 721

5 142 721

5 142 721

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

19. Revenue

Cell mast services	21 033 841	19 539 743
Commissions and ad hoc fees	25 717 107	26 742 911
Management fees	24 673 153	17 608 077
Other revenue	5 769 877	1 370 745
Cleaning service	347 887 976	235 112 530
Facilitation fees	2 083 922	-
Interest received	27 625 846	24 789 432
Interest-SARS	233 680	242 051
City of Johannesburg Metropolitan Municipality - Subsidy	695 732 000	623 131 002
Staff debtors	-	94 178
Medical boarding refunds	977 073	934 734
SETA refunds	650 863	465 984
	1 152 385 338	950 031 387

The amount included in revenue arising from exchanges of goods or services are as follows:

Cell mast services	21 033 841	19 539 743
Commissions and ad hoc fees	25 717 107	26 742 911
Management fees	24 673 153	17 608 077
Internal recoveries	5 769 877	1 370 745
Cleaning services	347 887 976	235 112 530
Facilitation fees	2 083 922	-
Interest received	27 625 846	24 789 432
	454 791 722	325 163 438

The amount included in revenue arising from non-exchange transactions is as follows:

City of Johannesburg Metropolitan Municipality – Subsidy	695 732 000	623 131 002
Interest received	233 680	242 051
Staff Debtors	-	94 178
Medical boarding refunds	977 073	934 734
SETA refunds	650 863	465 984
	697 359 616	624 867 949

20. Interest revenue

Interest revenue

Standard Bank sweeping account	27 551 797	24 710 913
Interest received on deposits	74 076	78 519
	27 625 846	24 789 432

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

21. Interest from non-exchange receivables

Interest revenue

South African Revenue Services	233 680	242 051
--------------------------------	---------	---------

22. Employee-related costs

13th Cheques	34 257 214	31 377 534
Basic	400 828 637	340 379 436
Exco bonuses	3 981 424	3 948 940
Housing benefits and other allowances	8 761 097	4 643 550
Leave pay	8 558 840	25 942 421
Medical aid contributions	24 161 932	21 048 499
Overtime payments	15 235 720	27 470 121
Payroll levies	212 289	205 117
Pension fund contributions	69 975 458	59 364 154
Post-retirement medical aid benefits	36 000	12 000
SDL	4 685 976	4 041 826
UIF	3 091 648	2 863 087
	573 780 235	521 296 685

Remuneration of Mr S Mabizela – General Manager: Internal Audit

Annual remuneration	1 500 054	1 276 963
Leave encashment	53 905	45 970
Performance bonuses	232 565	81 718
Contributions to UIF, medical and pension funds	267 001	245 873
Housing allowance	-	4 266
Acting allowance	-	48 442
	2 053 525	1 703 232

Remuneration of Mr TF Mokataka – General Manager: Legal

Annual remuneration	1 923 476	1 792 003
Leave encashment	-	63 689
Performance bonuses	233 034	288 407
Contributions to UIF, medical and pension funds	439 691	308 338
	2 596 201	2 452 437

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

22. Employee-related costs (continued)

Remuneration of Ms G Dlamini – General Manager: Compliance and Secretarial

Annual remuneration	1 326 781	1 217 160
Leave encashment	41 340	-
Performance bonuses/13th cheque	107 657	100 294
Contributions to UIF, medical and pension funds	292 808	268 214
Housing allowance	13 373	12 797
	1 781 959	1 598 465

Remuneration of Mrs O Sathekge – General Manager: Human Capital Management

Annual remuneration	1 869 186	883 000
Leave encashment	52 295	-
Performance bonuses	214 000	-
Contributions to UIF, medical and pension funds	267 165	126 488
	2 402 646	1 009 488

Remuneration of Mr S Mhlongo – General Manager: Leasing

Annual remuneration	1 981 182	1 841 569
Contributions to UIF, medical and pension funds	342 142	326 803
	2 323 324	2 168 372

Remuneration of Mr SG Mzobe – General Manager: Finance & SCM

Annual remuneration	1 669 560	1 681 076
Car allowance	110 000	120 000
Performance bonuses	233 034	288 407
Contributions to UIF, medical and pension funds	386 498	389 923
Housing allowance	9 985	10 893
Leave encashment	-	50 951
Acting allowance	-	30 943
	2 409 077	2 572 193

Remuneration of Mr M Makhunga – General Manager: Mega Projects

Annual remuneration	1 858 672	1 710 815
Travel allowance	96 000	96 000
Performance bonuses	304 905	288 407
Contributions to UIF, medical and pension funds	429 622	394 307
Acting allowance	87 384	-
	2 776 583	2 489 529

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

22. Employee-related costs (continued)

Remuneration of Mr IM Bhanjee

Annual remuneration	2 362 483	2 212 807
Leave encashment	96 000	96 000
Performance bonuses	383 589	363 060
Contributions to UIF, medical and pension funds	494 141	460 712
	3 336 213	3 132 579

Remuneration of Mrs S Tshabalala – General Manager: Property Portfolio

Annual remuneration	1 845 739	1 690 308
Leave encashment	120 000	96 000
Performance bonuses	233 034	288 407
Contributions to UIF, medical and pension funds	426 429	391 403
Leave encashment	68 843	63 689
	2 694 045	2 529 807

23. Depreciation and amortisation

Property, plant and equipment	19 732 635	15 393 718
Intangible assets	46 932	182 205
	19 779 567	15 575 923

24. Impairment loss

Impairments

Computer software	-	12 761 889
-------------------	---	------------

25. Interest paid

Finance leases	4 163 358	2 029 036
Other interest	205 536	5 020
	4 368 894	2 034 056

26. Lease rentals on operating lease

Office accommodation	135 233 246	138 257 503
Parking	25 087 896	19 926 811
GRAP 13 – straight-lining of operating lease	24 661 582	77 053
	184 982 724	158 261 366

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

26. Lease rentals on operating lease (continued)

Office accommodation

Office accommodation	184 982 724	158 261 367
----------------------	-------------	-------------

27. Debt impairment

Contributions to debt impairment provision	2 396 511	4 853 920
--	-----------	-----------

28. Loss on disposal of assets

Property, plant and equipment and intangibles	(7 632 842)	(157 838)
---	-------------	-----------

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

29. General expenses

Advertising	974 867	426 113
Auditors' remuneration	5 729 181	5 402 014
Bank charges	29 812	28 658
Board expenses	50 782	166 815
Board fees	2 602 792	3 364 904
Cleaning consumables Conferences and seminars Consulting and professional fees Document storage	7 472 027	5 888 064
Electricity and water	212 326	-
Fleet	3 691 492	6 401 073
Insurance	527 023	404 458
IT expenditure	38 874 594	33 150 085
Fines and penalties	3 706 941	11 233 921
Minor assets	5 207 827	5 652 216
OHASA	4 328 244	5 154 648
Operating costs	197 107	-
Pest control	122 886	820 558
Printing and stationery Promotions	549 845	7 300
Protective clothing	19 404 071	10 793 537
Rates and taxes	174 281	-
Refuse	2 374 432	2 294 127
Repairs and maintenance Sanitation and sewerage	2 000 000	2 065 217
Security	143 770	3 539 718
Software licensing	9 248 066	10 007 081
Staff welfare	719 281	661 009
Subscriptions and membership fees	15 469 512	23 954 661
Telecommunications	1 828 080	1 456 605
Training	56 503 166	51 999 686
Travel – local	10 506 129	1 829 053
	123 224	353 385
	799 493	679 540
	3 802 755	2 469 951
	1 637 281	2 168 189
	172 004	292 368
	199 183 291	192 664 954

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

30. Taxation

Major components of the tax expense

Current

Local income tax - current period	50 742 474	11 244 022
-----------------------------------	------------	------------

Deferred

Originating and reversing temporary differences	(4 982 661)	610 209
---	-------------	---------

	45 759 813	11 854 231
--	-------------------	-------------------

Reconciliation of the tax expense

Reconciliation between accounting surplus and tax expense.

Accounting surplus	160 261 274	42 424 755
--------------------	-------------	------------

Tax at the applicable tax rate of 27% (2024: 27%)	43 270 544	11 454 684
---	------------	------------

Tax effect of adjustments on taxable income

SARS penalties and interest	62 497	-
-----------------------------	--------	---

Other	2 426 772	399 547
-------	-----------	---------

	45 759 813	11 854 231
--	-------------------	-------------------

31. Auditors' remuneration

Fees	5 729 181	5 402 014
------	-----------	-----------

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

2025

2024

32. Directors' and prescribed officers' remuneration and other benefits paid, payable or receivable

	Basic salary	Travel allowance	Company contribution	Leave encashment	Final leave pay	Performance bonus/ 13th cheque 419 195	House allowance	Other allowances	Total
Executive 2025									
Ms HM Botes	2 744 250	250 000	44 784	329 304	371 287	419 195	-	-	4 158 820
Mr MusahMakhunga (Acting CEO from 29 December 2024)	1 858 672	96 000	429 622	-	-	304 905	-	87 384	2 776 583
Mr Imraan Bhamjee (Acting CFO from 01 July 2024 until 31 March 2025)	2 362 483	96 000	494 141	-	-	383 589	-	-	3 336 213
Mr Mfanafuthi Zondo (Acting CFO from 01 April 2025)	1 172 750	136 688	227 040	37 319	-	97 186	13 373	23 716	1 708 072
	8 138 155	578 688	1 195 587	366 623	371 287	1 204 875	13 373	111 100	11 979 688

	Basic salary	Travel allowance	Company contributions	Performance bonus	Other allowances	Total
2024						
Ms HM Botes	2 744 250	250 000	35 869	419 195	10 908	3 460 222
Mr Imraan Bhamjee (Acting CFO 01 July 2024 until 31 March 2025)	2 212 807	96 000	460 712	363 060	-	3 132 579
	4 957 057	346 000	496 581	782 255	10 908	6 592 801

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

32. Directors' and prescribed officers' remuneration and other benefits paid, payable or receivable (continued)

Directors' and other Committee Members Fees

2025

	Directors' fees	Total
Mr S Motha	310 000	310 000
Mr S Collophen	184 000	184 000
Mr S Gwebani	11 922	11 922
Mr M Rabodila	166 000	166 000
Ms B Teffo	242 435	242 435
Mr X Lingani	8 000	8 000
Ms E Rakodi	20 000	20 000
Mr T Mashamaite	274 000	274 000
Mr F Ratshikhopha	268 000	268 000
Ms Y Ngxabazi	110 000	110 000
Ms Y Pamla-Dhludhlu	84 000	84 000
Ms R Makwela	88 000	88 000
Ms K Ngubane	64 000	64 000
Mr M Karede	80 000	80 000
Mr S Mtolo	44 000	44 000
Mr T Chiloane	16 000	16 000
Adv. T Thatelo	228 435	228 435
Ms N Tini	192 000	192 000
Mr M Zondo	212 000	212 000
	2 602 792	2 602 792

2024

	Directors' fees	Total
Mr M Rabodila	57 304	57 304
Mr Mfanafuthi Zondo	278 000	278 000
Mr N Mabundza	73 600	73 600
Mr S Motha	204 000	204 000
Ms L Mthembu	244 000	244 000
Mr S Mtolo	364 000	364 000
Ms E Rakodi	304 000	304 000
Mr F Ratshikhopha	340 000	340 000
Ms B Teffo	316 000	316 000
Ms R Makwela	100 000	100 000
Mr T Chiloane	76 000	76 000
Ms Y Pamla-Dhludhlu	68 000	68 000
Adv. T Thatelo	328 000	328 000
Ms N Tini	304 000	304 000
Mr M Zondo	308 000	308 000
	3 364 904	3 364 904

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

33. Cash generated from operations

Surplus	114 501 641	30 570 524
Adjustment for:		
Depreciation and amortisation	19 779 567	15 575 923
Gain/loss on sale of assets and liabilities	7 632 842	157 838
Interest received	-	(242 051)
Impaired deficit	-	12 761 889
Movement in operating lease assets and accruals	24 661 582	77 053
Movement in retirement benefit assets and liabilities	36 000	12 000
Movements in provisions	(3 561 657)	3 948 939
Taxation	50 742 474	11 244 023
Annual charge for deferred tax	(4 982 661)	610 209
Movement in provision for bad debts (exchange)	2 396 511	4 853 920
Changes in working capital:		
Receivables from exchange transactions	(61 745 694)	48 414 355
Other receivables from non-exchange transactions	-	(93 878)
Prepayments	-	895 355
Payables from exchange transactions	(17 576 316)	97 939 080
VAT	(15 332 908)	(2 013 788)
Taxation refunded/(paid)	(72 211 992)	34 621
	44 339 208	224 746 012

34. Commitments

Authorised capital expenditure

Already contracted for but not provided for

- Property, plant and equipment - 1 912 950

Total capital commitments

Already contracted for but not provided for - 1 912 950

Operating leases – as lessee (office accommodation)

Minimum lease payments due

- within one year	161 102 876	32 237 085
- in second to fifth year inclusive	466 598 822	11 621 560
- later than five years	516 421 507	-

1 144 123 205 **43 858 645**

Operating lease payments represents rental payable by the entity for certain office accommodation. Leases have been negotiated for a period of one year to nine years 11 months. No contingent rent is payable.

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

35. Related parties

Relationships	The City of Johannesburg Metropolitan Municipality
Controlling entity	City Power Johannesburg SOC Ltd
Fellow subsidiaries	Johannesburg City Parks and Zoo SOC Ltd Johannesburg Development Agency SOC Ltd Johannesburg Fresh Produce Market SOC Ltd Johannesburg Metropolitan Bus Services SOC Ltd Johannesburg Roads Agency SOC Ltd Johannesburg Social Housing Company SOC Ltd Johannesburg Theatre SOC Ltd Johannesburg Water SOC Ltd Metropolitan Trading Company SOC Ltd Pikitup SOC Ltd Johannesburg Tourism Company SOC Ltd
Members of key management	Ms HM Botes - Chief Executive Officer Mr M Makhunga - Acting Chief Executive Officer Mr IM Bhamjee - Acting Chief Financial Officer Mr M Zondo - Acting Chief Financial Officer Mr SG Mzobe - GM: finance & SCM Mr TF Mokataka - GM: Legal Ms S Tshabalala - GM: Property Portfolio Mr S Mabizela - GM: Internal Audit Ms O Sathekge - GM Human Capital Mr S Ngejane - Acting GM: Facilities Management Ms G Dlamini - Company Secretary

Related party balances

Loan accounts – Owing by related parties

City of Johannesburg Metropolitan Municipality – Group Treasury	368 430 613	291 691 005
City of Johannesburg Metropolitan Municipality – Portfolio	7 986 743	26 905 908
	376 417 356	318 596 913

Loan accounts – Owing by related parties

City of Johannesburg Metropolitan Municipality – Group Finance	(253 998 913)	(166 214 354)
City of Johannesburg Metropolitan Municipality – Group Corporate and Shared Services	(749 464 382)	(749 337 793)
City of Johannesburg Metropolitan Municipality – Revenue Services	(4 803 577)	(4 803 577)
	(1 008 266 872)	(920 355 724)

Services rendered to related parties

City of Johannesburg Metropolitan Municipality – Commissions received	25 717 107	26 742 911
City of Johannesburg Metropolitan Municipality – Cleaning Services	347 887 976	235 112 530
City of Johannesburg Metropolitan Municipality – Management Fees	24 673 153	17 608 077
City of Johannesburg Metropolitan Municipality – Subsidies	695 732 000	623 131 002
City of Johannesburg Metropolitan Municipality – Other	1 956 728	1 370 745
City Power SOC Ltd	45 615	704 847
Johannesburg Roads Agency SOC Ltd	4 261 983	-
Johannesburg Fresh Produce Market SOC Ltd	-	123 592
Johannesburg Metropolitan Bus Services SOC Ltd	4 392	83 112
Johannesburg Water SOC Ltd	6 165 877	6 456 946
Johannesburg Tourism Company SOC Ltd	1 096 071	603 368
Metropolitan Trading Company SOC Ltd	629 000	452 526
	1 108 169 902	912 389 656

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

35. Related parties (continued)

Services rendered to related parties

City of Johannesburg Metropolitan Municipality	815 253 234	803 683 698
City Power SOC Ltd	190 808	164 460
Johannesburg Development Agency SOC Ltd	3 000 003	3 000 003
Johannesburg Fresh Produce Market SOC Ltd	40 710 667	60 082 852
Johannesburg Metropolitan Bus Services SOC Ltd	948 342	892 785
Johannesburg Roads Agency SOC Ltd	8 667 535	109 474
Johannesburg Tourism Company SOC Ltd	1 209 383	347 094
Johannesburg Water SOC Ltd	116 863 120	59 518 673
Metropolitan Trading Company SOC Ltd	182 183	154 194
	987 025 275	927 953 233

Balances included in trade payables

JOSHCO	-	9 906 000
DED	146 981	-
Johannesburg Metropolitan Police Department	123 572 008	165 005 958
Johannesburg Theatre SOC Limited	58 816	-
	123 777 805	174 911 958

Services rendered from related parties

Johannesburg Metropolitan Police Department	52 769 479	50 266 684
Johannesburg Theatre SOC Limited	95 832	176 990
	52 865 311	50 443 674

Interest received from related parties

City of Johannesburg Metropolitan Municipality – Group Treasury	27 551 797	24 710 913
---	------------	------------

36. Prior period adjustments

The correction of the error(s) results in adjustments as follows:

Statement of financial position	REF		
Receivables from exchange transactions	1	-	1 588 466
Receivables from non-exchange transactions	2	-	(47 771)
Property plant and equipment	3	-	2 444 725
Payables from exchange transactions	4	-	4 039 938
Accumulated Surplus	5	-	(8 025 358)
		-	-
Statement of financial position	REF		
Staff debtors	2	-	47 771
Depreciation and amortisation	3	-	(2 444 725)
		-	(2 396 954)

1. Receivables from exchange transactions – Related party transactions previously invoiced to departments was corrected after consultation and review of the transaction.
2. Staff debtors raised in the prior year have been corrected to reflect amounts in the signed acknowledgement of debts.
3. Office alterations have been corrected in line with the reassessed useful life in the prior year.
4. Leave provision has been corrected in line with JPC current practice.
5. Accumulated surplus – Movement as a result of the above prior period adjustments.

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

37. Risk management

Financial risk management

The entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, entity treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Cash flow forecasts are prepared and adequate utilised facilities are monitored. The entity's cash is swept on a daily basis to The City of Johannesburg Metropolitan Municipality main account. Group Treasury releases funding for use by the JPC as and when funds are needed to settle operational obligations.

At 30 June 2025	Less than 1 year	Between 1 to 2 years	Between 2 and 5 years	Over 5 years	Total
Trade and other payables	265 248 320	-	-	-	265 248 320
Loans from shareholder	-	-	-	-	1 008 266 872
	265 248 320	-	-	-	1 273 515 192

At 30 June 2024	Less than 1 year	Between 1 to 2 years	Between 2 and 5 years	Over 5 years	Total
Loans from shareholders	280 903 759	-	-	-	280 903 759
Trade and other payables	-	-	-	-	920 355 724
	280 903 759	-	-	-	1 201 259 483

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash equivalents and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise of related parties with little to no risk of default. Management evaluates the credit risk relating to customers on an ongoing basis. Customer credit limits are set for each individual department within the COJ based on internal arrangements and enforced through a service level agreement. Intercompany confirmations are signed by the debtors. JPC is engaging the parent company to improve collection.

The R36 million provision for doubtful debts relates to external debtors, R2 million of which is a movement in the current year and the balance (R34 million) being long outstanding amounts.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Receivables from exchange transactions	992 140 990	932 791 807
Cash and cash equivalents	2 000	2 000
Loans to shareholders	376 417 356	318 564 198
Deposits	62 698 408	1 222 722

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

37. Risk management (continued)

Market risk

Interest rate risk

As the entity has no significant interest-bearing assets, the entity'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. However, interest rates on finance lease assets are fixed over the duration of the lease term.

JPC is exposed to interest rate risks associated with the COJ and its group companies as the interest rates are determined by the COJ Group Treasury.

38. Financial instruments disclosure

Categories of financial instruments

At amortised
cost

Total

2025

Financial assets

Loans to shareholders	376 417 356	376 417 356
Trade and other receivables from exchange transactions	992 140 990	992 140 990
Cash and cash equivalents	2 000	2 000
Deposits	62 698 408	62 698 408

1 431 258 754 1 431 258 754

Financial liabilities

At amortised
cost

Total

Loans from shareholders	1 008 266 872	1 008 266 872
Trade and other payables from exchange transactions	265 248 320	265 248 320

1 273 515 192 1 273 515 192

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

38. Financial instruments disclosure

Categories of financial instruments

At amortised
cost

Total

2024		
Financial assets		
Loans to shareholders	318 594 198	318 594 198
Trade and other receivables from exchange transactions	932 791 807	932 791 807
Cash and cash equivalents	2 000	2 000
Other asset 1	1 22 722	1 22 722
	1 252 610 727	1 252 610 727

Financial liabilities

At amortised
cost

Total

Loans from shareholders	920 355 724	920 355 724
Trade and other payables from exchange transactions	280 903 759	280 903 759
	1 201 259 483	1 201 259 483

39. 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 ability of the entity to continue as a going concern is dependent on a number of factors. 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 commissions and management fees paid each year in terms of a service delivery agreement entered into; as well as a non- conditional subsidy.

To support the continuous collection of management fees, JPC has a 30-year agreement with the COJ, of which 6 years are remaining. The surplus of the company before taxation is R161 261 274 (2024: surplus R42 424 755), after taxation it is a surplus of R114 501 461 (2024: surplus R30 570 524). In lieu of the current financial position, the City of Johannesburg Metropolitan Municipality has issued a letter of surety for the debt and loans of the entity.

40. Fruitless and wasteful expenditure

Financial liabilities

Opening balance as previously reported	4 103 153	70 754 362
Add: Fruitless and wasteful expenditure identified - current	231 470	3 588 850
Less: Amount recovered - current	(143 894)	-
Less: Amount written off - current	(206 812)	(70 240 059)

Closing balance	3 983 917	4 103 153
------------------------	------------------	------------------

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

40. Fruitless and wasteful expenditure (continued)

Details of fruitless and wasteful expenditure

Disciplinary steps taken/criminal proceedings

SARS penalties	197 107	15 606
SARS interest	34 363	7 575
Supplier disputes	-	5 020
Salaries	-	3 560 649
	231 470	3 588 850

SARS issued JPC penalties of R197 107 for the various invoices. Interest related to these penalties amounted to R34 363. JPC has successfully objected to some of the penalties and interest and is awaiting SARS' response on the remaining. The basis of objection for the successful objections are exactly the same for all affected invoices.

Amount written-off

After the investigations, the JPC board of directors adopted the audit and risk committee recommendation to write-off an amount of R206 812 from the total fruitless and wasteful expenditure amount as it was proven without reasonable doubt that the amounts incurred were not due to negligence or maleficence.

41. Irregular expenditure

Opening balance as previously reported	219 626 409	216 366 561
Add: Irregular expenditure - (non-compliance with laws and regulations) - current	178 910 813	171 202 873
Less: Amount written off - current	(159 772 421)	(167 943 025)
Closing balance	238 764 801	219 626 409

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

	Disciplinary steps taken/ criminal proceedings		
Non-compliance with laws and regulations (Non-compliance to Circular 62 of the MFMA-leases)	Tender process underway	163 192 907	157 239 963
Non-compliance with laws and regulations (Centralised Fleet Contract)	Under review by CoJ	8 851 449	10 054 065
Non-compliance with laws and regulations (Competitive bidding not invited – current period – IT expenses)	Under investigation	4 245 761	3 908 845
Non-compliance with laws and regulations (Non-compliance to Circular 62 of the MFMA IT)	Reported for investigation	2 620 696	-
		178 910 813	171 202 873

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

41. Irregular expenditure (continued)

Amount written-off

After the investigations, the JPC board of directors adopted the audit and risk committee recommendation to write-off an amount of R159 772 421 from the total irregular expenditure amount as it was proven without reasonable doubt that the amounts incurred were not due to negligence or maleficence.

Amount written off	159 772 421	167 943 025
--------------------	-------------	-------------

42. Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s):

Details of the arrangement(s) is/are as follows:

The JPC is mandated to provide facilities management that incorporates repairs and maintenance for the COJ and other MOEs in the COJ group. The JPC is the agent in the arrangement. The JPC facilitates and manages the R&M projects on behalf of the COJ and receives a management fee equivalent to 10% of the project value.

The arrangement requires JPC to procure goods and services related to property and facilities management, and to thereafter project manage the works to ensure that they are executed according to the scope agreed upon with the COJ departments and other MOEs. The arrangement is facilitated by a service level agreement between JPC and the various COJ departments.

JPC also has an agent and principal relationship with Johannesburg Water where it pays rent on Water's behalf and charges a 10% management fee.

Included in the management fees in the statement of financial performance is assets under management fees of R7 710 000 (2024:R7 370 996). This is an amount from CORE (Parent company) for JPC's work regarding managing the assets of the City. Whilst this is management fees, it does not meet the principal versus agent relationship hence it is excluded in the below categories as per GRAP 109.

JPC generated management from this arrangement as follows:

Management fees on repairs and maintenance	10 831 425	3 919 507
Management fee on rental for Johannesburg Water (10%)	6 131 728	6 317 574

	16 963 153	10 237 081
--	-------------------	-------------------

Expenses incurred on repairs and maintenance	108 314 250	39 195 070
Management fee on rental for Johannesburg Water (10%)	61 317 280	63 175 740

	169 631 530	102 370 810
--	--------------------	--------------------

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

43. Contingencies

JPC currently has the following matters of litigation against the entity from external parties:

1. JPC appointed Bayete Capital as Turnkey Project Manager for construction works at the IOC.

TIRO Projects was appointed as subcontractor full and final payment was made in terms of a final payment certificate issued by the quantity surveyors, as is practice, for all works done by TIRO.

TIRO is claiming for amounts allegedly due to them in terms of their agreement.

The claim is denied. No payment is due and payable to TIRO.

2. The Plaintiff claims an amount of R4 500 000.00 from JPC.

On the 14 July 2017, the plaintiff entered an elevator in Proton House, the elevator fell from the 5th floor to the basement, falling 6 floors.

Due to JPC's alleged negligence the plaintiff sustained bodily injuries.

3. The Plaintiff claims payment of R27 934.50 for damages suffered by him due to an alleged malfunctioning gate at 100 Christiaan de Wet (Region C Offices). The joinder application was to be heard on 29 June 2023; we did not oppose same. The matter was not enrolled and we are currently awaiting a new date for the joinder to be heard.

4. 4T Group Pty Ltd served the JPC with a notice of motion to claim for unpaid outstanding invoice for work done around 2019/2020. The investigation emanated from an invoice submitted by the applicant which appeared to be fraudulent. The applicant was informed of such an invoice and that an investigation will be conducted. The applicant did not respond to the correspondence of JPC.

5. Red Coral Investments (RCI) was an IT service provider for MTC during 2011/2012, prior to MTC being transferred to JPC. The Service Provider did not complete the scope of works as originally awarded and continued to do additional work that was not part of the scope of work. The Service Provider issued Summonses against the JPC claiming for work they did that was not part of the scope of work awarded as well as the uncompleted work. The Summons were withdrawn by the Service Provider. On 27 February 2023, Summons were re-issued against the JPC and COJ by RSC. The JPC filed a notice to defend the matter. The JPC proceeded to file a discovery Notice so as to obtain all the information/documentation that the Plaintiff (Red Coral Investments) referred to in their plea. The JPC has not received any responses from its discovery Notice. The JPC is not the Dominus litis (the initiator of the litigation) and must await Red Coral Investment (RCI) to proceed with the litigation. The summons amount to R1 158 160.11.

6. Summons in the amount of R126 500.00 received for non-payment of services rendered by Atlega Development Practitioners for the Mooki Street Project. 28 June 2024, requested attorney for progress report in this matter.

7. Summons in the amount of R589 950.00 received for non-payment of services rendered by Atlega Development Practitioners for the Project Farm Langlaagte. 28 June 2024 contacted attorney for progress report on this matter.

8. The Claimant claims payment of R2 010 005.00 in respect of Cleaning Services it allegedly rendered at Fleet Africa between 1 July 2016 and 30 June 2019.

9. In 2000 the then Greater Johannesburg Concluded a Notarial lease agreement with JRA Investments for a period of 25 years. On 29/07/2014 The COJ consented to the cession and assignment of the JRAD's right, title and interest in and to the notarial lease, from JRAD to Wild Goose.

Notes to the Annual Financial Statements

Figures in Rand

2025

2024

43. Contingencies (continued)

Wild Goose went to business rescue and the business rescue plan was adopted on 29 November 2023. The JPC was requested by the business rescue practitioner to consent to the action sale of the lease to Pageview. The JPC responded that it does not have the authority to consent to sale of the lease rights to Page View.

On 23/02/2024 the lease was extended for a further 25 years, effective 18 April 2025 on the same terms and condition.

On 13/09/24 - the BPR served papers to the JPC was served on a Urgent basis seeking an order directing the JPC to consent to the cession and assignment by Wild Goose, represented by the Business Rescue Practitioner (BPR) to page view Holdings Ltd of the right, titled and interest in and to the Notarial Deed of Lease concluded between the COJ's Predecessor as Lessor and Wil Goose as lessee in respect of the immovable property described as ERF 1010 and ERF 1011 Melville Ext 3.

10. Double Dose has filed its statement of claim to the Arbitration Foundation of South Africa that the COJ must evict all other occupants on the property leased. COJ denies that Double Dose is entitled to the entire portion of the property. Parties to arrange for a date to take the matter further after perusal of documents received.

44. Change in Estimate

Property, plant and equipment

The useful life of certain property plant and equipment was revised as follows:

Asset category	Original Useful life	Revised Useful life
IT equipment	7	12
Leased assets	3	8
Furniture and fittings	16	29
Office alternations	10	19
Office equipment	8	14

The effect of this revision has increased the depreciation charges for the current and future periods as follows:

Asset category	30 June 2025	Future periods
Current depreciation	R1 278 898	R1 278 898
Deferred Taxation	R345 302	R345 302

45. Change in Estimate

Regulation 12(1)(d)(i) of the Municipal Supply Chain Management Regulation, 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. Regulation 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, reports them to the next meeting of the board, and includes a note to the annual financial statements.

The amount as detailed below is R8 000 000 per annum (R24 000 000 over three years).

Deviations related to IT related services (Sole provider)

Nated systems (Pty) Ltd (An electronic document management system) per annum	8 000 000	-
--	-----------	---

City of Joburg Property Company (SOC) Limited

(Registration number 2000/017147/07)

Annual Financial Statements for the year ended 30 June 2025

Notes to the Annual Financial Statements

46. Awards to close family members of persons in the service of the state

During the year under review the municipality gave the following award to a person who is a spouse, child or parent of a person in the service of the state or has been in the service of the state for the previous twelve months.

Name of person (service of the state)	Name of person awarded	Relationship	Bid/RFQ number	Bid/RFQ Description	Award date	Name of company	Government institution where the person is employed	2025
Mrs. N. Mdluli	Mr. N. Mdluli	Spouse	RFQ/253/2025/JPC	Request For Quotation to conduct an investigation into irregular, fruitless and wasteful expenditure	12 May 2025	Bonakude Assurance Inc	AGSA	167 779
Mrs. N. Mdluli	Mr. N. Mdluli	Spouse	RFQ/253/2025/JPC	Request For Quotation to conduct an investigation into irregular, fruitless and wasteful expenditure	23 June 2025	Bonakude Assurance Inc	AGSA	120 096
Mrs. N. Mdluli	Mr. N. Mdluli	Spouse	RFQ/253/2025/JPC	Request For Quotations from the JPC panel of Internal Auditors (POP01/2023) to render internal audit services for (predetermined objective (AOPO)) at the city of Joburg Property Company SOC Ltd	23 June 2025	Bonakude Assurance Inc	AGSA	266 880
Mrs. N. Mdluli	Mr. N. Mdluli	Spouse	RFQ/404/2025FY/JPC	Request For Quotations from the JPC panel of internal auditors (POP01/2023) to render internal audit services for (Human Resource) at the city of joburg property company SOC Ltd	23 June 2025	Bonakude Assurance Inc	AGSA	133 440
Mrs. N. Mdluli	Mr. N. Mdluli	Spouse	RFQ/407/2025FY/JPC	Request For Quotations from the JPC panel of internal auditors (POP01/2023) to render Internal Audit services for (Information Technology) at the City of Joburg Property Company SOC Ltd	23 June 2025	Bonakude Assurance Inc	AGSA	173 750

Notes to the Annual Financial Statements

46. Awards to close family members of persons in the service of the state

Name of person (service of the state)	Name of person awarded	Relationship	Bid/RFQ number	Bid/RFQ Description	Award date	Name of company	Government institution where the person is employed	2025
Mrs. N. Mdluli	Mr. N. Mdluli	Spouse	RFQ/406/2025FY/JPC	Request For Quotations from the JPC panel of internal auditors (POP01/2023) to render internal audit services for (information technology) at the city of Joburg property company SOC Ltd	23 June 2025	Bonakude Assurance Inc	AGSA	489 600
Mrs. N. Mdluli	Mr. N. Mdluli	Spouse	RFQ/408/2025FY/JPC	Request For Quotations from the JPC panel of internal auditors (POP01/2023) to render internal audit services for (SCM, compliance and Contract Management) at the City of Joburg Property Company SOC Ltd	23 June 2025	Bonakude Assurance Inc	AGSA	430 900
Mrs. N. Mdluli	Mrs. N. Mdluli	Spouse	RFQ/409/2025FY/JPC	Request For Quotations from the JPC panel of internal auditors (POP01/2023) to render Internal Audit services for (AFS review, revenue, related parties, asset management) at the City of Joburg Property Company SOC Ltd	23 June 2025	Bonakude Assurance Inc	AGSA	1 782 445



APPENDIX B

Auditor-General's Audit Report

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the City of Joburg Property Company (SOC) Limited municipal entity set out on pages 156 to 221, which comprise the statements of financial position as at 30 June 2025, statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of Joburg Property Company (SOC) Limited as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practices (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Companies Act 71 of 2008 (Companies Act of South Africa).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipal entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code)* as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Uncertainty relating to future outcomes of exceptional litigations

7. With reference to note 43 to the financial statements, the municipal entity is the defendant in various lawsuits. The ultimate outcome of these matters could not be determined and no provision for any liability that may result was made in the financial statements.

Material impairment

8. As disclosed in note 4 to the financial statements, the external trade debtor's balance has been impaired. The allowance for impairment of trade debtors is R34 356 745 (2023-24: R34 356 745), which represents a significant portion of the total external trade debtors.

Other matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure note (MFMA 125)

10. In terms of section 125(2)(e) of the MFMA, the municipal entity is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and the Companies Act of South Africa; 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.

12. In preparing the financial statements, the accounting officer is responsible for assessing the municipal entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipal entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 229, forms part of my auditor's report.

Report on the annual performance report

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

16. I selected the following material performance indicators related to Financial Sustainability presented in the annual performance report for the year ended 30 June 2025. I selected those indicators that measure the municipal entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of properties on social and economic leases including servitudes and sales
- Implementation of the Outdoor Advertising masterplan
- Renewal of Office Accommodation Leases
- Income generated through property transactions from acquisitions, outdoor advertising, leases, servitudes and sales
- Percentage spend on allocated CAPEX
- Percentage spent on operating budget against approved operating budget
- Percentage of budget spent on repairs and maintenance

17. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipal entity's planning and delivery on its mandate and objectives.
18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the municipal entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the municipal entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
 - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
 - the reported performance information is presented in the annual performance report in the prescribed manner
 - there is adequate supporting evidence for the achievements reported.
19. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
20. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

21. I draw attention to the matter below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets.
23. The table that follows provide information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report.

Financial Sustainability

Targets achieved: 50%
Budget spent: 81%

Key indicators not achieved	Planned target	Reported achievement
Number of properties released on social and economic leases, including servitudes and sales	150	96
Renewal of office accommodation leases	27	6
Percentage spend on allocated CAPEX	97%	45%
Percentage spent on operating budget against approved operating budget	97%	82,64%

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipal entity's compliance with legislation.
25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipal entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

28. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

29. Reasonable steps were taken to ensure that money owed by the municipal entity was not always paid within 30 days, as required by section 99(2)(b) of the MFMA.
30. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R231 470, as disclosed in note 40 to the annual financial statements, in contravention of section 95(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by SARS interest and penalties.

Asset management

31. Loans were provided to the City of Johannesburg Metropolitan Municipality, which
 - Were not authorised by the board and;
 - Were not approved by way of a special resolution adopted by the shareholder within the previous two years and;
 - The board authorised without considering whether the liquidity and solvency tests were still satisfied after providing the financial assistance and whether the finance assistance given was fair and reasonable to the company and;
 - Were not in adherence with the conditions and restrictions with respect to the granting of financial assistance as set out in the Memorandum of Incorporation as required by sections 45(2), 45 (3)(a)(ii), 45(3)(b) and 45 (4) of the Co Act.

Procurement and contract management

32. Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c).
33. Sufficient appropriate audit evidence could not be obtained that contract were only awarded to providers whose tax matters had been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.

Other information in the annual report

34. The accounting officer is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act 71 of 2008. The other information referred to does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.
35. My opinion on the financial statements, the reports on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
36. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
39. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
40. Senior management did not adequately review, monitor and the implement designed internal control to ensure compliance with applicable laws and regulations. Additionally, senior management did not implement controls over daily and monthly processing and reconciling of transactions to ensure preparation of accurate and complete financial statements that are supported and evidenced by reliable information, which resulted in material amendments in the financial statements and material instances of non-compliance with laws and regulations.

Other reports

41. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
42. Fifty-five (55) investigations were conducted by the group forensic for allegations against employees of the municipal entity. These investigations included allegations of fraud, corruption, hijacking or non-compliance with property by-laws, maladministration and irregularities. Reports on 16 investigations were completed and some closed during the year under review.

Auditor-General

Johannesburg
30 November 2025



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the municipal entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 municipal entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipal entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipal entity to cease operating as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act no. 56 of 2003	Municipal Finance Management Act no. 56 of 2003
99(2)(b); 99(2)(c), 95(d); 87(8); 87(6)(c);	99(2)(b); 99(2)(c), 95(d); 87(8); 87(6)(c);
122(1); 126(2)(b); 133(1)(a); 133(1)(c)(i); 133(1)(c)(ii)	122(1); 126(2)(b); 133(1)(a); 133(1)(c)(i); 133(1)(c)(ii)
97(h); 97(e); 97(f);	97(h); 97(e); 97(f);
96(2)(a); 96(2)(b); 99(2)(g)	96(2)(a); 96(2)(b); 99(2)(g)
102(1); 102(2)(a); 172(3)(a)	102(1); 102(2)(a); 172(3)(a)
87(5)(b); 88(1)(a)	87(5)(b); 88(1)(a)
116(2)(b); 116(2)(c)(ii); 112 (1)(j)	116(2)(b); 116(2)(c)(ii); 112 (1)(j)
Municipal Supply Chain Management Regulations	Municipal Supply Chain Management Regulations
12(1)(c), 16(a), 17(a)& (c); 17(a) & 17(b); 13(c); 43;	12(1)(c), 16(a), 17(a)& (c); 17(a) & 17(b); 13(c); 43;
19(a) &(b); 36(1)(a); 12(3); 27(2)(a)&(e); 22(1)(b) &	19(a) &(b); 36(1)(a); 12(3); 27(2)(a)&(e); 22(1)(b) &
22(2); 28(1)(a)(i); 21(b); 29(1) (a) & (b), 29(5)(a)(ii) &	22(2); 28(1)(a)(i); 21(b); 29(1) (a) & (b), 29(5)(a)(ii) &
(b)(i); 38(1)(d)(ii) & (g)(iii); 38(1)(e.); 38(1)(g)(i);	(b)(i); 38(1)(d)(ii) & (g)(iii); 38(1)(e.); 38(1)(g)(i);
38(1)(g)(ii); 32; 5; 44; 46(2)(f)	38(1)(g)(ii); 32; 5; 44; 46(2)(f)
Municipal budget and reporting regulation 73(1); 73(2); 75(1); 75(2);	Municipal budget and reporting regulation 73(1); 73(2); 75(1); 75(2);
Companies Act 46(1)(a); (b); (c); 112(2)(a); 45(2); 45(3)(a)(ii);	Companies Act 46(1)(a); (b); (c); 112(2)(a); 45(2); 45(3)(a)(ii);



APPENDIX G
Recommendations
of the Audit and
Risk Committee

Recommendations of the Audit and Risk Committee 2024–2025 to Board

Quarterly Statutory Submissions	Subject	Resolution	Status: Implemented/ Not Implemented
<p>First Quarter 21 October 2024</p>	2024/25 JPC First Quarter Performance Report	2024/25 JPC First Quarter Performance Report – duly approved by the Board	Implemented
	First Quarter Acquisition Plan	First Quarter Acquisition Plan – duly approved by the Board	Implemented
	First Quarter Compliance Status Universe Report	First Quarter Compliance Status Universe Report – duly noted by the Board	Implemented
	First Quarter Litigation Report	First Quarter Litigation Report – duly noted by the Board	Implemented
	First Quarter Internal Audit Report	First Quarter Internal Audit Report – duly noted by the Board	Implemented
	First Quarter Risk Report	First Quarter Risk Report – duly noted by the Board	Implemented
	First Quarter OPCA (Operation Clean Audit) Report	First Quarter OPCA Report – duly noted by the Board	Implemented
	First Quarter Information Communications Technology (ICT) Presentation Report	First Quarter updated report – noted by the Board	Implemented
<p>Mid-Term 17 January 2025</p>	2024/25 JPC Second Quarter Performance Report	2024/ 25 JPC Second Quarter Performance Report – duly approved by the Board	Implemented
	Second Quarter Acquisition Plan	Second Quarter Acquisition Plan – duly approved by the Board	Implemented
	Second Quarter UIFW request to investigate	UIFW request to investigate – duly approved by the Board	Implemented
	Second Quarter Update Report on Metro Centre	Second Quarter Update Report on Metro Centre – duly noted by the Board	Implemented
	Second Quarter Intercompany Debtors Report	Second Quarter Intercompany Debtors Report – duly noted by the Board	Implemented
	Second Quarter Internal Audit Progress Report	Second Quarter Internal Audit Progress Report – duly noted by the Board	Implemented
	Second Quarter OPCA Report	Second Quarter OPCA Report – duly noted by the Board	Implemented
	Second Quarter Abscondment Cases Update Report	Second Quarter Abscondment Cases Update Report – duly noted by the Board	Implemented
	Second Quarter Compliance Universe Report	Second Quarter Compliance Universe Report – duly noted by the Board	Implemented
	Second Quarter Risk Report	Second Quarter Risk Report – duly noted by the Board	Implemented
Second Quarter Litigation Report	Second Quarter Litigation Report – duly noted by the Board	Implemented	

Recommendations of the Audit and Risk Committee 2024–2025 to Board

Quarterly Statutory Submissions	Subject	Resolution	Status: Implemented/ Not Implemented
Third Quarter 22 April 2025	2024/25 Third Quarter Performance Report	2024/25 Performance Report – duly approved by the Board	Implemented
	Third Quarter JPC Acquisition Plan	Third Quarter JPC Acquisition Plan – duly approved by the Board	Implemented
	Third Quarter JPC Strategic Risk Report	Third Quarter JPC Strategic Risk Report –duly approved by the Board	Implemented
	Third Quarter JPC Three-Year Rolling Plan	Third Quarter JPC Three-Year Rolling Plan-Approved by the ARC and noted by the Board.	Implemented
	Third Quarter Risk Report	Third Quarter Risk Report-duly noted by the Board	Implemented
	Third Quarter Compliance Universe Report	Third Quarter Compliance Universe Report – duly noted by the Board	Implemented
	Third Quarter Litigation Report	Third Quarter Litigation Report – duly noted by the Board	Implemented
	Third Quarter Fruitless and Wasteful Expenditure Update Report	Third Quarter Fruitless and Wasteful Expenditure Update Report – duly noted by the Board	Implemented
	Third Quarter JPC Assurance Integrated Framework Report	Third Quarter JPC Assurance Integrated Framework Report – duly noted by the Board	Implemented
	Third Quarter Internal Audit Progress Report	Third Quarter Internal Audit Progress Report – duly noted by the Board	Implemented
	Third Quarter OPCA Report	Third Quarter OPCA Report	Implemented
	Third Quarter Southern Farm Status Update Report	Third Quarter Southern Farm Status Update Report – duly noted by the Board	Implemented
Fourth Quarter: 17 July 2025	2024/2025 Fourth Quarter Performance Report	2024/25 Fourth Quarter Performance Report – duly approved by the Board	Implemented
	Fourth Quarter JPC Acquisition Plan	Fourth Quarter JPC Acquisition plan – duly approved by the Board	Implemented
	Fourth Quarter Risk Report	Fourth Quarter Risk Report – duly noted by the Board	Implemented
	Fourth Quarter Compliance Universe Report	Fourth Quarter Compliance Universe Report – duly noted by the Board	Implemented
	Fourth Quarter Litigation Report	Fourth Quarter Litigation Report – duly noted by the Board	Implemented
	Fourth Quarter Internal Audit Progress Report	Fourth Quarter Internal Audit Progress Report-duly noted by the Board	Implemented
Fourth Quarter OPCA Report	Fourth Quarter OPCA Report – duly noted by the Board	Implemented	



APPENDIX J
Disclosure of
Financial Interest

Surname	First name	Description of interests	Member of Close Corporation
Makhunga	Musah	Shares and Securities: N/A	N/A
Zondo	Mfanafuthi	Shares and Securities: N/A	N/A
Motha	Simon	N/A	N/A
Zondo	Mxolisi	N/A	N/A
Thatelo	Tshepang	Shares and Securities: Thatelo Attorneys (100%)	Director Thatelo Attorneys
Tini	Ntombikayise	Shares: N/A	GP Sports (R2 500.00)
Teffo	Bettycourt	Shares and Securities: <ul style="list-style-type: none"> Mamokeko Medical Suppliers and Distributors (100%) Bandas Concepts Projects (Pty) Ltd (40%) TGN Trading CC (40%) 	<ul style="list-style-type: none"> Director of Horticulture (N/A) Director of Home Décor (N/A) Director of Medical Suppliers (N/A) Gauteng Liquor Board (R2 176.00)
Mtolo	Sabelo	Shares and Securities: Thatelo Attorneys (100%)	<ul style="list-style-type: none"> Tudo Furniture (R200 000 p.a.) Standard Bank (R1 400 000 p.a.)
Rakodi	Ellen	N/A	N/A
Ratshikhopha	Fulufhelo	Shares and Securities: Ronewa Lushaka Co-operative (15%)	Ronewa Lushaka (N/A)
Collophen	Sandy	Shares and Securities: N/A	N/A
Rabodila	Moeketsi	Shares and Securities: <ul style="list-style-type: none"> Mora Pty (Ltd) – Director Maru Pty (Ltd) – Director 	<ul style="list-style-type: none"> Mora Pty (Ltd) (NA) Maru Pty (Ltd) (NA)
Ngubane	Khethukuphila	Shares and Securities: <ul style="list-style-type: none"> Mnambithi Group Holdings – Senior Executive 	<ul style="list-style-type: none"> Mnambithi Group holdings (R104 860.00)
Karedi	Motsamai	Shares and Securities: <ul style="list-style-type: none"> Payela Petroleum 	<ul style="list-style-type: none"> Service station
Mashamaite	Thapelo	Shares and Securities: <ul style="list-style-type: none"> Buy All Means (Pty) Limited – Director 	<ul style="list-style-type: none"> Buy All Means (R1 000 000.00)
Gwebani	Sivuyisiwe	Shares and Securities: <ul style="list-style-type: none"> N/A 	Matthew Goniwe School of leadership – Non executive director Helen Joseph Hospital – Board member
Ngxabazi	Yolisa	Shares and Securities: <ul style="list-style-type: none"> UBORA (Pty) Limited (100%) 	<ul style="list-style-type: none"> Mac Empowerment Trust (R5 000.00 for AGM) Capital Appreciation Empowerment Trust (NA) Helen Joseph Tertiary Hospital (transport) Khaya Professional Service (R5 000 for AGM)
Pamla-Dhludhlu	Yongama	Shares and Securities: <ul style="list-style-type: none"> Pamla Financial Solutions – 100% POYA Investments – 100% Old Mutual Bula Tselu Retail Scheme (RF) Limited – 239 shares 	<ul style="list-style-type: none"> Health and Welfare SETA (HWSETA) - 0% Magalies Water Board - 0% Gauteng Provincial Government - 0% Competition Commission South Africa - 0%
Makwetla	Rachel	N/A	N/A



APPENDIX K
Compliance
Regulatory Assessment

JPC Regulatory Compliance 2024/2025

List of Regulatory Requirements	Category	2023/2024	2024/2025
Advertising on Roads and Ribbons Development Act, 1940 (Act No. 21 of 1940)	GENERIC (Outdoor)	Non-Compliant	Compliant
Advertising on Roads and Ribbons Development Act, 1994 (Act No. 21 of 1940)	CORE (Outdoor)	Non-Compliant	Compliant
Anti-Corruption Act, 1996	CORE (Legal)	Non-Compliant	Compliant
Basic Conditions of Employment Act, 1997 (Act No: 75 of 1997)	CORE (HR)	Non-Compliant	Compliant
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	CORE (SCM)	Compliant	Compliant
Companies Act, 2008 (Act No. 71 of 2008)	CORE (ALL)	Compliant	Compliant
Companies Act Regulations	CORE (ALL)	Non-Compliant	Compliant
Construction Industry Development Board Act, 2000 (Act No. 45 of 2000)	CORE (SCM)	Compliant	Compliant
Constitution of the Republic of South Africa, 1996 (Act No.108 of 1996)	CORE (ALL)	Compliant	Compliant
Consumer Protection Act, 2008 (Act No. 68 of 2008)	CORE (Finance)	Compliant	Compliant
Disaster Management Act: (Act No. 57 of 2002)	CORE (OHSA)	Non-Compliant	Work in Progress
Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)	CORE (IT)	Compliant	Compliant
Employment Equity Act, Code of Good Practice: Human Resource Policies and Practices	CORE (HR)	Non-Compliant	Compliant
Employment Equity Amendment Act, 2013 (Act No. 47 of 2013)	CORE (HR)	Non-Compliant	Compliant
Employment Equity Act 1998 (Act No. 55 of 1998)	(HR)	Non-Compliant	Compliant
Employment Equity Regulations	CORE (HR)	Non-Compliant	Compliant
Gauteng Planning and Development Act, 2003 (Act No. 3 of 2003)	GENERIC (Property Portfolio)	Compliant	Compliant
Generally Accepted Compliance Practices Framework	GENERIC (All)	Compliant	Compliant
Generally Recognised Accounting Practice	CORE (Finance)	Compliant	Compliant
Hazardous Substances Act, 1973 (Act No. 15 of 1973)	GENERIC (OHSA)	Non-Compliant	Work in Progress
King IV Code on Corporate Governance	GENERIC (ALL)	Compliant	Compliant
IIA Code of Conduct and Ethics	CORE (HR)	Compliant	Compliant
Income Tax Act, 1962 (Act No. 58 of 1962)	CORE (Finance)	Compliant	Compliant
Intergovernmental Relations Framework, 2005 (Act No. 13 of 2005)	CORE (Property Management)	Compliant	Compliant
Local Government Anti-corrupt strategy	GENERIC (Legal)	Compliant	Compliant
Local Government: Municipal Planning and Performance Management Regulations, 2001	GENERIC (Strategic support)	Compliant	Compliant

JPC Regulatory Compliance 2024/2025

List of Regulatory Requirements	Category	2023/2024	2024/2025
Local Government: Municipal Finance Act, 2003 (Act No. 56 of 2003)	CORE (All)	Non-Compliant	Work in Progress
Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	CORE (All)	Compliant	Compliant
Municipal Finance Management Act MFMA – Asset Transfer Regulations	CORE (All)	Compliant	Compliant
Municipal Finance Management Act MFMA – Asset Transfer Regulations	CORE (All)	Compliant	Compliant
Municipal Structures Act, 1998 (Act No. 117 of 1998)	GENERIC (All)	Compliant	Compliant
Municipal Supply Chain Management Regulations Gazette No. 27636, 30 May 2005	CORE (SCM)	Compliant	Compliant
National Archives and Record Service of South Africa Act, 1996 (Act No. 43 of 1996)	CORE (CSM Records)	Non-Compliant	Work in Progress
National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	CORE (Assets)	Compliant	Compliant
National Heritage Resources Act 1999 (Act No. 25 of 1999)	CORE (Assets)	Compliant	Compliant
National Qualifications Framework Act, 2008 (Act No. 67 of 2008)	CORE (HR)	Compliant	Compliant
National Road Traffic Act, 1996 (Act No. 93 of 1996)	GENERIC (Logistics) JPC Fleet	Work In Progress	Work in Progress
National Treasury Public Sector Risk Management Framework	CORE (SCM & Finance)	Compliant	Compliant
Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)	CORE (HR)	Non-Compliant	Work in Progress
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	CORE (SCM)	Compliant	Compliant
Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	CORE (Legal)	Compliant	Compliant
Promotion of Access to Information Act, 2000 (Act. 2 of 2000)	CORE (All)	Compliant	Compliant
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	CORE (All)	Compliant	Compliant
Promotion of Equality & and Prevention of Unfair Discrimination Act, 2000 (Act No .4 of 2000)	CORE (All)	Compliant	Compliant
Property Practitioners Act, 2019 (Act 22 of 2019)	GENERIC (Assets)	Compliant	Compliant
Protected Disclosures Act, 2000 (Act No. 26 of 2000)	CORE (HR)	Compliant	Compliant
Protection of Information Act, 1982 (Act No. 84 of 1982)	CORE (HR)	Compliant	Compliant
Protection of Personal Information, 2013 (Act No. 4 of 2013)	CORE (HR)	Compliant	Compliant
Public Audit Amendment Act, 2018 (Act No. 5 of 2018)	CORE (Internal Audit)	Compliant	Compliant
Regulation of Interception of Communications and Provision of Communication-Related Information Act, 2002 (Act No. 70 of 2002)	CORE (Comms & Stakeholder)	Compliant	Compliant

JPC Regulatory Compliance 2024/2025

List of Regulatory Requirements	Category	2023/2024	2024/2025
Skills Development Act, 1998 (Act No. 97 of 1998)	GENERIC (HR)	Compliant	Compliant
Skills Development Levies Act, 1999 (Act No. 9 of 1999)	GENERIC (HR)	Compliant	Compliant
Unemployment Insurance Act, 2001 (Act No 63 of 2001)	GENERIC (HR)	Compliant	Compliant
Unemployment Insurance Contributions Act, 2002 (Act No. 4 of 2002)	GENERIC (HR)	Compliant	Compliant
Value-Added Tax Act, 1991 (Act No. 89 of 1991)	GENERIC (Finance)	Compliant	Compliant



Joburg Property Company

Phone: +27 10 219 9000
Fax: +27 10 219 9400
Email: clientservicingunit@jpcproperty.co.za

Postal Address

P.O. Box 31565
Braamfontein
2017



[!\[\]\(b313c918492b2027e1db5e293117ae77_img.jpg\)](#) [!\[\]\(f5f2f5bf2dd8cb96ab261e4008b58b99_img.jpg\)](#) [!\[\]\(a0c37c3f2f77c8b0fc9af8d4f835557f_img.jpg\)](#) Follow us