

ANNUAL REPORT
2017/18



GPF
GAUTENG
PARTNERSHIP
FUND

Catalyst for delivering sustainable human settlements



GAUTENG PARTNERSHIP FUND ANNUAL REPORT 2017/2018

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Lavigen Loft - Vanderbijlpark

PART A



GENERAL INFORMATION

1. General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Gauteng Provincial Government Co-founder and Enabler of Mega Projects in Gauteng
Registered office,	82 Grayston Drive, Sandton, Johannesburg, 2196
Postal address	PO Box 652247 Benmore 2010
Executive authority	Member of Executive Council (MEC)
Website address	www.gpf.org.za
Bankers	Absa Bank Limited 15 Troye Street Johannesburg 2001
Auditors	Auditor General South Africa Registered Auditors 61 Central Street Houghton Johannesburg 2193
Company registration number	IT2422/02
Attorneys	Hogan Lovells Inc.
Contact details	011 685 6600/ info@gpf.org.za



2. List Of Abbreviations /Acronyms

AGSA	Auditor-General South Africa
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
CSI	Corporate Social Investment
EEEPF	Entrepreneur Empowerment Property Fund
FICA	Financial Intelligence Centre Act
GDHS	Gauteng Department of Human Settlements
GDP	Gross Domestic Product
GPF	Gauteng Partnership Trust T/A Gauteng Partnership Fund with registration number IT2422/02 registered as a Schedule 3C public entity under the PFMA
GPF	Gauteng Provincial Government
ICT	Information and Communication Technology
M&E	Monitoring and Evaluation
MEC	Member of Executive Council for Human Settlements
MTEF	Medium-term Expenditure Framework
NDP	National Development Plan
PFMA	Public Finance Management Act, Act No. 1 of 1999 as amended
PPP	Public-private Partnerships
RHF	Rental Housing Fund
SCM	Supply Chain Management
SHF	Social Housing Fund
SHI	Social Housing Institutions
SMME	Small, Medium and Micro Enterprises
TR	Treasury Regulations
PIC	Public Investment Corporation
Futuregrowth	Futuregrowth Asset Management
NHBRC	National Housing and Building Regulatory Council



3. FOREWORD BY THE MEC



Honourable
Dikgang Uhuru Moiloa
MEC

Dignity and prosperity for all can only be realized if we take a more inclusive approach towards development. Hence the focus of our province over the next 15 years is on building a new Gauteng with a radically transformed economy and spatial spaces along identified development corridors of the Gauteng City Region.

It is against this backdrop that as we build mega human settlements, we are doing so guided by a shift away from sporadic, uncoordinated and unsustainable housing developments towards those that are developed hand-in-hand with other socio-economic projects.

These integrated human settlements developments which are on well-located and strategic land will enable both low and high-income earners to live in and access the same social and economic amenities within the same vicinity.

With its revised mandate and vision to be the Gauteng Provincial Government's co-founder and enabler of Mega Projects in the province, the Gauteng Partnership Fund (GPF) will be a critical player in our new approach. Our efforts will be geared towards transforming the spatial landscape of Gauteng, build cohesive and sustainable communities and provide our residents with security of tenure and a choice of housing options.

The active participation and support of communities who benefit from housing delivery and the need for partnerships with the private sector to leverage funds and contribute their accumulated knowledge and experience to meet our targets is crucial to overall success of these initiatives.

The GPF's reputation for sound financial management, good governance and its track record of clean financial audits- along with its history for leveraging additional capital - makes the organisation well equipped to crowd in private sector investment into the social housing and GAP housing markets.

Through its revised mandate, we trust that the GPF will succeed in growing strategic and sustainable partnerships with the private sector, donor community and the development finance institutions in order to mobilise the requisite housing development funds.



3. FOREWORD BY THE MEC

The GPF will work even closer with the Gauteng Department of Human Settlements and we will ensure that the existing blockages and red tape that might delay delivery of these projects are removed and that adequate resources are allocated.

We have great confidence in the ability of the Board of Trustees and Executive Management of the Gauteng Partnership Fund to deliver on this crucial mandate of providing decent shelter especially to the less privileged. Together with the people of Gauteng we are looking forward to you playing a pivotal role in the accelerated implementation of our strategies.

Mr. DU Moila, MPL

MEC: COOPERATIVE GOVERNANCE, TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS



4. REPORT OF THE CHAIRPERSON



Lindiwe Mthimunye-Bakoro
Chairperson

Dear valued stakeholders,

I am pleased to present the Gauteng Partnership Fund's (GPF) Annual Report for the year ended 31 March 2018.

During the previous financial year, the mandate of the GPF was expanded and now goes beyond its previous focus of providing financing solutions for social and affordable housing, to being the financing vehicle and an implementing agent of the Gauteng Department of Human Settlements (GDHS) for identified Mega Human Settlements. The revised mandate entails the following four (4) core functions:

1. Raising and managing the capital required for successful implementation of identified Mega Projects in Gauteng Province;
2. Providing project management support in the implementation of the identified Mega Projects;
3. Managing identified strategic brownfields developments that improve existing settlements and generate additional revenue required by the GPF and contributes to capital raising targets; and
4. Serving as a turnkey developer for identified Mega Projects to be developed on strategic public land.

This revised mandate necessitated a review of the suitability of the GPF's legal structure to effectively drive the implementation of the revised mandate. We have embarked on a process to revise the corporate form of the GPF to one that establishes it as a statutory provincial government business enterprise listed in Schedule 3D of the PFMA. Beyond the corporate form, we have commenced with the necessary internal change management processes that seek to restructure the operations of the entity to better respond to the revised mandate. This process is underpinned by the objective of safeguarding the sustainability of the entity whilst ensuring improved operational efficiencies in response in the new functions of property development and maintenance of Gauteng Provincial Government's (GPG) strategic property assets and serving as a turnkey developer of identified Mega Human Settlement Projects. The Board will continue to monitor the performance outcomes stemming from the improved operational structures, processes and systems as developed by management.

The GPF is instrumental in the GPG's Transformation, Modernisation and Reindustrialisation Programme (TMR). As an entity we support the TMR's Pillar of decisive spatial transformation through public transport infrastructure development and the creation of new integrated and sustainable human settlements and post-Apartheid cities that are more connected, liveable, smart and green. We shall assist in this strategic shift by delivering of human settlements through Mega Projects which realise the GPG's strategic commitment to spatial transformation,



4. REPORT OF THE CHAIRPERSON

township economic revitalisation and massive infrastructure investment. Therefore, throughout the 2017/18 financial year the Board has worked closely with management in assessing the implementation readiness of the mixed income housing projects (BNG, FLISP and Social Housing) and the serviced sites phase of Mega Projects.

In terms of the Tri-Lateral Agreement concluded between GDHS, GPF and the Housing Development Agency, fifteen (15) Mega Projects have been identified throughout the province. The GPF has assessed eleven (11) projects for implementation readiness, of which three (3) are being implemented in the current year.

Since the establishment of the GPF, we can account for the delivery of at least 17 000 social and affordable housing units. Further, the entity has leveraged additional capital from investor partnerships in excess of R3.2 Billion using R1.4 Billion of public risk capital. At the end of the period under review, the entity had a solid and well-managed loan book of R1.28 Billion.

The GPF has a flagship incubator programme aimed at supporting emerging Black Developers, the Entrepreneurship Empowerment Property Fund (EPPF), currently supports 89 emerging black property developers, of which almost 65% are youth and women. The GPF shall continue to implement Mega Projects in a manner designed to broaden the base of Black and women owned enterprises as well as medium and micro enterprises in the infrastructure development sector. In this regard the entity has set clear transformation targets and criteria for each Mega Project to be implemented and managed by the GPF.

Following the resignation of our former Chief Executive Officer (CEO), Mr Boniface Muvevi at the end of the third quarter of the financial year, the Board appointed Mr Moloantsoa Geoffrey Makhubo, a Trustee, as the Acting CEO of the entity until the completion of processes of appointing a new CEO. Overall, GPF has maintained its performance against the mandated objectives over the years and we are confident that we will maintain our good governance record. I commend the management team and my fellow Board members for their continued good stewardship and sound corporate governance and maintaining a healthy loan book. As a Board we are well aware that the success of the entity will require effective management of the strategic and organisational risks posed by the implementation of its expanded mandate. Further, as the Board we shall continue to ensure that the entity remains proactive in managing stakeholder relations.

For the year ahead our focus will be on; finalizing the process of transforming the entity to provincial government business enterprise, assisting with the capital raising to expedite the implementation of mega human settlements projects, and capacitating the organization accordingly.

During the current financial year, we welcomed the Honourable Dikgang Moiloa as the new Gauteng MEC for Human Settlements and Co-operative Governance and Traditional Affairs. We look forward to working closely with the Honourable MEC and the leadership of the Gauteng Department of Human Settlements. Further, we would like to sincerely thank the previous MEC, Honourable Paul Mashatile for his support and guidance and wish him well in his new endeavour.

To all our stakeholders – thank you for your continued support

Lindiwe Mthimunye-Bakoro
Board Chairperson



5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Geoff Makhubo

Acting Chief Executive Officer

The 2017/18 financial year was a critical and challenging period for the Gauteng Partnership Fund (GPF), as the organisation delivers on the new mandate and adapts to strategic and operational changes.

The repositioning of the GPF has also entailed a review of the legal structure and corporate form, with the specific intent being to dissolve the Gauteng Partnership Trust and establish GPF as a State Owned Company listed as a Public Finance Management Act (PFMA) Schedule 3D, Provincial Government Business Enterprise.

The PFMA Schedule 3D listing is an important driver of GPF's expanded mandate as it provides the organisation with the capability to leverage other funding sources to accelerate the delivery of the Mega Human Settlements Projects whilst strengthening the balance sheet and supporting the long-term sustainability of the organisation.

In the 2017/18 financial year under review, GPF spent R80,5 million vs an operational budget of R133 million. The 40% variance is mainly attributed to the timing of payments of service providers and vacancies. The Supply Chain Management (SCM) processes and systems are in place and we continue to ensure that our payment cycles remain robust and do not negatively affect our service providers' cash flows. The percentage of preferential procurement spend target of 75% has been exceeded. GPF is in the process of acquiring Systems, Applications and Products (SAP) which will further allow a targeted approach for suppliers by using the relevant functionalities such as search for 'Women Owned Enterprises', 'Township-based Suppliers', 'People Living with Disabilities' etcetera. Over the period, we have ensured competitive bidding in our projects and, as such, we have not concluded any unsolicited bids.

As at 31 March 2018, the GPF had committed 87% of its available cash to projects. In terms of liquidity, GPF commitments were covered by 1.14 times. The cost to income ratio increased from 94% to 106% in comparison to the previous year due to the timing of expenses. The GPF has requested for the rollover of funds of R41 million.

During the year under review, the GPF Loan Book remained healthy and continues to perform well across all funding products, as reflected by our Loan Book Bad Debts at approximately 1.5%. We continue to apply proactive risk mitigation approaches upfront to every loan/investment and have a hands-on approach to the



management of potential project performance risk. For instance, the growth in repayment arrears due to economic pressures experienced by tenants and therefore landlords led to the creation of a committee to address these specific challenges on a regular basis. We continue to review our process, ensuring that we meet our clients' turnaround expectations and future business sustainability requirements.

The lack of co-funding partners remain a major challenge that affects our business model and over the past few years, we have dedicated resources to address this risk in the long-term. In 2016, we concluded funding partnerships with the Public Investment Corporation (PIC) and Futuregrowth Asset Management (Futuregrowth). The PIC facility of R350 million has been fully committed while the Futuregrowth facility of R250 million is approximately 77% committed. Capital raising remains a priority, which is in line with our expanded mandate to strengthen our delivery capability and thereby ensure that GPF and Province meet the strategic objectives and performance targets.

The leveraging of state capital is the underlining principle of the GPF business model, our target is 70:30 (external funding). In 2017/18, we attracted a total of R118 million of non-GPF funding, in comparison to R417 million in the previous reporting period. The GPF has met and exceeded its 2017/18 housing targets for social and rental units (target of 1 000 housing units vs 1 217 housing units completed). However, the targets for the implementation of Mega Projects were not met. The non-performance of targets can be attributed to the general lack of project readiness in terms of cycles of planning and the unavailability of bulk funding, amongst others. To mitigate this going forward, the GPF has sought to strengthen its internal capacity to prepare and plan for appropriate bulk funding mechanisms and also to improve its stakeholder engagements with affected municipalities in whose areas the Mega Projects are located.

As illustrated below in Fig 1, GPF has performed well since inception in 2003, in the majority of the past years, exceeding set targets despite the financial and delivery environment challenges at the time.

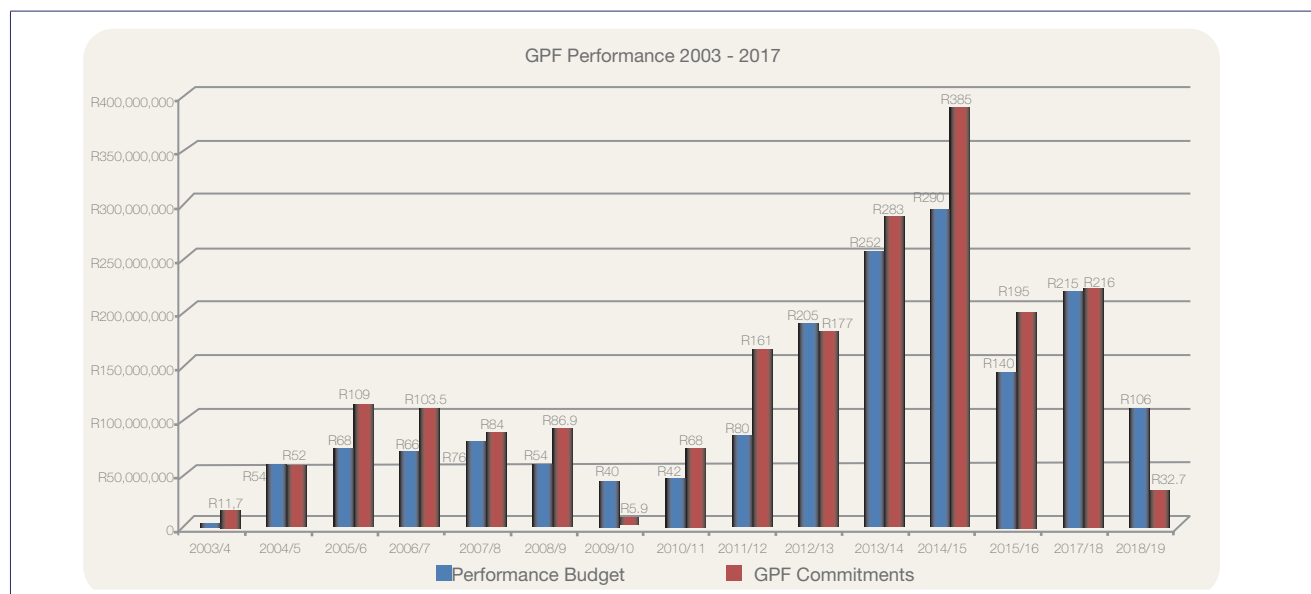


Fig. 1 GPF Budget vs Commitments



We look forward to executing our mandate and positioning the GPF to not only play a critical role in mobilising the public and private sector funding for the Human Settlements Projects in order to realise the Province's vision but, through capital investments as an implementing agent, oversee the implementation of development in an integrated manner. The GPF has aligned the business focus to the new vision, outlined key short-term milestones and developed a long-term strategy that will enable the GPF team to implement the mandate.

Our priority is to deliver on the mandate but we do so while taking into consideration the sustainability of GPF in the long-term.

We recognise that delivering Mega Human Settlements is more complex than social and affordable rental housing projects. However, having understood the government vision as a collective, and through planning and alignment of resources of the public and private sector, we can turn the vision into reality.

The critical element to the success of the Mega Human Settlements implementation is the crowding in of the private sector funding resources and in execution of the projects.

The GPF role is to facilitate, provide effective oversight and implement projects while creating an environment for the private sector to participate.

Lastly, I would like to take this opportunity to extend my sincere gratitude to the former Honourable Member of the Executive Council (MEC), Mr. Paul Mashatile for his continued leadership and support agency. I would also like to welcome the Honourable MEC, Mr. Dikgang Moiloa, and wish him well in his appointment.

In conclusion, I would like to sincerely thank the Head of Department (HOD) Ms. Matilda Gasela, Board Chairperson Ms. Lindiwe Mthimunya-Bokoro and all the Board members for their steadfast leadership, guidance and stewardship throughout the year. I would also like to specifically thank the executive management team and staff of the GPF for their continued support and unwavering dedication to the achievement of the extended mandate of the GPF.



Geoff Makhubo

Acting Chief Executive Officer



6. Annexure A: Statement of responsibility and confirmation of accuracy

Statement of responsibility and confirmation of accuracy for the annual report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the Annual Report is consistent with the Annual Financial Statements audited by the Auditor-General.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the South African Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2018.

Yours faithfully

Geoff Makhubo
Acting Chief Executive Officer

Lindiwe Mthimunya-Bakoro
Chairperson of the Board



7. OUR VISION:

- To be the Gauteng Provincial Government's co-funder and enabler of Mega Projects in Gauteng.

7.1. OUR MISSION:

As the co-funder and enabler of Mega Projects in Gauteng, our mission is to effectively, efficiently and timeously:

- Raise capital and implement Mega Projects as informed by the Gauteng Provincial Government and the Gauteng Department of Human Settlements.
- To perform our core functions to achieve our strategic outcome-oriented goals and strategic objectives, and
- Provide our financial partners with a sound return on investment.

7.2. Our Values

Team Work –	We work in Unison with each other towards a Collective, Productive and Collaborative goal.
Innovative –	As the preeminent intervention agent, we strive towards the continual development of our product and service offering.
Integrity –	Emphasis is placed on executing our work in a transparent, accountable and ethical manner
People –	Patriotic and loyal public servants committed to the fulfilment of our mandate
Proactive –	We take an active approach to addressing needs and gaps identified across the value chain.



8. Legislative and Other Mandates

The mandate of the GPF as an entity of the GDHS derives from Chapter 2, Section 26 of The Constitution of the Republic of South Africa (Act No. 108 of 1996), which states:

- 1) *“Everyone has the right to have access to adequate housing;*
- 2) *The State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right; and*
- 3) *No one can be evicted from their home, or have their home demolished, without an order of court made after considering all relevant circumstances. No legislation may permit arbitrary evictions.”*

Framed from the Constitution, there is a myriad of other national and provincial legislation, policies and strategies pertaining to the housing sector under which GDHS and therefore GPF operates. Among others, the most notable of these national and provincial legislation, policies and strategies are highlighted below.

Table A: Legislative Mandates

Legislative Framework	Relevance/Implications for GPF
Public Finance Management Act (No. 1 of 1999), as amended	<p>The Act requires GPF to promote the objective of good financial management and accountability in order to maximise service delivery through effective and efficient use of resources.</p> <p>As a PFMA Schedule 3C entity of the GDHS, the GPF already complies with the PFMA. Its proposed listing as a Schedule 3D entity of this same Act will ensure such compliance and sound financial management while implementing its revised mandate that requires it to, <i>inter alia</i>:</p> <ol style="list-style-type: none">1) be a juristic person but one that remains under ownership control of the GDHS;2) provide services on ordinary business principles;3) to borrow financially; and4) being fully or substantially funded from sources other than the Provincial Revenue Fund, i.e. GPF needs to become financially self-sustainable.
Housing Act (No. 107 of 1997)	<p>Compels all three spheres of government to give priority to the needs of the poor in respect of housing development.</p> <p>Section 4 of the Act outlines the National Housing Code. The Code sets the underlying policy principles, guidelines and norms and standards which apply to government's various housing assistance programmes. It was introduced in 1994 and is regularly amended.</p>
Spatial Planning and Land Use Management Act (No. 16 of 2013) (SPLUMA)	<p>Provides a framework for spatial planning, land use management and inclusive, developmental, equitable and efficient spatial planning at the different spheres of government.</p> <p>It also sets out the requirements for the development of national, provincial and local spatial development frameworks to ensure integration of services, infrastructure and economic development.</p>
Infrastructure Development Act (No. 23 of 2014)	<p>Provides for the facilitation and coordination, across the three spheres of government, of public infrastructure development which is of significant economic or social importance.</p>



Legislative Framework	Relevance/Implications for GPF
Intergovernmental Relations Framework Act (IRFA) (No. 13 of 2005)	<p>Specific to the relationship between GDHS and GPF, Section 35(2)(a) of the IRFA provides that an Implementation Protocol must be considered where the implementation of a policy, the exercise of a statutory power, the performance of a statutory function or the provision of a service has been identified as a national priority.</p> <p>Section 35(2)(b) of the IRFA provides that an Implementation Protocol must be considered when it will materially assist the national government or a provincial government in complying with its constitutional obligations to support the local sphere of government or to build capacity in that sphere.</p> <p>Therefore, GDHS and GPF have entered into an Implementation Protocol to ensure an effective, efficient and the continued rendering of housing services to the community of Gauteng in collaboration with each other.</p>
Social Housing Act (No. 16 of 2008)	Promotes the establishment of a sustainable social housing environment through administration of social housing projects. The Social Housing Act is further empowered to accredit Social Housing Institutions through the Social Housing Regulatory Authority.
Rental Housing Act (No. 50 of 1999)	<p>Defines Government's responsibility for rental housing property and creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market.</p> <p>It also provides the mechanisms to facilitate sound relations between tenants and landlords and lays down general requirements for leases and principles for conflict resolution in the rental housing sector.</p>
Other Sector Specific Legislation of direct relevance to GPF	<ol style="list-style-type: none"> 1) Home Loan and Mortgage Disclosure Act (No. 63 of 2000): Regulates and monitors Bank lending practices. 2) National Building Regulations and Building Standards Act (No. 103 of 1977): Provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities and for the prescribing of building standards. 3) Housing Consumers Protection Measures Act (No. 95 of 1998): Provided for the establishment of the National Home Builders Registration Council (NHBRC) and stipulates that home builders will agree to be bound by the rules and regulations laid down by NHBRC and to build to the minimum quality standards set out in the NHBRC standards and guidelines. 4) Gauteng Land Administration Act (No. 11 of 1996): Provides for the acquisition and disposal of land owned by the Gauteng Provincial Government. 5) Financial Intelligence Centre Act (No. 38 of 2001): Aims to combat money laundering activities in South Africa. It imposes duties upon GPF to identify and verify clients and report suspicious transactions to the authority. 6) Financial Advisory and Intermediary Services Act (No. 37 of 2002): Regulates the activities of all financial service providers who give advice or provide intermediary services to clients as regards certain financial products. The Act requires that such providers be licensed and that professional conduct be controlled through a code of conduct and specific enforcement measures.

Not listed above, but equally important and contained in the legal register of GPF, are the various governance related legislation and regulations informing the compliance regime of the organisation.



Table B: Policy Mandates

The following key national and provincial policies and strategies inform the work and focus of GPF:

Policy/Strategy	Relevance/Implications for GPF
National Development Plan (NDP) (2012)	<p>Chapter 8 of the NDP: Sustainable Human Settlements and Improved Quality of Household Life:</p> <p>In responding to the goals set out in the Reconstruction and Development Programme on <i>“breaking down apartheid geography through land reform, more compact cities, decent public transport and development of industries and services that use local resources and/or meet local needs”</i>, the NDP proposes the following strategies for the transformation of human settlements:</p> <ol style="list-style-type: none"> 1) “Shift in role by government from direct housing provider of top structure to housing facilitator/enabler through acquisition of well-located land; 2) The limited housing subsidy available should be towards support of community and/or individual initiatives, as well as the development of well-located sustainable communities within inner cities and around transport hubs, corridors and economic nodes; 3) Private funding should be directed towards the development of public goods through investment in public transport and other connective infrastructure, economic and social infrastructure, as well as public spaces geared towards improvement in the quality of life of poor communities; 4) Housing development should be encouraged as part of a mix of activities and land use types.” <p>The strategic shift advocated by the NDP through transformation of human settlements in restructuring apartheid built form and achieving spatial integration, is envisaged to begin to take form between 2016 and 2021; towards the NDP Vision that:</p> <p>“By 2050 visible outcomes from effectively coordinated spatial planning systems will have transformed human settlements in South Africa into equitable and efficient spaces, with citizens living in close proximity to work with access to social facilities and essential infrastructure.”</p>
Gauteng Ten-Pillars Programme of Transformation, Modernisation and Reindustrialisation (TMR)	<p>The TMR consists of the following Themes and Pillars:</p> <ul style="list-style-type: none"> ▪ Transformation: (1) Radical economic transformation, (2) Decisive spatial transformation, (3) Accelerated social transformation, (4) Transformation of state and governance; ▪ Modernisation: (5) Modernisation of the public service, (6) Modernisation of the economy, (7) Modernisation of human settlements and urban development, (8) Modernisation of public transport infrastructure; and ▪ Reindustrialisation: (9) Reindustrialisation of the Gauteng Province, (10) Taking the lead in Africa’s new industrial revolution. <p>Specifically, the revised mandate of GPF is aimed at the following Pillars and related programmes:</p> <p>Pillar 2: Decisive spatial transformation:</p> <ul style="list-style-type: none"> ▪ Building new post-apartheid cities by taking radical steps to transform the spatial configuration and landscape of Gauteng Province. This will be done through public transport infrastructure development and the creation of new integrated and sustainable human settlements and post-apartheid cities that are more connected, liveable, smart and green. <p>Pillar 3: Accelerated social transformation:</p> <ul style="list-style-type: none"> ▪ Improved quality of life (HDI) through the provision of decent shelter close to transport, work and other amenities, the upliftment/eradication of informal settlements and hostels, and the eradication of urban poverty. <p>Pillar 7: Modernisation of human settlements and urban development:</p> <ul style="list-style-type: none"> ▪ Develop integrated human settlements in line with the Gauteng Spatial Development Framework and ensure a radical shift towards housing provision in economic and mixed-use nodes with an improved mix of typologies.



Policy/Strategy	Relevance/Implications for GPF
TMR Corridor Developments across the GCR	<p>The TMR envisions decisive spatial transformation through investment and development in the five development corridors within the GCR¹:</p> <p>Central Development Corridor, anchored around the City of Joburg as the hub of finance, services, ICT and pharmaceutical industries, with support of human settlements through:</p> <ol style="list-style-type: none"> 1) Mega Projects of Masingita City, Rietfontein, Waterfall City, Modderfontein City and Steyn City; 2) Approximately 140 000 housing units planned in Lion Park, Diepsloot East, Fleurhof, Cosmo City, Malibongwe Ridge and Goud Rand. <p>Eastern Development Corridor, anchored around the economy of the Ekurhuleni Metro as the hub of manufacturing, logistics and transport industries with human settlements supporting through:</p> <ol style="list-style-type: none"> 1) More than 100 000 housing units planned in areas such as Chief Albert Luthuli, John Dube Extension 2, Tsakane Extension 22, Germiston South, Leeuwpoort, Rietfontein and Clayville Extension 45. <p>Northern Development Corridor, anchored around Tshwane as the nation's administrative Capital City and the hub of the automotive sector, research, development, innovation and the knowledge-based economy with integrated and sustainable human settlements enhancing spatial integration through:</p> <ol style="list-style-type: none"> 1) The West Capital development project; 2) African Gateway in the heart of Centurion; 3) More than 160 000 houses planned in Hammanskraal, Winterveldt, Sterkwater, Lady Selbourne, Soutpan Phase 1 to 7, Lotus Garden, Fort West, Capital Park, Vermeulen, Olievenhoutbosch, Nellmapius, Zithobeni, Kirkney and Danville. <p>Western Corridor, encompassing the economy of the current West Rand district and the creation of new industries, new economic nodes and new cities, with human settlements supporting the reconstruction of apartheid built form through:</p> <ol style="list-style-type: none"> 1) More than 160 000 housing units planned in Syferfontein, Chief Mogale, Kagiso Extension 13, Leratong, Westonaria Borwa, Thusang, Waagterskop, Kokosi Extension 6 and 7, Droogeheuwel, Mohlakeng Extension 11, Khutsong South Extension 1, 2 and 3 and Varkenslaagte. <p>Southern Corridor, encompassing the economy of the Sedibeng district and the creation of new industries, new economic nodes and new cities of:</p> <ol style="list-style-type: none"> 1) The new Vaal River City (hydropolis) aiming to unlock the potential of the waterfront developments in the Emfuleni and Midvaal areas; 2) Gauteng Highlands development, a mixed-use development; 3) More than 120 000 houses in Sedibeng planned in Boiketlong, Golden Highway, Evaton, Vereeniging, Savanah City, Ratanda and R59 Corridor. <p>The Mega human settlements and new post-apartheid cities that are being undertaken across the City Region, by public and private sector institutions and developers, represent a strategic effort by GPG to deliver high densities that are integrated into economic nodes and mixed-use activity corridors, underpinning the new mandate of GPF.</p>



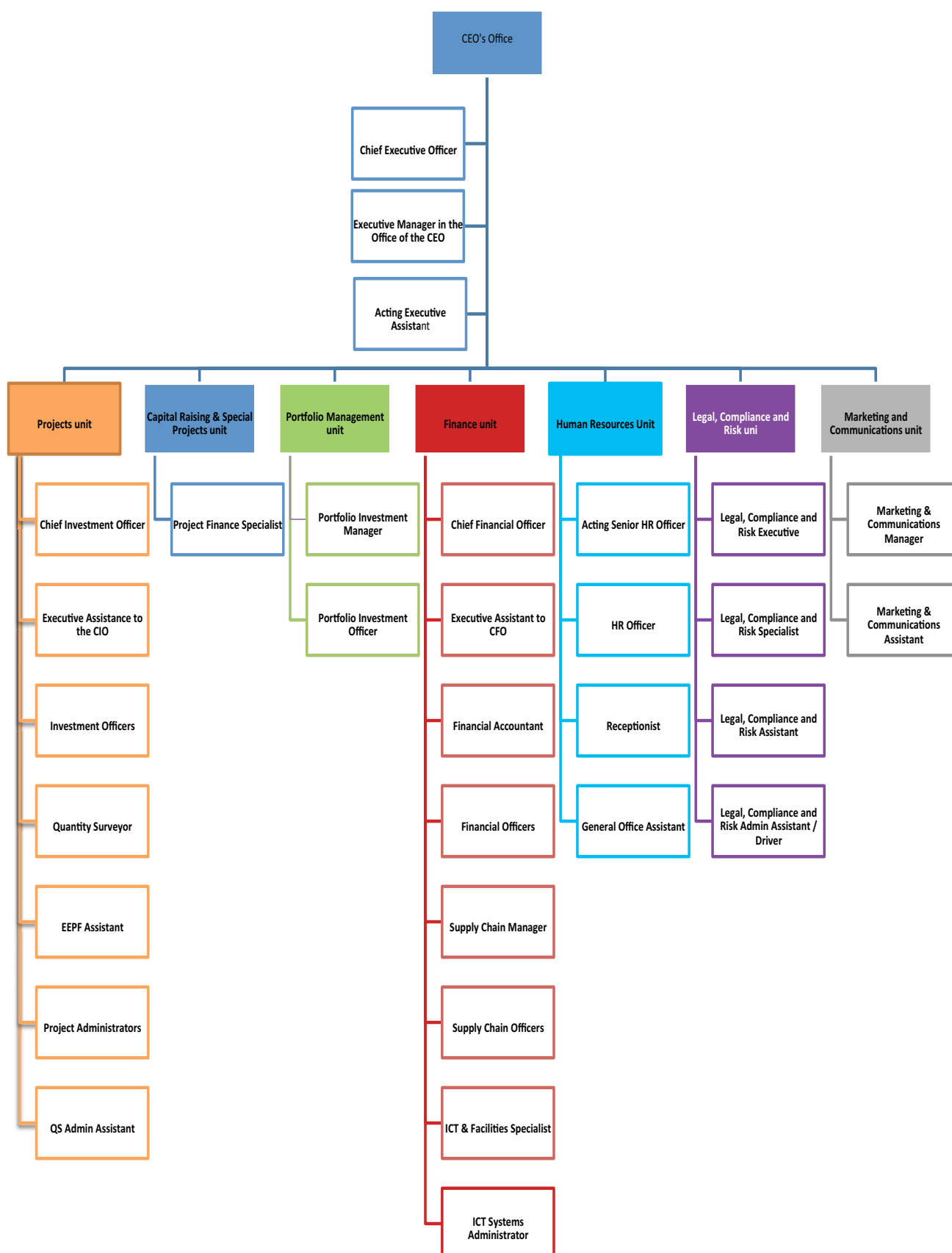
Policy/Strategy	Relevance/Implications for GPF
GDHS Revised Strategic Plan	<p>GPF's direct line of sight to the policy environment is through the strategic framework and plans of GDHS, which have been revised in the 2017/18 financial year to better reflect the focus of the TMR and a move away from legacy projects to the development of post-apartheid cities and mega human settlement projects.</p> <p>Mandate:</p> <ul style="list-style-type: none"> ▪ Establishment of integrated and sustainable human settlements prioritised for delivery through post-apartheid cities and mega human settlements projects within the five development corridors across the GCR. ▪ Various delivery methods are to be adopted to achieve the housing mandate using the government subsidy programme to leverage further community investment in creating a liveable environment. <p>Vision: Integrated Sustainable Human Settlements within a Smart Gauteng City Region</p> <p>Mission: To facilitate the delivery of sustainable integrated human settlements, New Towns and Smart Cities in partnership with relevant role-players from all sectors of society through:</p> <ol style="list-style-type: none"> 1) Development of suitably located and affordable housing (shelter) and decent human settlements; 2) Creating new (<i>post-apartheid</i>) towns and transforming current cities and towns in Gauteng (moving towards efficiency, inclusion and sustainability); and 3) Building cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreation facilities (community development and optimal access/inclusion). <p>The 4 strategic goals of GDHS are:</p> <ol style="list-style-type: none"> 1) Good governance and strategic management of GDHS. 2) Development of legislative frameworks, policies and plans that enable spatial transformation in the delivery of human settlements. 3) Well located, sustainable, integrated human settlements that provide security of tenure. 4) GDHS immovable assets maintained devolved and transferred. <p>Strategic priorities:</p> <ol style="list-style-type: none"> 1) Phasing out of legacy projects; 2) Mega Projects – mixed income housing typologies with social amenities; 3) Beneficiary administration and issuing of title deeds; 4) Resuscitating urban renewal; and 5) Informal settlement upgrading.
Breaking New Ground Policy (BNG) (2004)	<p>The BNG Strategy builds on the housing policy outlined in the 1994 White Paper on Housing to ensure that settlements are sustainable and habitable, in line with the original goal of delivering affordable housing. The priorities of the plan are to:</p> <ol style="list-style-type: none"> 1) Accelerate delivery of housing within the context of sustainable human settlements; 2) Ensure housing delivery as a catalyst for job creation and economic growth; 3) Provide quality housing and to turn homes into assets; and 4) Promote social cohesion and improve quality of life.



Policy/Strategy	Relevance/Implications for GPF
National Spatial Development Plan (NSDP)	<p>A mechanism of government to reconfigure the apartheid spatial relations and implement spatial priorities in ways that meet the stated goal of providing basic services to all and to alleviate poverty and inequality. The NSDP recognises the burden of unequal and inefficient spatial arrangements placed on communities, especially the poor who, for example, have to bear significant transport costs to commute long distances to and from work.</p> <p>The four principles of the NSDP are as follows:</p> <ol style="list-style-type: none"> 1) Rapid economic growth that is sustained and inclusive in order to achieve poverty alleviation; 2) Fixed investment should be focused in localities of economic growth or economic potential; 3) Programmes and projects to address poverty and provision of basic services in areas where low economic potential exists; 4) Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link with main centres.
Gauteng Spatial Perspective 2030 (GSP) and Gauteng Spatial Development Framework 2030 (GSDF)	<p>The GSP 2030 is a shared spatial development vision for Gauteng Province and consistent with the Ten-Pillars of TMR. It is intended to align the Gauteng Spatial Development Framework with the national development context through such legislative and planning frameworks as the NDP, SPLUMA and the Integrated Urban Development Framework, 2016 (IUDF).</p> <p>The GSDF is a legislative requirement of SPLUMA and provides guidelines for the development of provincial spatial development plans, programmes and projects.</p> <p>The Vision for GSP 2030 is:</p> <p><i>"A smart and spatially integrated City Region with high mobility where everyone enjoys equal access to quality basic services, reside in sustainable human settlements that are strategically located close to economic opportunities and offer a range of habitation options that enable choices to ensure quality living experience."</i></p> <p>Aligned to the TMR, the 5 goals of GSP 2030 are:</p> <ol style="list-style-type: none"> 1) Goal 1: Facilitate a spatial structure conducive to shared economic growth; 2) Goal 2: Decisive spatial transformation of the Gauteng City Region in establishing an urban edge and spatially target strategic nodes and corridors; 3) Goal 3: Ensure sustainable resource use and development through sustainability initiatives focused on green technologies and alternatives; 4) Goal 4: Realise a modernised and effective public transport system; and 5) Goal 5: Pursue an agreed spatial vision and coordinated planning processes and tools. <p>It is the responsibility of structures across government spheres, especially those involved in public infrastructure delivery and economic development, to ensure that the vision of GSP 2030 is achieved, and that the goals and priorities translate into sector strategic plans, programmes and APPs of various government structures, inclusive of GDHS and GPF.</p>
Various Sector Strategy and Policy Frameworks, including:	<ul style="list-style-type: none"> ▪ National Housing Policy and Subsidy Programmes, 2010 ▪ National Youth Policy, 2015-2020 ▪ National Informal Business Upliftment Strategy, 2014 ▪ Gauteng Informal Business Upliftment Strategy, 2015 ▪ Gauteng Spatial Development Perspective, 2011 ▪ GCR Governance and Planning Cluster Roadmap, 2015 ▪ GCR Economic Plan, 2016 (Draft) – Gauteng's response to the National Nine-Point Economic Plan and a key enabler of the TMR ▪ GCR Social Transformation Strategy, 2015 ▪ Gauteng Province Green Agenda Initiative



9. ORGANISATIONAL STRUCTURE 2017/18 as at 31 March 2018









PART B

PERFORMANCE INFORMATION



1. Auditors Report: Predetermined Objectives

The Auditor General of South Africa (AGSA) current performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included. The audit conclusion on the performance against predetermined objectives is included in the Report to Management, with material findings being reported under the Predetermined Objectives heading in the report on other Legal and Regulatory Requirements section of the Auditor's Report. Refer to page 76 of the Auditor's report.

1.1. Situational Analysis

Despite the rise in interest rates during the last quarter of 2017/18, Gauteng is still sitting with a fairly healthy housing market, especially within the affordable housing sector. Against the background of a relatively tough economic environment, the residential rental market benefited from households' preference for rental over outright purchases of residential property. Data from TPN Indicates that Affordable rentals between R3 000.00 and R7 000.00 have generally continued to experience low vacancies compared to other segments of the market.

The trends within the property sector which have entrenched themselves over the past couple of years, continue to increasingly play out in different ways. There is continued demand for accommodation in small, gated communities where costs and responsibilities are shared and people work together as a community. Also evident is a continuing trend of property developers investing in mixed-used developments, secure private estates as well as sectional title complexes. The Gauteng Department of Human Settlements has refocused its approach in delivering sustainable human settlements to building new cities, referred to as 'Mega Projects'. GPF will be instrumental in the implementation of Gauteng's Mega projects. These projects are expected to lead to radical transformation of human settlements and spatial planning in Gauteng. Despite the negative economic outlook, Gauteng remains relatively attractive for investment,

For the year under review, applications received for funding across all portfolios were somewhat affected by:

- ✓ "Fees must fall campaign", which negatively impacted on the Student Accommodation Fund Pipeline
- ✓ Funding constraints, GPF only received 46.5% of the requested budget funding allocation from GDHS for the year under review;
- ✓ Unavailability of capital to fund Social Housing Projects
- ✓ Unavailability of senior funding for the rental housing Fund and the Entrepreneur Empowerment Property Fund projects resulted in fewer Expression of Interest being issued.
- ✓ Relatively higher interest rates which resulted in higher equity contribution requirements for projects.

As a result of the above mentioned factors, performance targets across all programmes were sluggish.

1.2. Organisational environment

During the current financial year, new trustees were appointed by the Honourable MEC Mashatile in August 2017. The new appointments are aimed at strengthening the Board to adequately support the GPF process of strategic repositioning and role alignment to the new mandate given to the organisation by the Executive Authority in March 2016.

In assessing its consolidated environment analysis that informs the strategic direction of the GPF. The contextual factors have been work shopped with GPF leadership team and summarized into the below analysis, which in turn has informed the critical issues requiring targeted interventions by the Shareholder, the Board and GPF Management, to support the revised mandate and shift the role of the organisation.



Recapitalisation of the GPF: The GPF budgeted R638 million and only received R315 million from GDHS. Included in this was R296 million for Mega Projects that was received during the year.

Lack of senior funding commitment: Although GPF secured senior funding from PIC and Futuregrowth to a total of R600 million that seemed to be enough as there are still a great need to secure additional senior funding.

Construction delays: This included delays both in obtaining municipal approval to commence with construction and in NHBRC processes due to the backlogs resulting in delays of project registration.

No budget allocation for subsidies: Budget requirement for the Institutional Subsidies Programme were not met by the Social Housing Fund, and hence targets were not met.

1.3. Key policy developments and legislative changes

The GPF is not aware of any significant policy or legislative changes that affected its operations.

1.4. Strategic Outcome Oriented Goals

The GPF Formulated and aligned its strategic outcome oriented goals to the GDHS as follows:-

Goal 1: Project Management

Goal 2: Turnkey Developer

Goal 3: Property Development, management and maintenance services that generates the additional revenue required by GPF and contributes to capital raising targets

Goal 4: Capital Raising and Fund Management

The Table below summarised the logical flow and alignment of the GPF's revised mandate to the GDHS strategic priorities, the challenges it addresses. Included in the Table is the four (4) above mentioned core functions the GPF will perform to implement its 'revised mandate.

GPF as and implementing agent	Is aligned to the following GDHS priorities:	Addresses the following GDHS Challenge:	Through the following core functions:
	<ul style="list-style-type: none"> Phasing out legacy projects Urban renewal Upscaling Mega Projects 	<ul style="list-style-type: none"> Insufficient Project management and turnkey development skills and capacity Lack of co-ordination between role players 	<ul style="list-style-type: none"> Project Management Turnkey developer Property development, management and maintenance services that generates the additional revenue required by GPF and contributes to capital raising targets.
GPF as a Capital Raising Agent	Is aligned to the following GDHS Priorities:	Addresses the following GDHS challenges:	Through the following core functions:
	<ul style="list-style-type: none"> Urban Renewal Upscaling Mega Projects 	<ul style="list-style-type: none"> Insufficient financial resources for green and brown field developments within the context of Mega Projects and Urban Renewal. 	<ul style="list-style-type: none"> Capital Raising and Fund Management



GPF PERFORMANCE REPORT 2017/2018

2. Introduction

Geographically, the province of Gauteng is the smallest in South Africa at approximately 1.4% of South Africa's land area, or 18 178 km². It has, however, the largest population of 13.4 million, which is 24% of South Africa's entire population, with the largest age groups being between the ages of 20-39. Gauteng, as the economic engine room of South Africa and indeed Africa, with contributions of 34% and 10% to the South African and African Gross Domestic Product (GDP) respectively, has vital role to play in the economic development of the country; further elevated when considering that the Gauteng City-Region contributes 45% to the national GDP¹.

Like the rest of the country, economic growth has remained sluggish in Gauteng, with indications that the standard of living is declining as measured by the GDP per Capita in Gauteng. The implications of this low growth environment and declining standards of living on the housing market are significant, particularly at the lower end of the income scale – subsidised, social and affordable housing. The situation is further magnified by the high levels of in-migration and urbanisation in Gauteng, as the economic nerve centre of the country; attracting migrants from other provinces and neighbouring countries who seek economic and employment opportunities. More often than not, in the prevailing low growth environment, these migrants are unable to find meaningful employment and often end up living in the many informal settlements scattered across the Province.

Gauteng has 31% (1.23 million) of all Reconstruction and Development Programme (RDP) houses in South Africa, more than the Western Cape and Kwazulu-Natal (KZN) Provinces combined. Of all houses in Gauteng, 24.8% are RDP, alluding to a relatively high proportion of other forms of tenure – rented/owned. By way of comparison, 29.6% of houses in the Western Cape are RDP and 19.5% in KZN. Gauteng has therefore done well to provide for the housing needs for the poor. However, considering that there are approximately 389 registered informal settlements in Gauteng – 185 in Johannesburg, 110 in Tshwane and 94 in Ekurhuleni², the challenge to meet the demand for formal housing continues. In total, the latest available data drawn from the Gauteng Housing Demand Database³ reflects the following demand/backlog, as at 2012/13, with evidence that the demand for suitable accommodation in Gauteng far exceeds supply.

Table C:

Municipality	Demand /Backlog
City of Joburg	256 480
Ekurhuleni	203 361
Tshwane	120 498
West Rand	44 186
Sedibeng	62 490
TOTAL	687 015

Although inroads have been made, in-migration and the associated socio-economic challenges of unemployment, poverty and inequality are eminent when considering that just below 880,000 households out of a total of 4.95 million households in 2016 lived either in informal settlements or in informal dwellings in backyards across the municipalities in Gauteng. The unavailability of useable land within metropolitan areas has resulted in

¹ Gauteng Provincial Government, GCR Spatial Development Framework 2030 (2015) as cited by GDHS Mid-Term Review Report, September 2016.

² Gauteng Department of Human Settlements, Mega Projects: Clusters and New Cities, 2015

³ Gauteng Department of Human Settlements, Mega Projects: Clusters and New Cities, 2015



unregulated township and informal settlement development and the proliferation of backyard shacks, thus further overcrowding and worsening living conditions for many. Approximately 40% of households living in informal dwellings live in backyards, having grown from 305,683 in 2011 to approximately 387,000 in 2015. The annual natural population growth is also significant, considering the growth of smaller sized households adding to the housing demand.

Budgetary constraints, low rental collection rates for affordable housing, environmental issues relating to the nature of land (dolomitic and other), the scarcity of suitable land for housing development, the cost of purchasing privately owned land which aligns with integrated human settlement and spatial planning guidelines, have prevailed as challenges.

Guided by the Breaking New Ground (BNG) Policy in 2004, towards the development of integrated, sustainable human settlements, one premised on spatial transformation – approaches have remained fragmented and unintegrated, with little impact on redressing the Apartheid-era spatial patterns, which have left the poor majority on the fringes of economic hubs. A lack of coordination between the provision of bulk services by municipalities and the construction of top structures has hampered many human settlement developments.

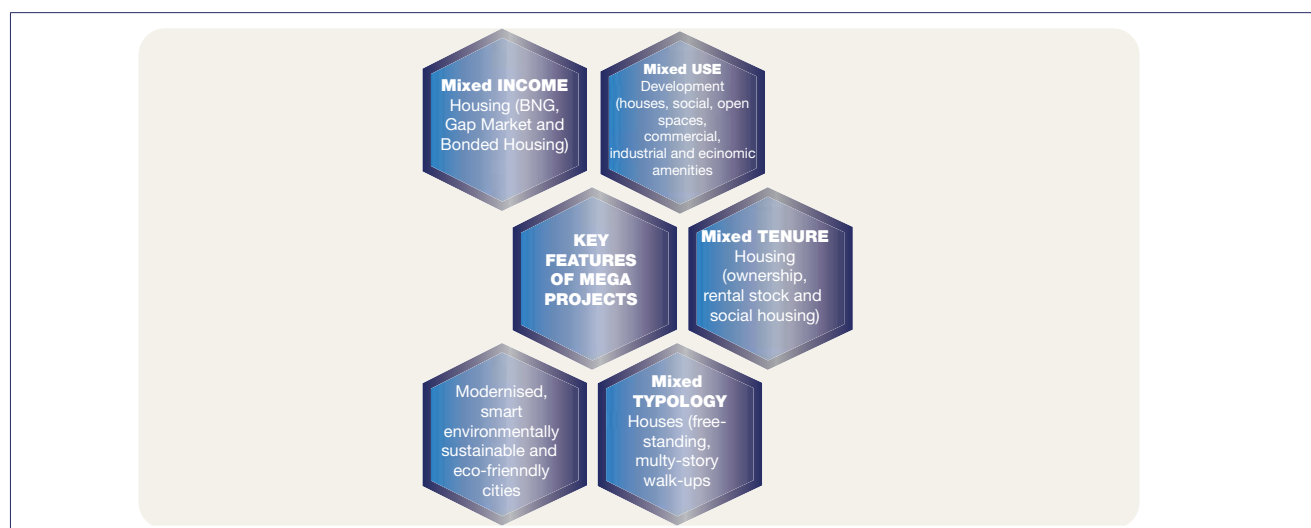
The sluggish progress in housing delivery during the 2011-2016 period reflects the need to significantly expedite the implementation of the Department's human settlements development programme, if the backlog of 687 000 units is to be impacted. There are concerns regarding the accuracy of the Housing Demand Database - the demand could in fact be higher, considering the high rates of in-migration.

Further challenges include backlogs on issuance of title deeds, project delays due to poor contract and construction management, land availability agreements not secured timeously, land invasions and the long turnaround times of township establishment processes.

The adoption of the Mega Projects: Clusters and New Cities policy in 2015 acknowledged the land availability issue in support of the Mega City's integrated development programme. The Mega Projects are conceptualised and implemented within the overarching associated context and policy directives arising from:

- The GPG's commitment to building the Province into a strong and sustainable Gauteng City Region (GCR)
- The GPG's pledge to ensure socio-economic development in all the Province's five development corridors
- The GPG's overarching strategy of Transformation, Modernisation and Re-industrialisation and its 10 Pillars
- The National 2004 Breaking New Ground (BNG) Policy Framework.

The key features of Mega Projects, as shown in the diagram below, symbolises the strategic shift to delivering human settlements. The features also serve as key indicators of the successful implementation of these projects.





The ultimate strategic outcome and impact of Mega Projects, as reflected in its key features, is:

Inclusive human settlements, on well located and strategic land, that enables low and high-income earners to live in and access the same social and economic amenities within the same vicinity.

The Mega Project strategy fundamentally contributes to the Breaking New Ground (BNG) Policy imperatives relating to integrated mixed housing development, i.e. upgrading of informal settlements, Finance Linked Individual Subsidy Programme (FLISP), BNG and Social Housing with sustainable social and economic amenities.

Finally, Gauteng's Mega Projects will be implemented in a manner designed to broaden the base, in the infrastructure development sector, of black and female-owned enterprises, as well as small, medium and micro enterprises (SMMEs). To this end, the Gauteng Provincial Government (GPG) has set the following targets and criteria for each Mega Project:

- A minimum of 50% of the civil works on a project must be sub-contracted to 100% Historically Disadvantaged Individual (HDI) owned entities
- 100% of the works related to the Fully Subsidised Housing of the Project shall be sub-contracted to entities with a Construction Industry Development Board (CIDB) grading of 1–4. However, where the entity is 50% or more women owned, any CIDB grading (1-9) will be sufficient
- A minimum of 30% of the allocation on the Housing to be purchased in terms of FLISP shall be allocated to 100% HDI owned entities
- A minimum 50% of all the post construction services (i.e. estate agents, transferring attorneys, and property managers, etc.) shall be provided by HDIs and 50% or more HDI owned entities
- 100% of the works related to social facilitation and beneficiary administration shall be sub-contracted to 100% HDI owned entities
- A minimum of 30% of the commercial construction to be sub-contracted to 100% HDI owned entities.

The GPF's revised mandate goes beyond its previous focus of providing financing solutions for social and affordable housing. The mandate of the GPF has been revised to serve as the Gauteng Department of Human Settlements (GDHS) capital raising and implementing agent of identified Mega Projects in the Gauteng Province. The implications of the revised mandate on the GPF's business have necessitated a review of GPF's Strategic Plan, Annual Performance Plan for the 2017/18 financial year and its organizational structure.

The organisation has commenced implementing the new strategy since the beginning of the financial year, particularly in terms of assessing the implementation readiness of the Mega Projects. Although a relatively new development in the mandate given to GPF, the plans also reflect the initial framing of the response to the new functions of property development and maintenance of Gauteng Provincial Government (GPG) strategic property assets, and serving as a turnkey developer of identified Mega Projects on GPG land designated for this purpose.



3. Performance Overview

Table D: Summary of performance for Urban Renewal Programmes

Measure	Actual (FY '17/18)	Annual Target (FY 17/18)	Comments
Applications recorded	R954m	-	Applications received were across all the GPF programmes
Projects Expression of Interest (EOI)	R236.2	-	The EOI for projects were negatively affected due to the unavailability of senior funding and limited GPF funding
Rental Housing Fund(RHF) & Entrepreneur Empowerment Property Fund (EPPF)	R24.8m	R84.1m	Deal flow within this fund was affected by lack of competitive senior funders within the sector and GPF's limited funding
Student Accommodation Fund (SAF)	R7.8m	R21.9m	Deal flow within this fund was affected by lack of competitive senior funders within the sector and GPF's limited funding
Social Housing Fund (SHF)	R-	R-	No targets were set as the GPF was in the process of negotiating a debt facility with AGENCE FRANÇAISE DE DÉVELOPPEMENT (AFD)
Number of Urban Renewal Units completed	1233	1000	Target exceeded. Historical projects delivered units faster than anticipated

Table E: Summary of performance for Mega Projects

Measure	Actual (FY '17/18)	Annual Target (FY 17/18)	Comments
Mega Project packaging for capital raising	0	7	Target not met, however we have packaged information on the state of readiness on 11 projects, of which additional 4 projects were sourced from Annexure 1 project list of the Trilateral Agreement signed between the GPF; Housing Development Agency (HDA) and GDHS. We could not conclude the financial feasibility studies as there were no costs reports available from the mega projects developers
Number of projects managed and overseen by the GPF	7	7	Target met
Number of houses built	0	150	Target not met. The delays experienced in establishing site resulted in the developers concentrating mainly on servicing their raw land with no consideration for top structures
Number of serviced stands completed	1 878	2 770	Target not met. Only 3 of the 7 projects established site and commenced with services and of the 3 only 2 managed to deliver serviced sites



Measure	Actual (FY'17/18)	Annual Target (FY 17/18)	Comments
Rand Value of GDHS subsidies disbursed for houses	R43.8m	R17m	Target exceeded. The variance is as a result of the payment of the Riverside project as per the signed Third Deed Amendment to the Implementation Protocol
Rand Value of GDHS subsidies disbursed for serviced stands	R114.8m	R121m	Target not met. Only 2 projects managed to deliver serviced sites

Table F: List of Urban Renewal projects cancelled in the 2017/2018 financial year.

Name of company	Property description	Loan amount	Number of units	Reason for cancellation
Clidet No. 1024 (Pty) Ltd	Erf 2043, 2044, 5070, Joubert Park, JHB	R8,570,300	81	Breach of the GPF loan conditions
Ifizo Pty Ltd	Erf 733, Pretoria North	R3,634,100	30	Breach of the GPF loan conditions
Xylo Trading 253 CC	Portion 3 of Erf 2834, Ga-Rankuwa, Unit 2	R10,221,314	35 / 140 beds	Breach of the GPF loan conditions
Lakeside Development (Pty) Ltd	Portion 1 of Erf 1373, Leachville, Ext 1	R4,812,900	30	Client could not acquire the correct zoning required for the development.
Bruzar Properties (Pty) Ltd	Erf 630, Rhodesfield (5 Fortress Street, Kempton Park)	R4,222,767	25	Breach of the GPF Loan Conditions
Masakhe Apartments (Pty) Ltd	Portion 1 of Erf 416, Linden Ext, Randburg	R8,992,669	69	Breach of the GPF Loan Conditions
Mokgoko Consulting CC	Erf 1760, Ga-Rankuwa, Unit 1	R2,285,555	24 / 48 beds	Breach of the GPF Loan Conditions
Total		R42,739,605	294 / 188 beds	



4. Urban Renewable Product Performance Review

Due to the relatively tough economic environment, interest rates on the rise, compounded by the unavailability of senior funding and the limited availability of GPF funding has resulted in under achievement across all the programmes.

Table G: Commitment Value inclusive of Capitalised Interest

Product	Target	Actual	Percentage of commitments
Rental Housing Fund (RHF) and Entrepreneur Empowerment Fund (EPPF)	R84,100,000	R24,838,861	29%
Student Accommodation Fund (SHF)	R29,100,000	R7,871,175	27%
Social Housing Fund (SHF)	-	-	-
Total	R113,200,000	R32,710,036	28%

Table H: List of Approved Projects under the Rental Housing Fund and the Entrepreneur Empowerment Property Fund (EPPF)

Table H1: The Entrepreneur Empowerment Property Fund (EPPF)

This is an incubator programme designed to promote participation of HDI owned companies in the affordable rental property market. (The programme is limited to prospective participants invited on public tender annually). There was no new in-takes for the period under review.

Name of Company	Project Name	No of Units	GPF Funding commitment inclusive of Capitalised Interest
Cicima Property Management Solutions (Pty) Ltd	Erf 1686, Benoni	-6	R399,200
Ordicode Investments (Pty) Ltd	Erven 2242, 2243, 2248 & 2249, Johannesburg	67	R14,324,650
Comu Property Developers (Pty) Ltd	Erf 3103, Glen Marais	24	R5,038,900
Total		85	R19,762.750

Notes to Table H1

Cicima Property Management Solutions reduced the number of units in their project previously approved but the total project cost increased marginally.

The Ordicode Investments (Pty) Ltd project was previously approved at a smaller scale and the client decided to upscale. We only reported the difference between the initial approval and the new approval is only reflected in Table E1.



Table H2: The Rental Housing Fund

The fund enhances the debt to equity ratio for companies in projects in order to leverage commercial funding

Name of Company	Project Name	No of Units	GPF Funding commitment inclusive of Capitalised Interest
Fanaye Business Enterprises (Pty) Ltd	Erf 102 Erasmus Bronkhorspruit	36	R5,076,111
Total		36	R5,076,111

Table I: List of Approved Projects under the Student Accommodation Fund

The Student Accommodation Fund

The fund enhances the debt to equity ratio for companies in projects in order to provide affordable and good quality of living to the students.

Name of Company	Project Name	No of Beds	GPF Funding commitment inclusive of Capitalised Interest
Mattsa (Pty) Ltd	Erf 1162, Bedworth Park, Ext 1	180	R7,871,175
Total		180	R7,871,175

Table J: Number of units completed for the Urban Renewable Programmes

Product	Target	Actual	Percentage of target
Number of units completed	1 000	1 233	123%

- 1 233 units are completed of which all of them have occupational certificate
- Rental and EEPF projects have delivered 407 completed units and although no Social Housing projects were approved this financial year, the previous year's approved projects delivered 604 units
- The Student Accommodation projects accounted for 222 units delivering 629 beds.



Table K: List of completed Projects**Table K1: - Rental and EEPF Projects**

No	Name of Institution	Project Name	Location	No of Units	Comments
1	Phahamo Resource	Erf 8292, Olievenhoutbosh Ext 36	Tshwane	88	Occupation Certificate Received
2	Indigo Kulani	Erf 1676, Benoni	Benoni	36	Occupation Certificate Received
3	Meilijian Construction and Development (Pty) Ltd	Pomona, Ext 75	Kempton Park	118	Occupation Certificate Received
4	Egon House	Erf 1171, Johannesburg	Johannesburg CBD	70	Occupation Certificate Received
5	Hoewe 15 Doreg Landbouhoewes (Pty) Ltd	Erven 1499 & 1450, Karen Park, Ext 52	Tshwane	32	Occupation Certificate Received
6	EGC Properties	Erf 101, Wolhuter	Johannesburg CBD	23	Occupation Certificate Received
7	Sethito Projects CC	Erf 1191, Rayton, Ext 7	Tshwane	24	Occupation Certificate Received
8	Sharen investment (Pty)Ltd	Erf 73, Klipoortje	Klipoortje	16	Occupation Certificate Received
Total				407	

Table K2: Student Accommodation Fund

No	Name of Institution	Project Name	Location	No of Beds	No of Units	Comments
1	Proxisol (Pty) Ltd	Ervens 31, 32,33 ,59 & 60, Bertrams	Johannesburg	228	57	Occupation Certificate Received
2	Seraph Investments (Pty)Ltd	Erven 488, 490 & 491, New Doorfontien	Johannesburg	282	145	Practical Completion Certificate Received
3	Lavigen loft (Pty)Ltd	Erf 134, Bedworth Park	Emfuleni	119	20	Practical Completion Certificate Received
				629	222	



Table K3: Social Housing Fund

No	Name of Institution	Project Name	Location	No of Units	Comments
1	Toproot	Pennyville	Soweto	112	Occupation Certificate Received
2	Yeast City Housing	Thembelihle Village	Tshwane	492	Occupation Certificate Received
Total				604	

Table L: Urban Renewable Programme Projects under Construction

As at the 31st March 2018, there were 18 projects under construction with a total of 1812 units.

	Name of Institution	Project Name	Location	Product	No of Units
1	Masisizane Group (Pty) Ltd	Erf 2909, Jeppestown	Johannesburg	EEPF	32
2	Redformationz Holdings (Pty) Ltd	Erf 4862, Birchwood Acres, Ext 32	Kempton Park	EEPF	80
3	FV Trading Enterprise (Pty) Ltd	Portion 1 of Erf 193, Duncanville	Vereeniging	EEPF	22
4	Bravo Enterprise and Projects (Pty) Ltd	Erf 231, Kempton Park	Kempton Park	EEPF	36
5	Zwide and Dewa Investments (Pty) Ltd	Erven 424 & 425, Rhodesfield	Kempton Park	EEPF	64
6	Stormstrong (Pty) Ltd	Erf 299, Windsor West	Randburg	EEPF	22
7	Property Kalcha (Pty) Ltd	Ptn 3 of erf 1871, Albertville	Randburg	EEPF	15
8	Hectorfield (Pty)Ltd	Erf 644, Pretoria North	Tshwane	EEPF	34
9	Cicima Property Management (Pty) Ltd	Erf 1686, Benoni	Benoni	EEPF	66
10	Simelane Business Solution (Pty) Ltd	Erf 2682, Kempton Park	Kempton Park	EEPF	50
11	Ordicode Investments (Pty) Ltd	Erven 2242, 2243, 2248 & 2249, Johannesburg	Johannesburg	EEPF	106
12	Bixowise (Pty) Ltd	Erf 278, Primrose Hill	Germiston	EEPF	30
13	Korema Property Group (Pty) Ltd	Erven 436 & 437, Bellevue East	Johannesburg	EEPF	18
14	Hoewe 15 Doreg Landbouhoewes (Pty) Ltd	Erven 1499 & 1450, Karen Park, Ext 52	Tshwane	Rental	144
15	Property Best Investment (Pty) Ltd	Erf 3834, Eersterus, Ext 6	Tshwane	Rental	160
16	Sheren Investment (Pty)Ltd	Erf 73, Klipoortje	Boksburg	Rental	44
17	Golden City (Pty) Ltd	Erven 533 & 534, Germiston	Germiston	Rental	19
18	Devland Gardens (Pty) Ltd	Erven 8341 & 8342, Devland, Ext 36	Johannesburg	Social Housing	870



	Name of Institution	Project Name	Location	Product	No of Units
Total					1 812

Urban Renewable Programme Challenges

The following challenges were experienced and contributed to the non-performance of targets:

- “Fees must fall campaign”, which negatively impacted on the Student Accommodation Fund pipeline
- GPF’s funding constraint
- Unavailability of capital to fund Social Housing Projects
- Unavailability of senior funding for the Rental Housing Fund and the Entrepreneur Empowerment Property Fund projects
- Higher equity contribution requirements for projects.

Strategy to Overcome Challenges

The GPF will continue to pursue joint venture funding partnerships with existing partners like Future Growth and Public Investment Corporation (PIC) to increase their senior loan facilities to GPF. GPF will have to seek new partnerships (AFD) to secure facilities that will assist with senior funding for both social housing and affordable rental housing projects.

The GPF will restructure equity contribution pro rata with GPF disbursements in order to alleviate high equity requirements that are deal breakers in projects that the GPF have made a considered risk assessment. The GPF will continue to pursue GDHS for funding for the affordable rental housing programme.

5. Mega Projects Performance Overview

The following are the Mega Projects on which desktop evaluation and packaging of the state of readiness information has been concluded:

- Nelmapius Ext 4 Mega Housing Development
- Western Mega Housing Development
- Elijah Barayi / Varkenslaagte Mega Housing Development
- Montrose Mega Housing Development
- Tswaing Mega Housing Project
- Affri Village/Greenhills Mega Project
- Kwazenzele Mega Project
- John Dube Mega Project
- Daggafontein Mega Project
- Helderwyk Mega Project/Anton Lembede Mega Project
- Golden Highway Mega Project

The under performance of the Mega Project programme was underpinned by the following:

- The general state of project readiness
- Unavailability of bulk funding
- Lengthy township approval processes
- Delays in obtaining Power of Attorneys or Land Availability Agreements for land parcels
- Developers delayed submission of township approval processes without a signed subsidy and turnkey agreement from GDHS
- Delays in obtaining debt funding and renegotiating grant allocations for projects
- Land disputes between the developer and land owners.



Table M: Mega Project packaged for Capital Raising

Measure	Actual (FY '17/18)	Annual Target (FY 17/18)	Comments
Mega Project packaging for capital raising	0	7	Target not met, however, we have packaged information on the state of readiness on 11 projects, of which additional 4 projects were sourced from Annexure 1 project list of the Trilateral agreement signed between the GPF, HDA & GDHS. We could not conclude the financial feasibility studies as there were no costs reports available from the Mega Projects developers

Project List

- Nelmapius Ext 4 Mega Housing Development
- Western Mega Housing Development
- Elijah Barayi/Varkenslaagte Mega Housing Development
- Montrose Mega Housing Development
- Tswaing Mega Housing Project
- Affri Village / Greenhills Mega Project
- Kwazenzele Mega Project
- John Dube Mega Project
- Daggafontein Mega Project
- Helderwyk Mega Project/Anton Lembede Mega Project
- Golden Highway Mega Project.

Table N: Number of projects managed and overseen by the GPF

Measure	Actual (FY '17/18)	Annual Target (FY 17/18)	Comments
Number of projects managed and overseen by the GPF	7	7	Target met

Project List:

- Elijah Barayi/Varkenslaagte Mega Housing Development
- Montrose Mega Housing Development
- Affri Village/Greenhills Mega Project
- Daggafontein Mega Project
- Helderwyk Mega Project / Anton Lembede Mega Project
- Kwazenzele Mega Project
- John Dube Mega Project.



Table O: Number of houses built

Measure	Actual (FY'17/18)	Annual Target (FY 17/18)	Comments
Number of houses built	0	150	Target not met. Projects in the implementation phase were still busy with installation of services

The delay in establishing site resulted in the developers concentrating mainly on servicing their raw land with no consideration for top structures.

Table P: Number of serviced stands completed

Measure	Actual (FY'17/18)	Annual Target (FY 17/18)	Comments
Number of serviced stands completed	1 878	2 770	Target not met. Montrose was unable to deliver on their targets due to rock that slowed their progress

- Three projects commenced with installation of services during the latter part of the 2017/18 financial year – Elijah Barayi, Affri Village and Montrose
- Elijah Barayi delivered 1 300 serviced stands within a period of five months to the end of the financial year and
- Affri Village delivered 578 serviced stands within a period of three months to the end of the financial year
- Montrose was unable to deliver on their targets due to rock that slowed their progress.

Table Q: Rand Value of GDHS subsidies disbursed for houses

Measure	Actual (FY'17/18)	Annual Target (FY 17/18)	Comments
Rand Value of GDHS subsidies disbursed for houses	R43,805,817	R17,000,000	Target exceeded. The variance is as a result of the payment of the Riverside Project as per the signed Third Deed Amendment to the Implementation Protocol

- R35,989,917 disbursed to the Riverside View Ext 28 project as per the signed Third Deed of Amendment to the Implementation Protocol between GPF and GDHS
- R7,815,400 disbursed to Elijah Barayi.



Table R: Rand Value of GDHS subsidies disbursed for serviced stands

Measure	Actual (FY'17/18)	Annual Target (FY 17/18)	Comments
Rand Value of GDHS subsidies disbursed for serviced stands	R114,817,096	R121,000,000	Target not met. Montrose did not achieve their targets and therefore the project did not draw down on their allocated budget

- R17,624,904 disbursed to the Riverside View Ext 32 project as per the signed Third Deed of Amendment to the Implementation Protocol between GPF and GDHS
- R15,007,344 disbursed to the Riverside View Ext 34 project as per the signed Third Deed of Amendment to the Implementation Protocol between GPF and GDHS
- R25,215,877 disbursed to Affri Village
- R38,914,392 disbursed to Elijah Barayi
- R18,054,579 disbursed to Montrose. Montrose did not achieve their targets and therefore the project did not draw down on their allocated budget.

Strategy to Overcome Challenges

The GPF is in discussion with GDHS to be involved in the initial Mega Project readiness assessment. The GDHS used the Project Matrix Readiness Assessment tool to determine which projects will be budgeted for.

There are regular interactions with stakeholders and municipalities through dedicated forums like Project Steering Committees (PSC) and Regional Steering Committees (RSC) to fast track township approvals.

The GPF has deployed external resources to facilitate the establishment of the Mega Project Fund for debt/equity funding for Mega Projects. In addition, the GPF is in negotiations with Development Bank of Southern Africa (DBSA) to facilitate the funding of bulk infrastructure. In line with its revised mandate, the GPF is in the process of setting up a Gauteng Mega Projects Fund ("the Fund") as a vehicle to attract and mobilise private and public sector funding to support the roll out of projects. The Fund will be structured as a limited partnership fund and with a targeted size of up to R30bn. It will provide investors with opportunities to invest in the other areas of the value chain in Mega Projects. All necessary approvals need to be obtained to finalise the transaction and participation of the GPF.

In mobilising resources, we appreciate the important role played by Development Finance Institutions in addressing development challenges. In this regard, the GPF and the DBSA have entered into a partnership to develop a Mega Project Bulk Infrastructure Financing solution to address the infrastructure backlog needed to unlock development. The purpose of this initiative is to address the municipal bulk and link infrastructure components/services within Metros and Secondary Cities to unlock private sector investment in property developments. The solution is being developed in partnership with the DBSA, which will set up a separate legal entity to be called InfraFin to arrange and house the infrastructure to be funded.



AMENDMENTS TO SELECTED INDICATORS IN GPF'S 2017/18 APP

The changes we want to effect to the selected indicators are contained in the table below, which includes a justification for each change.

Number	Indicator	Amendment	Rationale for Amendment
All indicator definitions, Data Source/ Source of Evidence and Methods of Calculation.			
1.1 of Prog 2	Number of Mega Projects implemented, each financial year, through GPF turnkey development services.	This refers to the TIDS Annexure of the 2017/18 APP. The specified areas have been amended to align to the Framework for Managing Programme Performance Information Indicator removed	The amendments more clearly define the indicators and the measurement thereof. We believe the clearer definitions will facilitate a smoother audit AG process. This indicator did not have a target for the 2017/18 FY since the year represented the first official implementation of this element of the GPF's revised mandate. As such, no land was transferred to the GPF to enable any turnkey development in 2017/18. We have concluded that it does not make sense for the 2017/18 APP to have an indicator without a target. <i>The indicator with a target will be restored in the 2018/19 APP when the land for a turnkey development is transferred to the GPF.</i>
1.3 of Prog 2	Number of jobs created through the provision of turnkey development services throughout the period ending 2019/20.	Indicator removed	This indicator is linked to the above-mentioned indicator in that GPF can only set targets and account for jobs that it will create in turnkey developments. Since the organization does not have any turnkey development for the 2017/18 FY, it does not make sense for them to retain this indicator. <i>The indicator with a target will be restored in the 2018/19 APP when the GPF implements its first turnkey development.</i>
1.8 of Prog 2	Percentage of Mega Project socio-economic targets achieved	Indicator removed	GPF will only be able to facilitate achievement of socio-economic targets for Mega Projects that it project manages and for its turnkey developments. These targets are pre-determined by the Mega Project guidelines. One Example of such a target is the allocation of 30% civil works to SMME's. The GPF is not implementing any turnkey developments in 2017/18 and its project management services to other Mega Projects will only start in earnest in 2018/19. Thus, it makes sense for this indicator to be removed for the 2017/18 FY. <i>The indicator with a target will be restored in the 2018/19 APP.</i>

Number	Indicator	Amendment	Rationale for Amendment
1.3 of Prog 4	Percentage of Strategic Plan and APP compliant with Treasury requirements and reflecting strategic priorities of the Shareholder (GDHS)	Indicator removed	The Strategic Plan is usually a 5-year plan associated with a term of governance. Similarly, the strategic priorities of the shareholder are not confined to a specific APP, in that changes in political imperatives can bring about changes within a financial year. It is thus impractical to contain this as an indicator in an APP.
1.4 of Prog 4	Percentage of clean audit opinion on non-financial performance information	Definition of Indicator changed to read as "achievement of unqualified opinion on performance information programmes audited by the AG".	The rewording of the indicator definition is to align to the actual matter that will be measured.
1.5 of Prog 4	Human Resources Plan for MTEF period ending 2019/20 approved by the CEO by the end of 2017/18	Indicator title/definition changed to read "Approval of HR Plan for MTEF period ending 2019/20 approved by the CEO by the end of 2017/18.	The rewording of the indicator definition is to align to the actual matter that will be measured.



GPF ANNUAL PERFORMANCE REVIEW 2017/18

GPF PROGRAMMES	GPF STRATEGIC OBJECTIVE	2017 Outcome / Measurable Objective	Performance Measure / Indicator	Means of Verification	Reported on by which Unit	Revised Targets Mid-term 2017/18	Q1 Actual Performance 01 April 2017 – 30 June 2017	Q2 Actual performance 01 July 2017 – 30 September 2017	Q3 Actual performance 01 October 2017 – 30 December 2017	Q4 Actual performance 1 January – 31 March 2018	Actual Annual Performance	Reasons for variances
1. Capital Raising and Fund Management	1.1 Source and structure capital required	Source and structure capital required	Rand value of capital raised for identified Mega Projects and strategic urban renewal (bad buildings) projects	Letter of Commitment/ Term Sheet/ Draft Loan Agreement	Special Projects & Capital Raising	R500m	R0	R0	R0	R450m	R450m	Target not met due to delays in legal and approval processes. Establishment of Gauteng Mega Projects Fund approval by MEC
	1.2. Capital committed/loan approved (urban renewal and Mega Projects) i.r.o. Rental Housing	Capital committed/loan approved (urban renewal and Mega Projects) i.r.o. Rental Housing	Rental Housing	Board Minutes	Projects	R84.1m	R0	R24, 838, 861	R0m	0	R24, 838, 861	Due to the relatively tough economic environment, interest rates on the rise, compounded by the unavailability of senior funding and the limited availability of GPF funding has resulted in under achievement.
	Capital committed/loan approved (urban renewal and Mega Projects) i.r.o. Student Accommodation	Capital committed/loan approved (urban renewal and Mega Projects) i.r.o. Student Accommodation	Student Accommodation	Board Minutes	Projects	R21.9m	R0	R0	R0	R7, 871, 175.00	R7, 871, 175	Due to the relatively tough economic environment, interest rates on the rise, compounded by the unavailability of senior funding and the limited availability of GPF funding has resulted in under achievement.
	Capital committed/loan approved (urban renewal and Mega Projects) i.r.o. Social Housing	Capital committed/loan approved (urban renewal and Mega Projects) i.r.o. Social Housing	Social Housing	Board Minutes	Projects	R0	R0	R0	R0	R0	R0	There was no target set for the 2017/18 financial year.
	1.3 Fund Management: Number of new structured special purpose vehicles established for capital raising	Fund Management: Number of new structured special purpose vehicles established for capital raising	Number of new structured special purpose vehicles established for capital raising	Capital Raising Reports/MEC Approval Letter	Special Projects & Capital Raising	1 (GPMF)	0	0	0	0	0	Target not met due to delays in legal and approval processes. Establishment of Gauteng Mega Projects Fund approval by MEC
	Fund Management: Rand value of co-funding facilities managed	Fund Management: Rand value of co-funding facilities managed	Rand value of co-funding facilities managed	Board Minutes and Approval letters from funding partners.	Special Projects and Capital Raising	R600m	R0	R0	R0	R0	0	Target not met. GPF was unable to raise additional funding from PIC due to delays in disbursement on the existing facility. The problems have since been resolved. The GPF will apply for extension of the facility in the new year financial year.



GPF PROGRAMMES	GPF STRATEGIC OBJECTIVE	2017 Outcome / Measurable Objective	Performance Measure / Indicator	Means of Verification	Reported on by which Unit	Revised Targets	Q1 01 April 2017 – 30 June 2017 Actual Performance	Q2 01 July 2017 – 30 September 2017 Actual performance	Q3 01 October 2017- 30 December 2017 Actual performance	Q4 1 January - 31 March 2018 Actual performance	Actual Annual Performance	Reasons for variances		
1. Capital Raising and Fund Management	1.4 Mega Projects packaging for capital raising	Mega Projects packaging for capital raising	Total number of Mega Projects packaged for capital raising	Reports, minutes of meetings, communication paper trail with stakeholders	Projects	7	0	0	9 in progress	11 in progress	0	Target not met, however we have packaged information on the state of readiness on 11 projects, of which additional 4 projects were sourced from the Annexure 1 project list of the Triateral Agreement signed between the GPF, HDA & GDHS. We could not conclude the financial feasibility studies as there were no costs reports available from the Mega Projects developers.		
													7	Target met.
2. Mega Project Implementation	2.1. Provide project management services to developers implementing identified Mega Projects	Project Management Services	Number of Mega Projects managed and overseen by the GPF by the end of 2019/20.	Reports, minutes of meetings, communication, paper trail with stakeholders	Projects	7	0	7	7					
							0	0	0	0	0	Target not met. The delays experienced in establishing site resulted in the developers concentrating mainly on servicing their raw land with no consideration for top structures.		
													1 878	Target not met. Only 3 of the 7 projects established site and commenced with services and of the 3, only 2 managed to deliver serviced sites.
							R0	R0	R0	R43, 805, 317	R43, 805, 317	Target exceeded. Variance due to R35, 989, 917 disbursed to the Riverside View, Ext 28 project as per the signed Third Deed Amendment to the Implementation Protocol between GPF and GDHS.		
			Rand value of budgeted GDHS subsidies disbursed for serviced sites across all Mega Projects	Reports, minutes of meetings, communication, paper trail with stakeholders	Projects	R17m	R0	R0	1. Elijah Barayi Site establishment for site installation of 1120 serviced site R4 886 1 12	R98, 289, 757	R114, 817, 096	Target not met. Montrose did not achieve their targets and therefore the project did not draw down on their allocated budget.		
									2. Montrose – progress payment towards the installation of services R6 413 352	Target not met R17, 624, 904.00 & R15, 007, 344.00 paid to Riverside project R25, 215, 877.00 paid to Afri Village R34, 028, 280 paid to Elijah Barayi				
									Total R16 527 339	R6, 413, 352.00 paid to Montrose				



GPF PROGRAMMES	GPF STRATEGIC OBJECTIVE	2017 Outcome / Measurable Objective	Performance Measure / Indicator	Means of Verification	Reported on by which Unit	Revised Targets Mid-term 2017/18	Q1 Actual Performance 01 April 2017 – 30 June 2017	Q2 Actual performance 01 July 2017 – 30 September 2017	Q3 Actual performance 01 October 2017 – 30 December 2017	Q4 Actual performance 1 January - 31 March 2018	Actual Annual Performance	Reasons for variances
3. Property Management and Maintenance	3.1. Develop identified strategic urban renewal properties (bad buildings) to provide student, rental and social	Property Management and Maintenance	Number of units completed on strategic urban renewal properties (bad buildings) developed to provide student, rental and social housing	Reports, minutes of meetings, communication, paper trail with stakeholders	Projects	1000	106	439	523	165	1 233	Target exceeded. The variance is as a result of historical projects delivering faster than anticipated.
	3.2. Acquire, manage, maintain and dispose of or rent out identified GPG property assets, in urban areas and GPF turnkey Mega Projects		Number of land parcels acquired for Mega Projects, and managed by the GPF per annum	Reports, minutes of meetings, communication, paper trail with stakeholders	Projects	0	0	0	0	0	0	New performance indicator to be reported on in 2018/19. There was set for this indicator in the 2017/18 Financial Year.
4. Administration	4.1. Number of clean audits attained	Strategic Management and Good Governance	Number of clean audits attained	Clean Audit report	CEO's Office	1	---	0	0	0	0	Target to be reported on after the AG Audit report.
			Percentage requested outputs delivered by Board Sub-committees	Board resolutions and resolutions register	CEO's Office	100%	---	0	0	100%	100%	Target met.
	4.2. Provide day-to-day operational management and reporting services.	Provide operational management and reporting services	Achievement of un-qualified opinion on performance information programmes audited by the AG	Clean Audit Report	COO's Office	100%	---	0	0	0	0	Target to be reported after the AG Audit report.
	4.3. Provide sound human capital utilisation and development support and services.	Effective Human Capital and Payroll Management	Approval of Human Resources Plan for MTEF period ending 2019/20 approved by the CEO by the end of 2017/18	Annual HR Report	HR	1	---	0	0	1	1	New indicator to be implemented in 2018/19.
			Percentage of priority and budgeted posts filled by the end of 2019/20	Annual HR Report	HR	80%	---	0	0	0	0	New indicator to be implemented in 2018/19.
			Percentage of improved performance assessment outcomes of staff that have received training	Annual HR Report	HR	100%	---	0	0	0	0	New indicator to be implemented in 2018/19.
			Percentage of performance agreements signed by all staff per annum	Annual HR Report	HR	100%	---	0	0	100%	91%	Role clarifications



GPF PROGRAMMES	GPF STRATEGIC OBJECTIVE	2017 Outcome / Measurable Objective	Performance Measure / Indicator	Means of Verification	Reported on by which Unit	Revised Targets Mid-term 2017/18	Q1 Actual Performance 01 April 2017 – 30 June 2017	Q2 Actual performance 01 July 2017 – 30 September 2017	Q3 Actual performance 01 October 2017 – 30 December 2017	Q4 Actual performance 1 January – 31 March 2018	Actual Annual Performance	Reasons for variances
4. Administration			Percentage of employee wellbeing programmes implemented	Annual HR Report	HR	100%	---	0	0	100%	100%	Target met
			Percentage of employment equity targets achieved i.e.o.: Women in Senior Management Positions	Annual HR Report	HR	50%	---	0	0	67%	67%	Target met
			Percentage of Employment Equity Targets achieved i.e.o.: Persons with Disabilities	Annual HR Report	HR	2%	---	0	0	0%	0	Target not met. Could not find suitable candidates with disabilities.
			Percentage variance between budget and expenditure (Finance administrators, executives are in charge of their own budget) – Actual cash flows. Total expenditure for the year to date/budgeted expenditure for the year to date	Management Accounts/Report	CFO/Finance	Less than 5%	---	Audited – 54% Reviewed – 48%	Audited - 0 Reviewed – 43%	Audited – 60% Reviewed – 40%	60% 40%	Target not met. Capital raising fees, salaries due to staff vacancies and timing of leasehold improvements payment. Definition of indicator.
			Percentage of re-solved AG findings	Auditor -General Report	CFO/Finance	100%	---	0	0	100%	100%	Target met.
			Percentage of fully compliant invoices from large companies received and paid within 30 days	Monthly/Quarterly Report	CFO/Finance	100%	---	100%	100%	100%	100%	Target met.
			Percentage of fully compliant invoices received and paid within 15 days for SMMES/Co-ops	Management Accounts/ Finance Reports	CFO/Finance	100%	---	100% Target met.	100%	100%	100%	Target met. Recommend that all payments be made within 30 days to verify performance. (30 days, CSD cannot determine size of entity accurately)



GPF PROGRAMMES	GPF STRATEGIC OBJECTIVE	2017 Outcome / Measurable Objective	Performance Measure / Indicator	Means of Verification	Reported on by which Unit	Revised Targets Mid-term 2017/18	Q1 Actual Performance 01 April 2017 – 30 June 2017	Q2 Actual Performance 01 July 2017 – 30 September 2017	Q3 Actual Performance 01 October 2017 – 30 December 2017	Q4 Actual performance 1 January – 31 March 2018	Actual Annual Performance	Reasons for variances
4. Administration	4.4. Sound financial management and accounting, supply chain management, portfolio management, and ICT and facilities	Sound Financial management Provide sound legal, compliance and risk management services. Improvement in GPF performance rating Ensure effective training Maintain staff satisfaction	Rand amount of interest income (bank and loans)	Management Accounts/ Finance Reports	CFO/Finance	R90m	0	R29.7m	R0	R74.4m	R74.4m	Target not met To ensure timely receipt of funds from GDHS through input into GDHS business plan.
			Rand amount of non-interest income	Management Accounts/ Finance Reports	CFO/Finance	R2.8m	0	R448 285	R0	R4m	R448 285	Target not met. Delay in processing draw-down of R1.3m at DTI and no funds received from GDHS for operations.
			Percentage of procurement spend targeting preferential procurement	Management Accounts/Finance Reports	CFO/SCM	75%	---	95.12%	83.58%	76.23%	Target exceeded	Target met. (30 days, CSD cannot determine size of entity accurately)
			Percentage of ICT Systems Uptime availability	Finance/ ICT Reports	CFO/ICT	96%	99.6%	100%	99.56%	99.95%	99.78%	Target met.
			Percentage of critical (Priority 1) reported IT incidents in accordance with the ICT Operations Management Policy	Finance/ICT Reports	CFO/ICT	90%	---	0	0	0	0	No P1 incidents reported.
			IT system developed in accordance with ICT masterplan (IT strategy and IT APP)	Finance/ICT Report	CFO/ICT	100%	System integration, target not met	0	0	100%	100%	Target met All activities (planned and revised) were achieved.
			Effective and efficient facilities management as per facilities	Finance Report	CFO/Facilities	100%	---	0	100%	100%	100%	Target met.
			Percentage bad debts written off (as percentage of loan book)	Portfolio Management/ Finance report	CFO/Portfolio Management	<5%	---	0	0	0%	0%	Target met.
			Percentage of collection rate of repayments	Portfolio Management/ Finance report	CFO/Portfolio Management	>95%	---	99%	54%	67.131%	67.13%	High vacancies as a result of competitive rentals.



GPF PROGRAMMES	GPF STRATEGIC OBJECTIVE	2017 Outcome / Measurable Objective	Performance Measure / Indicator	Means of Verification	Reported on by which Unit	Revised Targets Mid-term 2017/18	Q1 Actual Performance 01 April 2017 – 30 June 2017	Q2 Actual Performance 01 July 2017 – 30 September 2017	Q3 Actual Performance 01 October 2017 – 30 December 2017	Q4 Actual performance 1 January - 31 March 2018	Actual Annual Performance	Reasons for variances
			Percentage of non-performing loans (as percentage of loan book)	Portfolio Management/ Finance report	CFO/Portfolio Management	<5%	4%	3%	0%	0.23%	0.23%	Target met.
			Percentage of arrears on loans (as percentage of loan book)	Portfolio Management/ Finance report	CFO/Portfolio Management	<5%	---	1%	0%	0.75%	0.72%	Target met.
			Timeframe for reimbursement of liquidity facilities	Portfolio Management/ Finance report	CFO/Portfolio Management	0	No claim made as the amount was R1, 249, 359.99	0	18 January 2017	29 March 2018	Quarterly reporting	Target met.
	4.5 Provide sound Legal, compliance and risk management services.		Percentage of requested legal documents and opinions reviewed and/or drafted to completion.	Central Matter Index and Securities Report Auditor General Report	Legal	100%	---	100%	89%	100%	100%	Target met.
			Percentage of on-going litigated matters managed to finalisation	Central Matter Index and Securities Report Auditor General Report	Legal, Compliance and Risk Management	50%	---	50%	0	10%	10%	The ongoing litigation matters are before courts and due to delays in the process caused by backlogs some of the matters could not be finalised.
			Percentage of legally binding loan agreements signed in respect of approved projects	Central Matter Index and Securities Report Auditor General Report	Legal, Compliance and Risk Management	100%	---	100%	100%	0%	75%	In the 4 th quarter only 1 project was approved, however the signed term sheet was not received from the borrowing entity. In the absence thereof, the loan agreement could not be concluded.
			Percentage compliance with all transversal management and governance legislation and GPF policies	Auditor -General Report	Legal, Compliance and Risk Management	100%	---	0%	0	80%	80%	2 new Board members were appointed in February 2018. By the end of the financial year, the amended Letters of Authority were not yet received. This was due to backlogs at the Masters Office.
			Percentage of identified low and insignificant risks addressed per annum	Fraud and Risk Management Report and Enterprise Risk Register	Legal, Compliance and Risk Management	100%	---	0	0	100%	100%	Target met.
			Percentage of identified moderate risks addressed	Fraud and Risk Management Report and Enterprise Risk Register	Legal, Compliance and Risk Management	75%	---	0	0	75%	75%	Target met.
			Number of identified significant and major risks managed and reduced for the purpose of achieving organisational objectives	Fraud and Risk Management Report and Enterprise Risk Register	Legal, Compliance and Risk Management	50%	---	0	0	50%	50%	Target met.



GPF PROGRAMMES	GPF STRATEGIC OBJECTIVE	2017 Outcome / Measurable Objective	Performance Measure / Indicator	Means of Verification	Reported on by which Unit	Revised Targets Mid-term 2017/18	Q1 01 April 2017 – 30 June 2017 Actual Performance	Q2 01 July 2017 – 30 September 2017 Actual performance	Q3 01 October 2017 – 30 December 2017 Actual performance	Q4 1 January – 31 March 2018 Actual performance	Actual Annual Performance	Reasons for variances
			Percentage of registered mortgage bonds in place as sufficient security for loans in respect of signed loan agreements	Central Matter Index and Securities Report Auditor-General Report	Legal, Compliance and Risk Management	100%	---	0	0	100%	100%	Target met.
	4.6. Provide effective and timely communication, public relations and marketing services	Effective and timely communication	No of stakeholder engagements with investors	Marketing Reports/Minutes of Meetings	Marketing and Communications	2	---	0	0	2	1	GPF was focusing on revising the mandate, which resulted in a change on Marketing and Communication Strategy which needed to be revised.
			No of stakeholder engagements with Mega Project developers	Marketing Reports/Minutes of Meetings	Marketing and Communications	4	---	1	0	3	8	Target exceeded.
			No public awareness initiatives on GPF's brand, programmes and services	Marketing Reports/Minutes of Meetings	Marketing and Communications	25	---	8	0	7	48	Target exceeded.
			Percentage of requested marketing material designed and produced	Marketing Reports/Minutes of Meetings	Marketing and Communications	100%	---	100%	0	100%	100%	GPF mandate was amended at the Strategic Session meeting held on the 1 st of October 2018. The implications of the revised mandate on the GPF's business has necessitated a review of the GPF Strategic Plan, which also necessitated a review of the Marketing and Communication Strategy, we have thus put on hold the implementation of branding on the collaterals until the new GPF Marketing and Communication Strategy has been developed and approved. It should be noted that most of the marketing collateral were already procured. Those include banners, posters, signage and vehicle branding.

PART C



GOVERNANCE

1. INTRODUCTION

The Gauteng Partnership Fund (GPF) recognises that conducting its affairs with integrity will ensure that the public and its Executive Authority have confidence in its work. To this end, the GPF's Board of Trustees and executive management team subscribe to the governance principles set out in the Code of Conduct of GPF, the Public Finance Management Act (PFMA) and the King IV Code on Corporate Governance (King Code).

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the principles of the PFMA, which run in tandem with the principles contained in the King Report, the entity believes that good corporate governance is paramount to the success of the GPF, and to advance and protect the interest of the country and its citizens. We believe that good governance enhances the proper functioning of leadership structures of the GPF in order for the entity to meet its strategic objectives.

The Board also actively reviews and enhances the systems of internal control and governance procedures in place to ensure that the GPF is managed ethically and within prudently determined risk parameters. During the period under review, the Board conducted assessments to ensure that the GPF complied with the requirements of the Trust Property Control Act, the PFMA, the Deed of Trust, the Strategic Plan and the Annual Performance Plan agreed to with the Executive Authority.

2. EXECUTIVE AUTHORITY

The Executive Authority of the GPF is the MEC who exercises both strategic and political oversight on the affairs of the GPF. Oversight of the Executive Authority is guided by the principles contained in the PFMA and the Deed of Trust.

The GPF is accountable to the Executive Authority and the Gauteng Department of Human Settlements (GDHS), which provides direction on contractual obligations and to ensure good governance to execute its mandate.

The GPF must perform according to the Strategic Plan and the Annual Performance Plan agreed to with the Executive Authority and the GDHS. The GPF's management is accountable for strategic and operational matters to the Board of Trustees, which controls and maintains a fiduciary relationship with the organisation. The GPF coordinates its area-based human settlements development activities and other catalytic interventions with and on behalf of the Executive Authority and GDHS, and engages with the GDHS in the design and construction of infrastructure and human settlements assets. The GPF must ensure spatial transformation; human settlements development and economic growth are integrated and well-coordinated.

The Executive Authority has the power to appoint and dismiss the Trustees of the GPF. When making appointments of Trustees and in accordance with provisions of good governance, the Executive Authority ensures that an appropriate mix of executive and non-executive Trustees is appointed and that the Trustees have the necessary skills to guide the GPF as a public entity.

The Executive Authority is in the process of revising the legal structure of the GPF from a Trust governed in terms of the Trust Property Control Act and registered and controlled in accordance with the provisions of Schedule 3C of the PFMA. This process entails establishing the GPF as a statutory provincial government business enterprise through a Provincial enabling legislation or statute. Thereafter, the GPF will apply to National Treasury to amend its current PFMA Schedule 3C listing to Schedule 3D listing applicable to provincial government business enterprises; and register as a State Owned Company (SOC) in terms of the Companies Act.

All the requisite Quarterly Performance Reports were submitted to the Executive Authority and the GDHS for the period under review.



3. THE ACCOUNTING AUTHORITY/BOARD

Introduction

The Board of Trustees is the Accounting Authority of the GPF. The Board has an absolute responsibility for the performance of the public entity and is fully accountable to the public entity for such performance. The Board gives strategic direction to the public entity and serves as a fundamental base for the application of good corporate governance principles within the GPF.

The GPF has a unitary Board, which comprises both executive and non-executive Trustees. Lindiwe Mthimunye-Bakoro is Chairperson of the Board and a non-executive Trustee. The Executive Authority appoints the Trustees for a maximum renewable three-year term of office.

The Board is accountable to the Executive Authority and the citizens of the Gauteng Province. A tri-lateral agreement and Strategic Plan, concluded in accordance with the provisions of the PFMA, governs the entity's relationship with the Executive Authority. The Board provides monthly, quarterly, biannual and annual reports on its performance and service delivery to the Executive Authority and the GDHS as prescribed in the Strategic Plan, the PFMA and Treasury Regulations. The GPF published its Annual Report in 2017/18 in line with section 55 of the PFMA and has prepared this report accordingly.

The Board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, are the defining characteristics of the entity. The fundamental objective is always to do business ethically while building a sustainable entity that recognises the short-term and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the Board is sensitive to the legitimate interests and expectations of the entity's broad stakeholders.

The Board applies the governance principles contained in the King Code as far as it applies to it, and continues to further entrench and strengthen the prescribed practices in its governance structures, systems, processes and procedures. The Board and executives recognise and are fully committed to the principles of openness, integrity and accountability advocated by the King Code. Through this process, the Executive Authority and other stakeholders may derive assurance that the entity is being managed ethically and in accordance with prudently determined risk parameters and generally accepted corporate practices.

Non-executive Trustees maintain an independent stance to matters under consideration and add to the Board's depth of experience. The roles of the Board Chairperson and the Chief Executive Officer (CEO) are separate, with responsibilities divided between them. Trustees have unlimited access to the company secretary, who acts as an advisor to the Board and its committees on matters such as corporate governance, compliance with company rules and procedures, statutory requirements, regulations and best corporate practices.

The Board or any of its members may, under appropriate circumstances and at the expense of the company, obtain the advice of independent professionals.

Shortcomings are addressed and areas of strength are consolidated during an annual Board evaluation. The performance of the Board committees is evaluated against their terms of reference.

The role of the Board is as follows:

The Board retains full and effective control over the organisation and monitors the implementation of the GPF's strategic programmes. It sets the agency's strategic direction and monitors overall performance. The duties of the Board include:

- Providing effective, transparent, accountable and coherent oversight of the GPF's affairs



- Ensuring that the GPF complies with all applicable legislation, the service delivery agreement and the various policy directives issued by its parent department from time to time
- Dealing with the Executive Authority and the GDHS in good faith and communicating openly and promptly on all pertinent matters
- Determining and developing strategies that set out the organisation's purpose and values in accordance with its mandate and strategic documents such as the Strategic Plan, the Annual Performance Plan, corporate strategy, risk policy, annual budgets and business plans
- Reviewing and approving financial objectives, including significant capital allocations and expenditure as determined by the Executive Authority and the GDHS
- Considering and ensuring that the entity's size, diversity and skills are sufficient to achieve its strategic objectives

Board Charter

As part of its responsibility, the Board ensured that its arrangements for delegation within its own structures promote independent judgement, and assists with the balance of power and the effective discharge of its duties in so doing and as recommended by the King Code, the Board has a charter setting out its responsibilities, composition and powers. Further, the Charter confirms:

- The Board's responsibility for the adoption of Strategic Plans
- Monitoring of operational performance and management
- Determination of policy processes to ensure the integrity of the public entity's risk management and internal controls
- Communication policy, and director selection, orientation and evaluation.

Composition of the Board and meetings

The Board of Trustees consists of the following members appointed by the Executive Authority and authorised by the Master of the High Court:

- Ms Lindiwe Mthimunya-Bakoro (Chairperson)
- Mr Clifford Motsepe
- Mr Boniface Muvevi (Chief Executive Officer) (Resigned 31 December 2017)
- Mr Geoffrey Makhubo (Acting CEO) (Appointed 23 October 2017)
- Mr Pakie Mphahlele
- Ms Nangamso Maponya
- Ms Rachel Kalidass
- Mr Timothy Sukazi
- Ms Busisiwe Nzo
- Mr Enoch Kubeka
- Ms Zimbini Hill
- Ms Maseapo Kganedi.

The Board meets not less than four times a year to consider matters reserved for its attention. Attendance at meetings held during the year under review is outlined below.

Table S: Composition of the Board and attendance at Board meetings

Name	Designation (<i>in terms of the Public Entity Board structure</i>)	Date appointed	Date resigned	Qualifications	Area of expertise	Other Committees or Task Teams (e.g.: Audit Committee/Ministerial Task Team)	No. of meetings attended
Lindiwe Mthimunywe-Bakoro	Trustee (Chairperson)	17/10/2016	N/A	CA (SA) MCom BCom Post-Graduate Diploma in Tax Law Post-Graduate Diploma in Accounting	Strategy/Housing and Finance	Investment Committee Funding Committee	16
Geoff Makhubo	Trustee (Acting CEO)	01/06/2017	N/A	BCom Post-Graduate Diploma in Management Management Advancement Programme	Leadership Strategic Planning Finance & Accounting Corporate Finance Deal Structuring Transaction Advisory Business Process Re-engineering	Policy Review <i>Ad Hoc</i> Recruitment <i>Ad Hoc</i> Committee Human Resources and Remuneration Committee Funding Committee Investment Committee	9
Enoch Kubeka	Trustee	17/10/2016	N/A	B Compt (Hons) B Com (Acc)	Housing and Finance Compliance Financial Management Governance	N/A	6
Pakie Mphahlele	Trustee	17/10/2016	N/A	Masters in Financial Economics	Micro Finance	Investment Committee	13



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Other Committees or Task Teams (e.g.: Audit Committee/ Ministerial Task Team)	No. of meetings attended
Nangamso Maponya	Trustee	01/04/2017	N/A	MSc in Finance and Investments Masters in Finance and Investments	Finance and Investments	Audit and Risk Committee (Chairperson) Policy Review <i>Ad Hoc</i> Committee CEO - Recruitment <i>Ad Hoc</i> Committee	16
Timothy Sukazi	Trustee	17/10/2016	N/A	LLM LLB BProc	Legal	Funding Committee (Chairperson) Audit and Risk Committee Policy Review <i>Ad Hoc</i> Committee CEO - Recruitment <i>Ad Hoc</i> Committee	15
Clifford Motsepe	Trustee (Deputy Chairperson)	17/10/2016	N/A	LLB BProc	Legal	Investment Committee (Chairperson) Human Resources and Remuneration Committee Policy Review <i>Ad Hoc</i> Committee	8
Rachel Kalidass	Trustee	17/10/2016	N/A	CA (SA) BCompt CTA BCom (Hons) B Com	Housing and Finance	Audit and Risk Committee Human Resources and Remuneration Committee (Chairperson) Policy Review <i>Ad Hoc</i> Committee CEO - Recruitment <i>Ad Hoc</i> Committee	11
Busisiwe Nzo	Trustee	17/10/2016	N/A	PRQS BSc (QS) Hons Property Development Programme	Business and Construction	Investment Committee	15



Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of expertise	Other Committees or Task Teams (e.g.: Audit Committee/ Ministerial Task Team)	No. of meetings attended
Zimbini Hill	Trustee	01/02/2018	N/A	MBA BCom Accounting HDip Accounting	Fund Management Risk Management Strategies Financial Analysis Investment Valuations	Audit and Risk Committee	2
Maseapo Kgane	Trustee	01/02/2018	N/A	Law LLB BProc LLM in Corporate Diploma in Legislative Drafting Certificate in Corporate Governance Certificate in Pension Law	Legal Practitioner and Corporate Governance Specialist	Human Resources and Remuneration Committee	1
Dineo Maphatiane	Trustee	01/09/2011	31/07/2017	BA Human Resource Management	Human Resources	Audit and Risk Committee Human Resources and Remuneration Committee	4
Mamorohe Lehobye	Trustee	17/10/2016	30/09/2017	CA (SA) BCom HDip Accounting	Housing and Finance	Audit and Risk Committee	2
Boni Muvevi	CEO/Trustee	01/03/2004	31/12/2017	MBA BSc (Quantity Surveyor) Diploma in Project Management	Business and Construction	Executive Committee Human Resources and Remuneration Committee Investment Committee Funding Committee	9



Committees

The GPF has four Board sub-committees which execute their duties as set out in specific charters applicable to each sub-committee. Matters of ethics, procedure and conduct of committee members are set out in the Board Charter.

Each subcommittee is chaired by a non-executive Trustee.

During the reporting period, the Board committees were as follows:

- Audit and Risk Committee
- Human Resources and Remuneration Committee
- Investment Committee
- Funding Committee.

The sub-committee composition is as follows:

Table T: Composition of Board Committees and Attendance of Meetings

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	7	5	Nangamso Maponya (Chair) Rachel Kalidass Timothy Sukazi Zimbini Hill Dineo Maphatiane (Resigned – 31/07/2017)
Human Resources and Remuneration Committee	9	6	Rachel Kalidass (Chair) Clifford Motsepe Pakie Mphahlele Busisiwe Nzo Maseapo Kganedi Dineo Maphatiane (Resigned – 31/07/2017)
Funding Committee	6	4	Timothy Sukazi (Chair) Lindiwe Mthimunya-Bakoro Geoff Makhubo (acting CEO) Nangamso Maponya
Investment Committee	7	5	Nkomotana Clifford Motsepe (Chair) Lindiwe Mthimunya-Bakoro Busisiwe Nzo Pakie Mphahlele Geoff Makhubo (acting CEO)



Remuneration of Board members

Board members play an important role in steering the entity in a profitable direction. All non-executive and independent Trustees are paid a Board stipend calculated at the South African Institute of Chartered Accounts (SIACA) rates. The non-executive and non-independent Trustees are considered to be public officials and are therefore not paid a Board stipend.

The CEO is an executive Trustee employed by the GPF and is paid a salary, as such the CEO does not receive a Board stipend. All travelling expenses relating to Trustees for official GPF work is paid by the GPF.

A non-executive Trustee chairs each committee. The GPF remunerates the non-executive Trustees in accordance with a remuneration provision contained in the Board Charter which provides that Trustees stipends will be calculated at SAICA rates. Non-executive and non-independent Trustee, namely, Enoch Kubeka is deemed to be a public official and therefore not entitled to remuneration. The CEO and the Acting CEO are executive Trustees employed by the GPF and are paid a salary and as such do not receive a Board stipend. All travelling expenses of the non-executive Trustees related to the official business of the GPF are paid by the GPF.

Table U: Board Remuneration

Name	Remuneration	Other allowance	Other re-imbursements	Total
Lindiwe Mthimunye-Bakoro	1,118,065			1,118,065
Geoff Makhubo	1,241,731	98,060		1,339,791
Enoch Kubeka	N/A			N/A
Pakie Mphahlele	515,315			515,315
Nangamso Maponya	605,428			605,428
Timothy Sukazi	847,857			847,857
Clifford Motsepe	395,383			395,383
Rachel Kalidass	557,818			557,818
Busisiwe Nzo	425,507			425,507
Zimbini Hill	43,140			43,140
Maseapo Kganedi	47,454			47,454
Mamoroke Lehobye	148,543			148,543
Dineo Maphatiane	73,868			73,868
Boni Muvevi	2,115,273	2,549,728		5,579,279
Total				9,239,592

4. RISK MANAGEMENT

Risk identification and assessment is an on-going process. The GPF conducts an annual strategic and operational risk assessment workshop. This process is supported by an on-going risk management process at departmental level; all staff are encouraged to take ownership of risk.



The following risk management programmes and activities were implemented during the 2017/18 financial year:

- Strategic Risk Register and the monitoring
- Operational Risk Register and the monitoring
- Reviewed and updated the Strategic Risk Register for 2017/2018
- Enterprise-Wide Risk Management Training
- Ensured adequate Insurance Risk Cover for 2017/2018
- Compiled Universal Regulatory Register
- Fraud Risk Awareness GPF-wide
- Initiated the process of an Ethics Management Programme
- Risk Management Performance Indicators incorporated in Managers' Scorecards

The Executive Committee and the Audit and Risk Committee will continue to monitor the implementation of the documents listed above to ensure that the organisation is proactive in addressing risks and strengthening its internal control environment.

Strategic Risk Register

The GPF's risk management strategy is guided by the principles of the enterprise-wide risk management system. The GPF's Strategic Risk Register is treated as a working document. Identified risks are recorded and the management thereof is constantly monitored. Management monitors and evaluates the implementation and efficiency of controls.

Effective risk management is fundamental to the GPF's business activities. The organisation is committed to achieving its strategic goals and increasing shareholder value by facilitating, developing and implementing infrastructure projects on behalf of the GDHS. The GPF seeks to achieve an appropriate balance between risk and reward in the business. It continues to build and enhance the risk management capabilities that assist in achieving its goals in a controlled environment.

The GPF conducts an annual strategic risk assessment workshop to ensure that there is a link between risk management and the business planning processes.

A total of 12 strategic risks were identified over the period under review and are linked to five strategic objectives.

4. INTERNAL AUDIT FUNCTION

The GPF conducts its internal audit function through outsourced service providers. During the period under review, two independent service providers assisted the GPF internal audit function. During the period 1 April 2017 to 30 September 2017, Rakoma and Associates were the outsourced internal auditors. With effect from 01 October 2017, A2A Kopano has been appointed as the outsourced internal audit service providers.

The GPF's internal audit function subscribes to the International Standards for the Professional Practice of Internal Audit's definition of internal audit: "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The internal audit function, which is independent of all line and functional management, is established in terms of section 51 of the PFMA. Its responsibilities are defined by the Board's Audit and Risk Committee, taking into account all relevant legislative, governance and professional requirements.



The internal audit function's primary objectives are to assist the Chief Executive Officer, the Audit and Risk Committee and other stakeholders in the effective discharge of their responsibilities, to provide strategic support to management, and to contribute to the establishment of adequate and effective systems of governance, risk management and internal control processes by providing recommendations to improve the effectiveness and efficiency of the GPF's operations.

The internal audit function prepared a risk based annual audit plan for the year ending 31 March 2018. The internal audit plan was approved by the Audit and Risk Committee. The internal audit function carried out its activities in accordance with the risk based internal audit plan. The plan was updated based on the risk assessment and other factors that may impede the planned execution. Internal audit submitted to the Audit and Risk Committee quarterly progress reports detailing performance against the annual internal audit coverage plan to allow for effective monitoring and possible intervention.

As required by Principle 15 and related recommended practices of King IV, the internal audit function provided written assessment on the effectiveness of the company's system of internal controls and risk management. The review included the assessment of governance, ethics, risk management, compliance with legislative requirements and internal controls. The internal audit function noted an improvement in the ethics, risk management, compliance and control environment compared to previous financial years. Overall, the GPF's systems were rated as marginally effective and require improvement. Management is committed to address control weaknesses identified by internal and external audits. Although there are areas where controls are fully effective, management has put in place mitigating controls to reduce any risk exposure.

5. INTERNAL AUDIT, AND AUDIT AND RISK COMMITTEES

The main objective of the Audit and Risk Committee is to monitor and evaluate audit risk and the maintenance of internal controls within GPF and to provide support to the Board of Trustees and management generally in discharging their responsibilities. This objective acknowledges that the Board of Trustees is ultimately responsible for the management of enterprise-wide risk and the maintenance of internal controls which are designed to provide reasonable assurance on the integrated and reliability of financial reporting, the effectiveness and the efficiency of operations and compliance with applicable laws and regulations. Further, the Audit and Risk Committee ensure that the internal audit function provides written assurance of the effectiveness of the entities systems of internal control and risk management.

The table below discloses relevant information on the Audit and Risk Committee members

Table V

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Mamoroke Lehobye	CA (SA) BCom HDip Accounting	External	N/A	17/10/2016	30/09/2017	2
Dineo Maphatiane	BA Human Resource Management	External	N/A	01/09/2011	31/07/2017	1



Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Nangamso Maponya	MSc in Finance and Investments Masters in Finance and Investments	External	N/A	01/04/2017	N/A	6
Rachel Kalidass	CA (SA) BCompt CTA BCom (Hons)	External	N/A	17/10/2016	N/A	7
Timothy Mandla Sukazi	LLM LLB BProc Certificate in Practical Legal Training	External	N/A	17/10/2016	N/A	7
Zimbini Hill	MBA BCom Accounting HDip Accounting	External	N/A	01/02/2018	N/A	1

6. COMPLIANCE WITH LAWS AND REGULATIONS

The GPF monitors compliance with applicable legislation and regulations throughout the entity on a regular basis. Regulatory compliance describes the goals that the GPF aspires to, to achieve in their efforts to ensure that they are aware of and take steps to comply with relevant laws and regulations, whereas general compliance means conforming to a rule, such as a specification, policy, standard or law.

The GPF undertakes an annual risk analysis review of legislation, particularly new and changed legislation and keeps a regulatory universe of legislation that is up to date and relevant to the GPF.

Below are some of the pieces of legislation applicable to the GPF that the regulatory universe identifies and ensures that the entity and its activities comply with.

- Treasury Regulations
- Trust Property Control Act 53 of 1988
- Basic Conditions of Employment Act 75 of 1997
- Labour Relations Act 66 of 1995
- Public Service Act 103 of 1994
- Public Service Regulations of 2001
- Public Finance Management Act 1 Of 1999 as amended
- Employment Equity Act 55 of 1998
- Promotion of Access to Information Act 2 of 2000
- King IV Report on Corporate Governance



7. FRAUD AND CORRUPTION

The policy of GPF is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of GPF.

The efficient application of instructions contained in the policies and procedures of GPF, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

The GPF subscribes to whistle blowing hotline number maintained by the Gauteng Provincial Government, which it advertises at its offices and on its website. In addition, all GPF tender documents urge people to report fraudulent activities or maladministration by GPF employees on the hotline.

8. MINIMISING CONFLICT OF INTEREST

The GPF is committed to ensuring that its business and relationships with clients and suppliers are conducted in an ethical, equitable manner in accordance with good business practices and in a manner that safeguards the interests of all stakeholders.

During the year under review, the GPF had an approved Conflict of Interest Policy, which is applicable not only to GPF employees and Trustees but also to clients and potential clients. The GPF Conflict of Interest Policy is designed to assist affected parties in identifying situations that could present potential conflict of interest and provide it with a procedure and measures to adopt in order to avoid and minimise conflict of interest. The policy sets out process, procedure and internal controls to facilitate compliance with the policy, as well as highlight consequences of non-compliance.

GPF maintains a register of employees' and trustees' declarations of interest. The register is updated annually and as and when each trustee's or employee's interest change. A register is circulated at every Board and Board Committee meeting for the Trustees to declare any interest related to every matter to be discussed at a particular meeting.

9. CODE OF CONDUCT

The GPF's code of conduct, which is fully endorsed by the Board, applies to all Trustees and employees.

The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism. Through its code of conduct, the GPF is committed to:

- The highest standards of integrity and behavior in all its dealings with its stakeholders and society at large
- Fair commercial and competitive business practices
- Eliminating discrimination and enabling employees to realise their potential through continuous training and skills development
- Taking environmental and social issues into consideration
- Ensuring that all Trustees declare any direct or indirect personal or business interest that might adversely affect them in the proper performance of their stewardship of the entity.

The code requires all staff to act with the utmost integrity and objectivity and in compliance with the law and company policies at all times. Failure to act in terms of the code, results in disciplinary action. The code is



discussed with each new employee as part of the induction process, and all employees are asked to sign an annual declaration, confirming their compliance with the code. A copy of the code is available to interested parties on request. Non-adherence to the code of ethics-related matters can be reported to a toll-free, anonymous hotline. Any breach of the code is considered a serious offence and is dealt with accordingly; this act as a deterrent. The Trustees believe that ethical standards are being met and are fully supported by the ethics programme.

10. COMPANY SECRETARY

All Trustees had access to the advice and services of the company secretary, Thandiwe Kuzwayo, who acts as the link between management, the Board and the Executive Authority. Thandiwe Kuzwayo, in her capacity as the Legal, Compliance and Risk Executive, acted as the company secretary of the GPF. With effect from 01 April 2018, the Board appointed a new company secretary, Thanduxolo Mendrew. The company secretary is responsible for the flow of information to the Board and its committees and ensures compliance with Board procedures. In addition to various statutory functions, the company secretary provides individual Trustees and the Board as a whole with guidance on their fiduciary duties, responsibilities and powers, as well as the impact of legislative and regulatory developments, while maintaining an arm's-length relationship with the Board.

The company secretary also acts in a supportive capacity to the trustees and Chairperson and has direct access to, and ongoing communication with the Chairman of the Board.

The company secretary is responsible for, inter alia:

- Maintenance of the Board and Committee Charters, and compilation of Board papers
- Maintenance of all Board and Committee attendance registers, minutes and resolutions
- Taking minutes at Board and Committee meetings
- Providing legal and professional support to the Board
- Acting as a primary point of contact between trustees and GPF
- Guiding trustees regarding their duties, matters of ethics and good governance.



11. AUDIT AND RISK COMMITTEE REPORT

We are pleased to present our report for the financial year ended, 31 March 2018.

Audit Committee Responsibilities

The Audit and Risk Committee reports that it has complied with its statutory responsibilities arising from section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter. It has discharged all its responsibilities as contained therein and has also reviewed the appropriateness of accounting policies and practices.

Effectiveness of Internal Controls

Based on the assessments of internal controls undertaken by the Internal Auditors during the period under review and having considered the information, statements and explanations given by management of the GPF and the discussions with the external auditors, the Audit and Risk Committee is of the opinion that GPF's systems of internal controls is effective and forms a sound basis for the preparation of reliable Annual Financial Statements for 2017/18 financial year.

The Audit and Risk Committee has however, emphasised to management that internal controls can still be enhanced to ensure improved internal controls going forward

Internal Audit Function

The Audit and Risk Committee is responsible for ensuring that the GPF's outsourced internal audit function is independent and has the necessary resources, standing and authority within the GPF to enable it to discharge its duties. The Audit and Risk Committee has considered and recommended the Internal Audit Charter for approval by the Board. The internal audit's annual audit plan and the 3-year risk based audit plan were reviewed and approved by the Committee for implementation.

The following internal audit work was completed during the year under review:

- Quarterly Performance Information
- Three-Year Rolling Plan for 2017/18 to 2019/20
- Recruitment and Selection Process
- Supply Chain Management
- Review of the Letters of Authority
- Revenue and Expenditure Process
- Audit of Pre-determined Objectives
- Review of the quarterly financial statements
- Review of the Annual Financial Statements

Furthermore, internal audit performed ad-hoc review as per management's request and approved by the Audit and Risk Committee. The ad-hoc reviews performed are as follows:

- Review of the Letters of Authority
- Asset Bidding Review
- Review of the Appointment of Service Providers
- Review of Policies.



External Auditors

The Audit and Risk Committee has invited the Auditor-General, who is the external auditors of the GPF, to all its meetings during the period under review. The committee is satisfied that it has complied with its legal, regulatory and other responsibilities and has reviewed and approved the engagement letter, the audit plan and the budget for external audit for the period under review.

Further, the committee has reviewed and discussed the audited annual financial statements with the Auditor-General and the Trustees. The Committee has reviewed the Auditor-General's management report and management's response thereto. We have also reviewed the accounting policies and practices and considered the appropriateness of the accounting policies and any changes made.

In-Year Management and Monthly/Quarterly Report

The GPF has submitted four quarterly reports to the Executive Authority.

Evaluation of Financial Statements

The Committee has reviewed the annual financial statements prepared for the year ended 31 March 2018 and the Committee has satisfied itself that these statements were prepared in accordance with the South African Standards of GRAP issued by the South African Accounting Standards Board and have complied in all material respects with the requirements of the PFMA.

Auditor's Report

We have reviewed the GPF's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

The Audit and Risk Committee concurs and accepts the conclusions of the external auditor on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.



Nangamso Maponya
Chairperson of the Audit Committee
Gauteng Partnership Fund

PART D



HUMAN RESOURCES MANAGEMENT

1. INTRODUCTION

1.1. Overview of Human Resource (HR) matters at the Gauteng Partnership Fund (GPF)

The GPF has a Human Resource Management department which provides effective leadership; recruitment and selection of suitable candidates; compensation and benefits; performance management; employee relations including relationship with the trade union; training and development of employees in terms of the individual personal development plans; and support in accordance with the relevant legislation, regulations and policies to ensure appropriate human resources services across the organisation.

1.2. Set HR priorities for the year under review and the impact of these priorities

The HR focus during the year under review was to look at the following projects:

- Reward system review
- Performance Management
- Employee change readiness survey
- Signing of the Collective Agreement with the union
- HR policies review
- Staff development
- Migrating employees to the new organisational structure

1.3. Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

The main aim of the GPF workforce planning is to have employees who match their job specifications. The job specification identifies and addresses skills gaps to achieve the GPF strategic goals. During the year under review, the organisation conducted the skills audit in order to align skills to positions. The organisation is working on closing the skills gaps identified during the skills audit.

1.4. Employee performance management framework

Performance management aims to motivate and empower employees to perform their work roles effectively, to provide performance feedback, acknowledge achievements and support ongoing personal and professional development.

For the year under review, all GPF employees signed the performance agreement/contract.

The performance rewards were budgeted for in the 2017/18 financial year based on the appraisals and performances of the previous financial year (2016/17).

1.5. Employee wellness programmes

Employee wellness programmes were implemented in terms of the approved plans. On 15 June 2017, a Wellness Day was celebrated and employees were given opportunities to undergo health checks with different medical professionals. In August 2017, a free treatment massage was organised with iRelax. Female employees attended the wellness and screening test in December 2017.

1.6. Policy development

The GPF Board of Trustees established a Policy Review Committee which will review all HR policies in the 2018/19 financial year.



1.7.Highlight achievements

The GPF managed to achieve 67% of female occupation posts at senior management level. The organisation appointed Careways, a service provider to assist employees with employee wellness. GPF signed a collective agreement with the National Health Education and Allied Workers Union (NEHAWU). The entity conducted a skills audit of all GPF employees.

1.8.Challenges faced by the public entity

Five of the top challenges facing the Human Resource Department within GPF is as follows:

- **Change management:** Change management is very important as the GPF is in a transitional period. As much as change is good, but it is important how the organisation manages change.
- **Leadership development:** Creating and sustaining a successful team starts and finishes with effective leadership. Far from being a science or art, business leadership is more than just a set of skills you use to foster a productive and harmonious team environment. Leaders do not only have to lead people effectively, they have to maintain calm and focus amongst all the members of their team.

To enhance leadership ability, it is important for managers to establish themselves as role model. This way, their team looks up to them, respects their judgment and believes in their approach. Leadership development activities create opportunities to grow. This brings out the best characteristics in leaders.

- **HR effectiveness measurement:** it is critical to develop effectiveness and efficiencies on technical aspects of human resources. The next step is to develop an understanding of the core business and use combined knowledge of HR technical competencies, the business and its employees to influence the business direction, its goals and ability to perform.
- **Succession planning:** Can be an important way to identify employees who have the current skills or the potential to develop skills that can help them move up in an organisation, or on to other positions. This can also be challenging for any HR department to handle.
- **Staff retention:** Keeping staff happy and at a high retention rate is one of the key challenges that HR department needs to address.

1.9.Future HR plans/goals

HR priorities for the 2018/19 financial year are outlined below:

- To conduct a match and placement process to address the issue of skills in the organisation, thus aligning skills to functions in terms of the functional organisational structure
- Finalisation of the recruitment for the appointment of the GPF Chief Executive Officer and the Human Resource Manager
- Recruitment and filling of all vacant funded positions
- Training and development of employees in line with the training plan
- Capacitating managers to manage poor performance and incapacity
- The Human Resource Department will conduct policy workshops in order to orientate GPF employees on HR policies
- Review HR policies to align with changes in the legislations
- Introduction of the non-financial rewards and recognition
- Implementation of change management initiatives to ensure alignment of the GPF organisational culture to its values.
- Introduction of the HR performance audit in order to align the HR processes with the National HR standards



2. HUMAN RESOURCE OVERSIGHT STATISTICS

Table W: Personnel Cost by programme/activity/objective

Programme/activity/objective	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Board of Trustees	807,622.96	807,622.96	1.89%	9	89,735.88
Office of the CEO	8,626,519.81	8,626,519.81	20.23%	3	2,875,506.60
Capital Raising Department	1,957,820.23	1,957,820.23	4.59%	1	1,957,820.23
Finance Department	9,320,482.73	9,320,482.73	21.85%	11	847,316.61
Human Resource Department	1,947,492.70	1,947,492.70	4.57%	4	486,873.18
Legal, Compliance and Risk Department	4,344,174.76	4,344,174.76	10.19%	4	1,086,043.69
Marketing and Communications Department	2,215,844.84	2,215,844.84	5.20%	2	1,107,922.42
Portfolio Management Department	2,422,979.01	2,422,979.01	5.67%	2	1,211,489.51
Projects Department	10,870,212.52	10,870,212.52	25.49%	11	988,201.14
Internships	135,938.96	135,938.96	0.32%	2	67,969.48
TOTAL	42,649,088.52	42,649,088.52	100.00%	49	870,389.56

The Personnel Cost includes Board fees paid between April 2018 and June 2018, and internship stipends paid during the year under review.

Table X: Personnel Cost by salary band

Level	Personnel expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Board	807,622.96	1.89%	9	89,735.88
Top Management	12,527,789.23	29.37%	3	4,175,929.74
Senior Management	4,982,877.90	11.68%	3	1,660,959.30
Professional Qualified	14,734,451.08	34.55%	9	1,637,161.23
Skilled	5,785,642.88	13.57%	10	578,564.29
Semi-skilled	3,345,990.02	8.62%	13	282,674.27
Unskilled	328,775.49	0.00%	0	0.00
Interns	135,938.96	0.32%	2	67,969.48
TOTAL	42,649,088.52	100.00%	49	870,389.56



2.3. Performance Rewards

The performance rewards were budgeted for in the 2017/18 financial year based on the appraisals and performances of the previous financial year (2016/17).

Table Y:

Programme/activity/objective	Performance rewards	Personnel expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	1,701,541	12,527,789.23	13.6
Senior Management	423,844	4,982,877.90	8.5
Professional Qualified	1,487,499	14,734,451.08	10.1
Skilled	507,093	5,785,642.88	8.8
Semi-skilled	260,083	3,345,990.02	7.8
Unskilled	0	328,775.49	0.0
Interns	0	135,938.96	0.0
TOTAL	4,380,060	42,649,088.52	10.3

2.4. Training Costs

Skills Development at GPF is done through various interventions such as training (short courses) and bursaries. These interventions contribute to the improvement of organisational performance, talent attraction and staff retention.

Table Z:

Programme/activity/objective	Training expenditure (R'000)	No. of employees trained	Avg. training cost per employee
Bursaries	148,541.90	8	18,567.74
NQF aligned/skills programmes	311,765.16	6	51,960.86
Non-NQF aligned courses/skills programmes	77,544.80	10	7,754.48
Internships	135,938.96	4	33,984.74
AET	0.00	0	0

2.5. Employment and vacancies

The table below summarises the number of posts per business unit, the number of employees and the vacancy rate. The vacancy rate reflects the percentage of vacant posts in relation to the approved posts in all business units within the GPF.



Table AA:

Programme/activity/objective	2016/17 No. of Employees	2016/17 Approved Posts	2017/18 No. of Employees	2017/18 Vacancies	% of Vacancies
Office of the CEO	2	3	3	0	00.0%
Capital Raising Department	1	0	1	0	00.0%
Finance Department	8	10	11	0	00.0%
Human Resource Department	4	5	4	1	20.0%
Legal, Compliance and Risk Department	4	4	4	0	00.0%
Marketing and Communications Department	2	2	2	0	00.0%
Portfolio Management Department	2	2	2	0	00.0%
Projects Department	8	10	11		00.0%
Internships	8	11	2	9	77.8%
TOTAL	39	47	40	9	22.5%

The table below summarises the number of posts, the number of employees and the vacancy rate. The vacancy rate reflects the percentage of vacant posts in relation to the approved posts.

Table AB:

Programme/activity/objective	2016/17 No. of Employees	2016/17 Approved Posts	2017/18 No. of Employees	2017/18 Vacancies	% of Vacancies
Top Management	3	3	3	1	33.3%
Senior Management	3	3	3	0	0.00%
Professional Qualified	11	11	11	1	9.09%
Skilled	7	8	10	1	10.0%
Semi-skilled	6	6	8	0	0.00%
Unskilled	1	1	1	0	0.00%
Interns	8	11	2	9	81.8%
Temporary Employees	0	0	2	0	0.00%
TOTAL	39	43	40	12	16.77%

2.6. Employment changes

GPF has a very stable workforce with a low employee turnover rate. The table below summarises the employment changes during the 2017/18 year.



Table AC:

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	0	1	1	3
Senior Management	0	0	0	3
Professional Qualified	0	0	0	11
Skilled	0	0	0	10
Semi-skilled	0	4	0	8
Unskilled	0	0	0	1
Interns	0	0	2	2
Temporary Employees	0	0	0	2
Total	0	5	3	40

2.7.Reasons for staff leaving

One employee resigned during the year under review.

Table AD:

Reason	Number	% of total no. of staff leaving
Death	0	0.00%
Resignation	1	2.50%
Dismissal	0	0.00%
Retirement	0	0.00%
Ill health	0	0.00%
Expiry of contract	0	0.00%
Other	0	0.00%
Total	1	2.50%

2.8.Labour Relations: misconduct and disciplinary action

The table summarises the misconduct and disciplinary action for the year under review.

Table AE:

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	0
Dismissal	0
Total	1



2.9. Equity Target and Employment Equity Status

The tables below shows the number of staff according to gender and disability status.

Table AF:

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0
Professional Qualified	3	0	2	0	2	0	0	0
Skilled	5	0	0	0	0	0	0	0
Semi-skilled	1	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Temp Staff	0	0	0	0	0	0	0	0
Interns	2	0	0	0	0	0	0	0
TOTAL	13	0	2	0	2	0	0	0

Table AG:

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	1	0	0	0
Senior Management	2	0	0	0	0	0	0	0
Professional Qualified	2	0	0	0	0	0	1	0
Skilled	3	0	0	0	0	0	2	0
Semi-skilled	5	0	2	0	0	0	0	0
Unskilled	1	0	0	0	0	0	0	0
Temp Staff	2	0	0	0	0	0	0	0
Interns	0	0	0	0	0	0	0	0
TOTAL	16	0	2	0	1	0	3	0

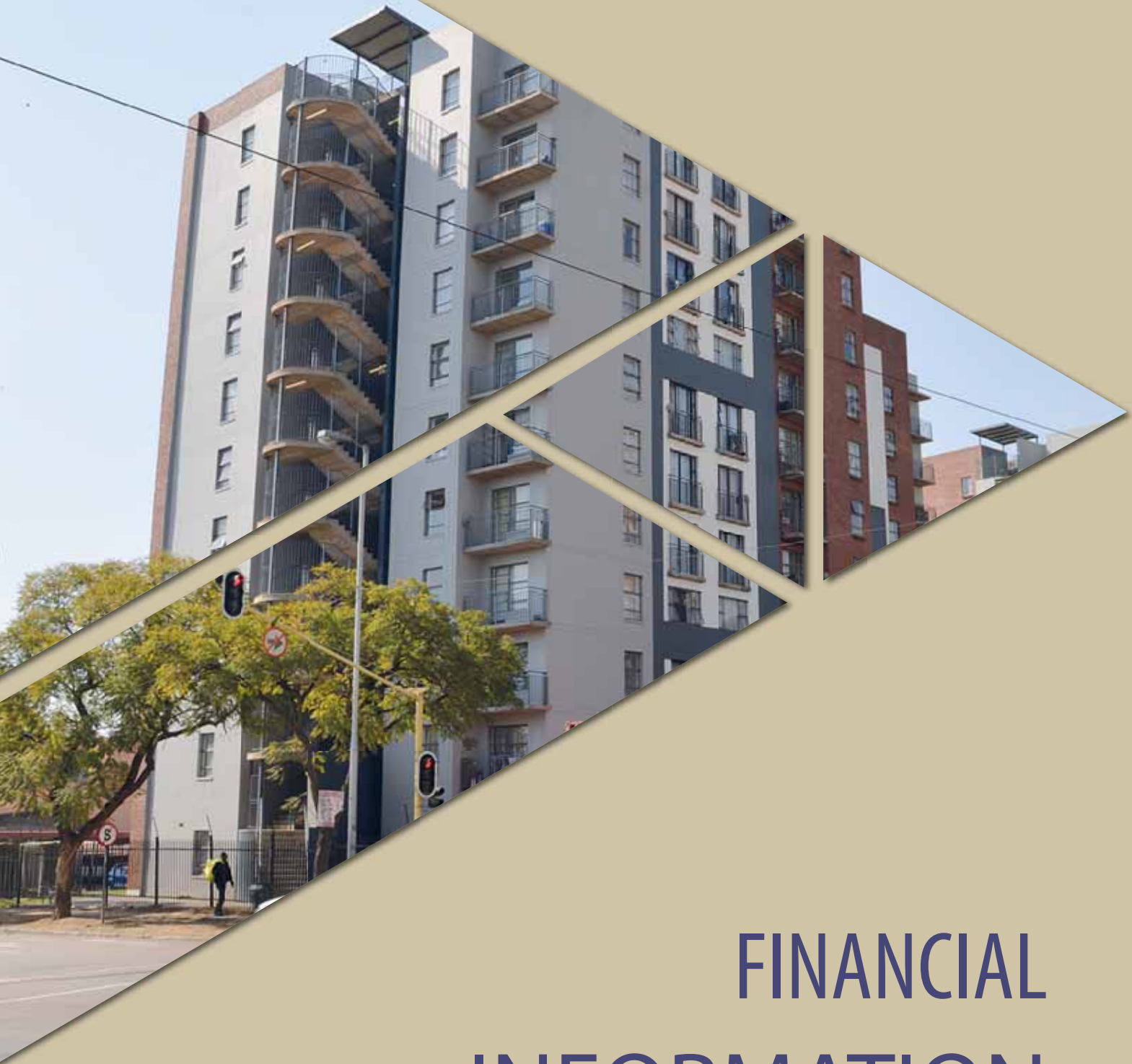


Table AH:

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	0	0	0	0



PART E



FINANCIAL INFORMATION



Report of the auditor-general to Gauteng Provincial Legislature on the Gauteng Partnership Trust trading as the Gauteng Partnership Fund

Report on the audit of the financial statements

Opinion

1. I have audited the annual financial statements of the Gauteng Partnership Fund set out on pages 82 to 163, which comprise statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as the 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 Gauteng Partnership Fund as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No 1 of 1999) (PFMA)

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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the 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.

Responsibilities of accounting authority for the financial statements

6. The accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the annual financial statements, the accounting authority is responsible for assessing the Gauteng Partnership Fund'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 accounting authority either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.



Auditor-general's responsibilities for the audit of the financial statements

8. 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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the public entity. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the public entity for the year ended 31 March 2018.

Programmes	Pages in the annual performance report
Programme 1: Capital Raising and Fund Management	44 - 45
Programme 2: Mega Project Implementation	45
Programme 3: Property Management and Maintenance	46

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programmes.



Other matters

15. I draw attention to the matters below.

Achievement of planned targets

16. Refer to the annual performance report on pages 27 to 50 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a significant number of targets.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 1: Capital raising and fund management and Programme 3: Property management and maintenance. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

18. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. I did not identify material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.



Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Johannesburg

31 July 2018



AUDITOR-GENERAL
SOUTH AFRICA

Auditina to build public confidence



Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the statements, and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with respect to the selected subject matters.

Financial statements

2. 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 public entity's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority.
 - conclude on the appropriateness of the accounting authority's 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 related to events or conditions that may cast significant doubt on the Gauteng Partnership Fund's ability 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 the 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 public entity to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority 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.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



Gauteng Partnership Trust

(Registration number IT2422/02)

Trading as Gauteng Partnership Fund

Annual Financial Statements for the year ended 31 March 2018

Report of the Trustees

The members submit their report for the year ended 31 March 2018.

1. Review of activities

Main business and operations

The GPF's revised mandate goes beyond its previous focus of providing financing solutions for social and affordable housing. Based on strategic priorities of the GDHS, the key challenges of implementing Mega Projects and the strengths of the GPF as explained in this Strategic Plan, the mandate of the GPF has been revised to serve as the GDHS capital raising and implementing agent of identified Mega Projects in the Gauteng Province. It is important to emphasise that the capital raising element involves raising the funds required for the overall mixed-use development of a Mega Project, i.e. human settlements as well as social and economic amenities.

The revised Vision of the organisation "GPG's co-funder and enabler of Mega Projects in Gauteng", adopted at a strategy session in October 2017 succinctly encapsulates the revised mandate. This revised mandate will be implemented through the following four (4) core functions:

1. Raise and manage the capital required for successful implementation of identified Mega Projects in the Gauteng Province.
2. Provide project management support for the successful implementation of identified Mega Projects in the Gauteng Province.
3. Manage identified strategic brownfield developments that improve existing settlements, generates the additional revenue required by GPF and contributes to capital raising targets.
4. Serve as a turnkey developer for identified Mega Projects to be developed on strategic public land.

On 24 March 2016, the MEC: Gauteng Human Settlements instructed that the GPF review its corporate form to enable it to efficiently execute its mandate.

The change in mandate includes, among others, the review of the legal structure and corporate form of GPF, with specific intent to dissolve the Gauteng Partnership Trust and establish GPF as either a State-Owned Company (SOC) or a Statutory Entity established through provincial legislation, and seek approval for the listing of the GPF as a PFMA Schedule 3D listed Provincial Government Business Enterprise. The legal, taxation and financial implications and benefits of the corporate form options are currently being investigated and once concluded, the business case will be developed for submission to Treasury. This is still in progress.

2. Statements of responsibility

The Trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Trust as at the end of the financial period and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the basis of preparation as detailed in Note 1 of the accounting policies note to the financial statements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the GPF and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the Trustees set standards for internal control aimed at reducing the risk error or loss 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.

The Trustees are of the opinion, based on information and explanations given by management that the system of internal control provides reasonable, but not absolute, assurance that the financial records may be relied on for the preparation of the financial statements. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.



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Annual Financial Statements for the year ended 31 March 2018

Report of the Trustees

3. Subsequent events

Subsequent to year-end the Trust received R160,083,204 from Aspari (Pty) Ltd and R8,250,103 from Future Growth Asset Management (Pty) Ltd. (Refer to note 5&30).

The Trustees are not aware of any other matter or circumstance arising since year-end.

4. Going concern

The financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the Trust will continue in operation for the foreseeable future.

5. Property, plant, equipment and intangibles

During the year, the Trust purchased property, plant and equipment and intangibles assets to the value of R4,525,348 (2017: R1,228,296).

6. Secretary

Although the entity is not enjoined to appoint a Company Secretary in terms of the Trust Property Control Act, in its endeavour to comply with good corporate governance principles, the Board of Trustees has appointed a Company Secretary to assist them with the implementation of corporate governance in the entity.

7. Trustees

Name	Nationality	Date of appointment/resignation
L Mthimunya - Bakoro (Chairperson)	Independent Non-Executive South African	Appointed 17 October 2016
Z Hill	Independent Non-Executive South African	Appointed 2 August 2018
M Kganedi	Independent Non-Executive South African	Appointed 2 August 2018
R Kalidass	Independent Non-Executive South African	Appointed 17 October 2016
E Kubeka	Independent Non-Executive South African	Appointed 17 October 2016
M Lehobye	Independent Non-Executive South African	Resigned 30 September 2017
D Maphatiane	Independent Non-Executive South African	Resigned 30 June 2017
M Maponya	Independent Non-Executive South African	Appointed 1 April 2017
G Makhubo (Acting Chief Executive Officer)	Independent Non-Executive South African	Appointed 1 July 2017, as acting Chief Executive Officer 23 October 2017
C Motsepe (Deputy Chairperson)	Independent Non-Executive South African	Appointed 17 October 2016
P Mphahlele	Independent Non-Executive South African	As Trustee 1 December 2008, as Chairperson 1 June 2012, resigned as Chairperson on 17 October 2016
B Muvevi (Chief Executive Officer)	Executive South African	Resigned 31 December 2017
B Nzo	Independent Non-Executive South African	Appointed 17 October 2016
T Sukazi	Independent Non-Executive South African	Appointed 17 October 2016

The following are further sub-committees of the Board of Trustees:



Gauteng Partnership Trust

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Trading as Gauteng Partnership Fund

Annual Financial Statements for the year ended 31 March 2018

Report of the Trustees

M Maponya (Chairperson) (With effect from 1 October 2017)

Z Hill

R Kalidass

M Lehobye (Chairperson) (Resigned 30 September 2017)

D Maphatiane (Resigned 30 June 2017)

T Sukazi

Investment Committee

C Motsepe (Chairperson)

L Mthimunya - Bakoro

G Makhubo

P Mphahlele

B Muvevi (Resigned 31 December 2017)

B Nzo

Funding Committee

T Sukazi (Chairperson)

M Lehobye (Resigned 30 September 2017)

G Makhubo (Acting Chief Executive Officer)

N Maponya

L Mthimunya - Bakoro

B Muvevi (Resigned 31 December 2017)

Human Resources and Remuneration Committee

R Kalidass (Chairperson) (With effect from 1 July 2017)

D Maphatiane (Resigned as Chairperson on 30 June 2017)

M Kganedi

G Makhubo (Resigned 1 October 2018)

C Motsepe

P Mphahlele

B Nzo

At reporting date, Trust assets were sufficient to meet the Trustee's right of indemnity out of the Trust's assets for liabilities incurred on behalf of the Trust.



Gauteng Partnership Trust

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Annual Financial Statements for the year ended 31 March 2018

Report of the Trustees

8. Irregular expenditure

During the year, the Trust incurred irregular expenditure of R1,785,552 (not condoned) for not inviting competitive bids in the appointment of service providers. The condonation for this expenditure is in process. (Refer to note 37).

9. Auditors

Auditor-General South Africa will continue in office for the next financial period.

10. Restatement

In the previous financial year, the GPF made a payment to a service provider in the amount of R3,591,000 in instances where not all the service deliverables had been properly met in accordance with the Service Level Agreement (SLA) with the service provider. Subsequent to the discovery of the payment, the GPF then instituted an investigation to determine the root cause of the payment and the circumstance that resulted in the payment without compliance with some elements of the SLA. The matter is in litigation. (Refer note contingent asset 36).

11. Provision for bad debts

The provision for bad debts increased from R9,157,265 to R17,692,763 (Refer notes 3).

During the year bad debts of R5,728 (2017: R11,551,063) were written off. (Refer note 32).

12. Contingencies

As at year-end, the entity had a matter in dispute with a service provider that is in litigation. The amount of the entity's claim is R3,591,000.00. The timing for receipt cannot be reliably determined. (Refer note 4 - prepayment and error note - 35).

As at year-end, the entity had a matter in dispute with a service provider that is in litigation. The service provider has a counterclaim in the amount of R8,500,000. The timing for payment (if any) cannot be reliably determined.

13. Going concern

The financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future.

The annual financial statements set out on pages 85 to 164 which have been prepared on the going concern basis, were approved by the Board of Trustees on 31 July 2018 and were signed on its behalf by:

Mr Geoffrey Makhubo
Acting Chief Executive Officer

Ms Lindiwe Mthimunya - Bakoro
Chairperson



Gauteng Partnership Trust

(Registration number IT2422/02)

Trading as Gauteng Partnership Fund

Annual Financial Statements for the year ended 31 March 2018

Statement of Financial Position

Figures in Rand	Note(s)	2018	2017
Assets			
Current Assets			
Cash and cash equivalents	2	650 474 318	870 678 350
Current portion - loans and receivables from exchange transactions	3	61 891 967	39 794 928
Receivables from exchange transactions	4	34 477 459	6 528 539
Loans and receivables held-for-trade	5	190 251 280	164 347 505
		937 095 024	1 081 349 322
Non-Current Assets			
Property, plant and equipment	6	5 351 438	2 443 879
Intangible assets	7	215 626	46 305
Loans and receivables from exchange transactions	3	718 938 540	592 112 672
Receivables from exchange transactions - non-current	4	3 591 000	3 591 000
		728 096 604	598 193 856
Total Assets		1 665 191 628	1 679 543 178
Liabilities			
Current Liabilities			
Conditional grants realised	8	-	135 331 887
Finance lease obligation	9	79 494	242 363
Operating lease liability	12	225 827	-
Payables from exchange transactions	10	153 892 446	255 371 323
Provisions	11	5 459 255	4 936 637
		159 657 022	395 882 210
Non-Current Liabilities			
Finance lease obligation	9	112 296	9 454
Operating lease liability	12	-	182 341
		112 296	191 795
Total Liabilities		159 769 318	396 074 005
Accumulated surplus		1 505 422 310	1 283 469 173
Total Net Assets		1 665 191 628	1 679 543 178



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Statement of Financial Performance

Figures in Rand	Note(s)	2018	2017
Revenue	13	329 472 159	469 504 384
Other income	15	11 775 292	19 619 502
Operating expenses		(96 106 039)	(69 556 244)
Operating surplus	16	245 141 412	419 567 642
Fair value adjustments	17	(18 710 151)	(42 758 500)
Impairment (loss) of loans and receivables from exchange transactions	18	(4 456 722)	(4 142 626)
Finance costs	19	(21 402)	(66 283)
Surplus for the year		221 953 137	372 600 233



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Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2016	910 868 940	910 868 940
Changes in net assets		
Surplus for the year as restated (Refer to Note 35)	372 600 233	372 600 233
Total changes	372 600 233	372 600 233
Balance at 01 April 2017	1 283 469 173	1 283 469 173
Changes in net assets		
Surplus for the year	221 953 137	221 953 137
Total changes	221 953 137	221 953 137
Balance at 31 March 2018	1 505 422 310	1 505 422 310



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Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Receipts			
Cash receipts - from borrowers		118 416 754	85 886 903
Cash receipts - interest from banks		55 713 453	47 448 790
DTI grant received	14	444 685	1 605 469
Government grants received	8	49 371 415	191 068 638
Gauteng Department of Human Settlements		-	135 669 567
		223 946 307	461 679 367
Payments			
Employee costs		(41 746 708)	(37 123 063)
Suppliers		(33 987 306)	(29 720 914)
Finance costs	18	(21 402)	(66 283)
Gauteng Department of Human Settlements		(145 524 333)	-
Guarantees paid		-	(873 490)
Cash paid to borrowers		(218 132 257)	(336 777 405)
		(439 412 006)	(404 561 155)
Net cash flows from operating activities	27	(215 465 699)	57 118 212
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(4 295 871)	(1 228 296)
Proceeds from sale of property, plant and equipment	6	36 587	151 813
Purchase of other intangible assets	7	(229 477)	-
Net cash flows from investing activities		(4 488 761)	(1 076 483)
Cash flows from financing activities			
Finance lease payments		(249 572)	(411 923)
Net (decrease)/increase in cash and cash equivalents		(220 204 032)	55 629 806
Cash and cash equivalents at the beginning of the year		870 678 350	815 048 544
Cash and cash equivalents at the end of the year	2	650 474 318	870 678 350



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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Expenditure

Personnel	(49 176 976)	-	(49 176 976)	(41 746 708)	7 430 268	Refer to note 29
Repairs and maintenance	(3 268 100)	-	(3 268 100)	(1 676 779)	1 591 321	Refer to note 29
General Expenses	(70 585 529)	-	(70 585 529)	(32 581 501)	38 004 028	Refer to note 29
Total expenses	(123 030 605)	-	(123 030 605)	(76 004 988)	47 025 617	

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	10 120 471	-	10 120 471	4 525 348	(5 595 123)	Refer to note 29
Total Assets	10 120 471	-	10 120 471	4 525 348	(5 595 123)	

Liabilities

Current Liabilities

Operating lease liability	-	-	-	225 827	225 827	
Total Liabilities	-	-	-	225 827	225 827	

Cash Flow Statement

Cash flows from operating activities

Payments

Employee costs	(49 176 976)	-	(49 176 976)	(41 746 708)	7 430 268	Refer to statement of cash flows
Suppliers	(73 853 629)	-	(73 853 629)	(34 258 280)	39 595 349	Refer to statement of cash flows
Net cash flows from operating activities	(123 030 605)	-	(123 030 605)	(76 004 988)	47 025 617	

Cash flows from investing activities

Purchase of property, plant and equipment	(10 120 471)	-	(10 120 471)	(4 525 348)	5 595 123	Refer to statement of cash flows
Net decrease in cash and cash equivalents	(133 151 076)	-	(133 151 076)	(80 530 336)	52 620 740	Refer to note 29



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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

The following GRAP Standards have been applied where applicable in the annual financial statements:

1) Reference	Topic
GRAP 1	Presentation of Financial Statements (as revised in 2010)
GRAP 2	Cash Flow Statements (as revised in 2010)
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors (as revised in 2010)
GRAP 4	The Effects of Changes in Foreign Exchange Rates (as revised in 2010) (Not applicable to GPF)
GRAP 5	Borrowing Costs (as revised in September 2013) (Not applicable to GPF)
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates (as revised in March 2012) (Not applicable to GPF)
GRAP 8	Interests in Joint Ventures (Not applicable to GPF)
GRAP 9	Revenue from Exchange Transactions (as revised in 2010)
GRAP 10	Financial Reporting in Hyperinflationary Economies (as revised in 2010) (Not applicable to GPF)
GRAP 11	Construction Contracts (as revised in 2010) (Not applicable to GPF)
GRAP 12	Inventories (as revised in 2010) (Not applicable to GPF)
GRAP 13	Leases (as revised in 2010)
GRAP 14	Events after the Reporting Date (as revised in 2010)
GRAP 16	Investment Property (as revised in 2010) (Not applicable to GPF)
GRAP 17	Property, Plant and Equipment (as revised in 2010)
GRAP 18	Segment reporting (Not applicable to GPF)
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets (as revised in 2010)
GRAP 20	Related Party Disclosures
GRAP 21	Impairment of Non-cash-generating Assets (Not applicable to GPF)
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits (Not applicable to GPF)
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture (Not applicable to GPF)
GRAP 31	Intangible Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations (as revised in 2010) (Not applicable to GPF)
GRAP 103	Heritage Assets (Not applicable to GPF)
GRAP 104	Financial Instruments
GRAP 105	Transfers of functions between entities under common control
GRAP 106	Transfers of functions between entities not under common control
GRAP 107	Mergers

2) Directives issued and applied:

Reference	Topic
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 2	Transitional Provisions for the Adoption of Standards of GRAP by Public Entities, Municipal Entities and Constitutional Institutions
Directive 3	Amended Transitional Provisions for High Capacity Municipalities
Directive 4	Amended Transitional Provisions for Medium and Low Capacity Municipalities
Directive 5	Determining the GRAP Reporting Framework
Directive 6	Transitional Provisions for Revenue Collected by the South African Revenue Service (SARS) (Not applicable to GPF)
Directive 7	The Application of Deemed Cost on the Adoption of Standards of GRAP (Not applicable to GPF)
Directive 8	Transitional Provisions for parliament and Provincial Legislatures (Not applicable to GPF)
Directive 9	Transitional Provisions for parliament and Provincial Legislatures (Not applicable to GPF)
Directive 10	Application of the standard of GRAP by the Public Further and Education Training Colleges (Not applicable to GPF)



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Accounting Policies

Directive 11 Changes in the Measurement Bases following the Initial Adoption of the Standards of GRAP (Not applicable to GPF)

3) Interpretations of the Standards of GRAP approved that are applied:

Reference	Topic
IGRAP 1	Applying the Probability Test on Initial Recognition of Exchange Revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities (Not applicable to GPF)
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (Not applicable to GPF)
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies (Not applicable to GPF)
IGRAP 6	Loyalty Programmes (Not applicable to GPF)
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Not applicable to GPF)
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions (Not applicable to GPF)
IGRAP 9	Distributions of Non-cash Assets to Owners (Not applicable to GPF)
IGRAP 10	Assets Received from Customers (Not applicable to GPF)
IGRAP 11	Consolidation - Special Purpose Entities
IGRAP 12	Jointly Controlled Entities - Non-Monetary Contributions
IGRAP 13	Operating Leases – Incentives (Not applicable to GPF)
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services (Not applicable to GPF)
IGRAP 16	Intangible Assets - Website Costs

4) Approved guideline of Standards of GRAP that are applied:

Reference	Topic
Guide 1	Guideline on Accounting for Public Private Partnerships (Not applicable to GPF)

5) Effective IFRS and IFRICs that entities applied:

Reference	Topic
IFRS 4 (AC 141)	Insurance Contracts (Not applicable to GPF)
IFRS 6 (AC 143)	Exploration for and Evaluation of Mineral Resources (Not applicable to GPF)
IAS 12	Income Taxes
IFRIC 12 (AC 445)	Service Concession Arrangements (Not applicable to GPF)
SIC – 25 (AC 425)	Income Taxes changes in the Tax Status of an Entity or its Shareholders (Not applicable to GPF)
SIC – 29 (AC 429)	Service Concession Arrangements – Disclosures (Not applicable to GPF)
IFRIC 21	Levies (Not applicable to GPF)

6) Standards of GRAP approved, but for which the Minister of Finance has not yet determined an effective date: These accounting standards have been considered (where applicable) in the formulation of the accounting policies:

Reference	Topic
GRAP 32	Service Concession Arrangements: Grantor (Not applicable to GPF)
GRAP 108	Statutory Receivables (Not applicable to GPF)
GRAP 109	Accounting by Principal and Agents (No effect since the GPF is accounting in accordance with the standard)
IGRAP 17	Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset (Not applicable to GPF)

7) Standards of GRAP that an entity may use to disclose information in its financial statements:

Reference	Topic
GRAP 20	Related Party Disclosures

8) Directives approved by the Board, which are not yet effective, but can be early adopted:

Reference	Topic
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities



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Accounting Policies

1.1 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:

Receivables from exchange transactions

The entity assesses its receivables from exchange transaction and loans and receivables from exchange transactions for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Trust makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows of a financial asset.

The impairment for receivables from exchange transaction and loans and receivables from exchange transactions is calculated on an individual basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These interim loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Financial instruments at fair value

The entity follows the guidance of GRAP 104 to determine when a financial instrument at fair value is impaired. This determination requires significant judgment. In making this judgment, the entity evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If all of the declines in fair value below cost were considered significant or prolonged, the entity would suffer an additional deficit being a reclassification adjustment of the fair value adjustments previously recognised in other comprehensive income and accumulated in equity on the impaired financial instruments at fair value financial assets to surplus or deficit.

Fair value estimation

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values.

The carrying amount of financial instruments at fair value would be estimated lower or higher where the discounted rate used in the discount cash flow analysis differs by 10% from management's estimates.

Options granted

Management used the Black Scholes model to determine the value of the options at issue date. Additional details regarding the estimates are included in the financial instruments at fair value and the option note.

Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosures of these estimates of provisions are included in notes 3, 11, - Provisions.

Taxation

The Trust was granted tax exemption status by the South African Revenue Service in terms of Section 30 of the Income Tax Act, and receipts and accruals are exempt from income tax in terms of Section 10 (1) (CN) of the Income Tax Act. The status quo was applicable for the 2017 year. The Trust is not registered for Value Added Tax (VAT).



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Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Effective interest rate

The entity used the prime interest rate to discount future cash flows. The entity then used the effective interest rate to write back the discounted cash flows so that the loan term is equal to the amount initially recognised.

Useful life of property, plant and equipment

The entity's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment. This estimate is based on management's experience using the assets. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Useful life of intangible assets

The entity's management determines the estimated useful lives and related amortisation charges for the intangible assets. This estimate is based on management's experience using the assets. Management will increase the amortisation charge where useful lives are less than previously estimated useful lives.

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current 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 period.

The cost of an item of property, plant and equipment is recognised and depreciated 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.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

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.

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 is subsequently carried at cost less accumulated depreciation and any impairment losses. After each quarterly asset count, the Trust assesses property, plant and equipment for impairment. If there are any indications of impairment the Trust estimates the recoverable service amount of the asset. If the asset's carrying value exceeds its recoverable amount, the asset is impaired. In the assessing whether there is any indication that an asset may be impaired, the Trust considers all sources of information. The impairment loss is charged as an expense in the Statement of Financial Performance.

Depreciation is recognised in the Statement of Financial Performance and is calculated on a straight-line basis over the estimated useful life of the asset. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	4, 6 and 10 years
Motor vehicles	Straight line	10 years
Office equipment	Straight line	2 to 7 years
Computer equipment	Straight line	2 to 6 years
Leasehold improvements	Straight line	6 years

The useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

The depreciation charge for each period is recognised in surplus or deficit.

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.



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Accounting Policies

1.2 Property, plant and equipment (continued)

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.

1.3 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.

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

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 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 brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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	Useful life
Computer software	2 to 5 years

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 an intangible assets is included in surplus or deficit when the asset is derecognised.



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Accounting Policies

1.4 Financial instruments

Classification

The entity classifies financial assets and financial liabilities into the following categories:

- Loans and receivables at amortised cost
- Financial instruments at fair value

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial Recognition

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

Loans and receivables are concessionary loans and are measured initially at fair value by comparing the loan discounted rates given to market related rates. The discount given is account for are a social benefit adjustment loss through surplus or deficit.

Subsequent measurement

Loans and receivables are concessionary loans and are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Receivables from exchange transaction

Receivables from exchange transactions are subsequently measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Loans and receivables from exchange transactions

Loans and receivables are concessionary loans and are initially recognised at fair value by comparing the loan discounted rates given to market related rates. The discount given is account for as a social benefit adjustment loss through surplus or deficit. Loans and receivables from exchange transactions are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Subsequently, these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Loans and receivables held-for-trade

Loans and receivables held-for-trade are instruments incurred principally for the purpose of selling it in the short-term. Loans and receivables held-for-trade are initially and subsequently recognised at cost which approximates fair value. Loans and receivables held-for-trade are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market.

Impairment of Financial Instruments

At each end of the reporting period the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as financial assets at fair value, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for financial instruments at fair value, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.



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Accounting Policies

1.4 Financial instruments (continued)

The Trust assesses its loans and receivables from exchange transactions at each statement of financial position date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A loan or receivable is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss or event has an impact on the estimated future cash flows of the loan. Evidence of impairment may include indications that the debtor or group of debtors is experiencing significant financial difficulty, default or delinquency interest or principle payments, the probability that they will enter bankruptcy and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrear or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the original interest rate from financial asset. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of collateral type and past due status. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed, shall not exceed what the amortised cost would have been had the impairment not been recognised. In determining whether an impairment allowance should be recorded in the statement of financial position, the Trust makes judgments as to whether there is objective evidence that the asset might be impaired. The impaired allowance is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the original effective rate from a financial asset. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Criteria used to determine the objective evidence would include financial analysis and non-compliance with the loan agreement. Objective evidence would include a significant or prolonged decline in the fair value of the loan below its cost.

When a receivable from exchange transactions is un-collectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against income in the statement of financial performance. Gains or losses from the amortisation process are recognised in the surplus or deficit. Receivables from exchange transaction are classified as loans and receivables from exchange transactions. Gains and losses are recognised in the statement of financial performance when the receivables from exchange transaction are derecognised or impaired, as well as through the amortisation process.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as financial instruments at fair value.

Impairment losses are also not subsequently reversed for financial instruments at fair value which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Assets past due or impaired that have been renegotiated

The GPF bases this renegotiation on the results of project monitoring including financial analysis, non-compliance with the loan agreement and representations from the borrower.

Impairment of financial assets

Receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in 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 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.



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1.4 Financial instruments (continued)

Payables from exchange transactions

Gains and losses from the amortisation process are recognised in the statement of financial performance when the trade and other payables are derecognised.

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 amounts are initially measured at amortised cost and subsequently recorded at fair value.

Loans and receivables held-for-trade

Loans and receivables are classified as held-for-trade if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Management is committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Loans and receivables held-for-trade are measured at cost which approximates the fair value.

Financial instruments at fair value

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

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

A derivative is a financial instrument or other contract within the scope of the standard with all three of the following characteristics:

- a) Its value in response to the change in a specified interest rate, financial instruments price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;
- b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- c) it is settled at a future date.

The put/call option is considered a derivative financial instrument due to the following:

- a) the put/call option's value changes in response to the financial instruments price being the change in the fair value of the equity investments year on year;
- b) the put/call option required no initial net investment in terms of the shareholders agreement; and
- c) the call option was exercised.

Derecognition

Financial instruments are derecognised when the obligation becomes fulfilled. Any surplus or deficit is recognised through surplus or deficit

1.5 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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.



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1.5 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets in the statement of changes in net assets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of changes in net assets as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the prime lending rate at the inception of the lease.

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

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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 liability.

1.6 Subsequent events

Events after the reporting date, are those events both favourable and unfavourable that occur between the reporting date and the date when the financial statements are authorised for issue, and are treated as follows:

- The entity shall adjust the amounts recognised in its annual financial statements to reflect adjusting events after the reporting date for those events that provide evidence that provide evidence of conditions that existed at the reporting date, and

- The entity shall not adjust the amounts recognised in its annual financial statements to reflect non-adjusting events after the reporting date for those events that are incident of conditions that arose after the reporting date.

1.7 Prior period errors

Errors in the preparation of the financial statements of one or more prior periods may be discovered in the current period.

These errors may occur as a result of:

- mathematical mistakes;
- mistakes in applying accounting policies or in the interpretation of facts;
- oversight.

The correction of these errors that relate to prior periods requires the restatement of the comparative information. The financial statements, including the comparative information for prior periods, is presented as if the error had been corrected in the period in which it was made.

1.8 Impairment of non-cash-generating assets

Cash-generating assets are assets managed with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

Non-cash-generating assets are assets other than cash-generating assets.



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

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 changes in net assets after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

1.9 Deferred income

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

Deferred income represents the amounts of government grants not yet disbursed. (Refer to note 1.13).

1.10 Employee benefits

Short-term employee benefits

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

A provision is made for the estimated liability as a result of services rendered by employees up to reporting date. Provisions included in the statement of financial position are provisions for leave and bonuses (based on current salary rates).

No provision has been made for retirement benefits as the Trust does not provide for retirement benefits for its employees.

1.11 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 the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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.



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1.11 Provisions and contingencies (continued)

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent liabilities and assets are not recognised. Contingencies are disclosed in note 35 and 36.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The GPF recognises a loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

1.12 Revenue from exchange transactions

Interest received is an exchange transaction for loan given out. Interest received approximates equal value to the other party in exchange.

Interest received from exchange transactions is recognised, in surplus or deficit, and is subsequently measured using the effective interest rate method.

1.13 Revenue from non-exchange transactions

Government grants

Interest earned from government grants is accumulated and used for the Trusts mandate.

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue from non-exchange transactions is recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

Revenue is measured at the fair value of the consideration received or receivable.

1.14 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).



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1.14 Accounting by principals and agents (continued)

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

The GPF is the implementing agent for mega projects for the Gauteng Provincial Department of Human Settlements. The GPF also administers institutional subsidies on behalf of Gauteng Provincial Department of Human Settlements. As such, funds received for mega projects and institutional subsidies during the financial year is accounted for as a payables from exchange transactions and the corresponding cash deposits received are accounted for as cash and cash equivalents. (Refer note 2 & 10).

Recognition

The GDHOS entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The GPF 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.

The GPF entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.15 Borrowing costs

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

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

1.16 Irregular and fruitless and wasteful expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) the State tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year-end and which was condoned before year-end and/or before finalisation of the annual financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the annual financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the annual financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the annual financial statements must be updated with the amount condoned.



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1.16 Irregular and fruitless and wasteful expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the Accounting Officer or Accounting Authority may write off the amount as debt impairment and disclose such in the relevant note to the annual financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the annual financial statements and updated accordingly in the irregular expenditure register.

1.17 Budget information

GPF is subject to budgetary limits in the form budget authorisations, which is given effect through its authorising body, the Board.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

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

The approved budget covers the fiscal period from 2017/04/01 to 2018/03/31.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation has been included with the budgeted amounts for the reporting period have been included in the Statement of Comparison of Budget and Actual amounts.

1.18 Related parties

The GPF operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the Trust, including those charged with the governance of the Trust in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by management in their dealings with the Trust.

1.19 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

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

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such an estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.20 Going concern assumptions

The Trustees have every reason to believe that the Trust has adequate resources in place to continue in operation for the foreseeable future due to it being the implementing agent of Mega Projects for the GDHOS. The Trust's assets are valued at R970,000,000 and Trust has a liquidity ratio of 1.15 and solvency ratio of 87%.



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2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Call account	921 396	687 774
Capital account	436 546 542	570 748 375
Current account	63 483 296	44 637 384
Deposits held on behalf of Gauteng Department of Human Settlements	149 509 920	254 596 885
Petty cash	13 164	7 932
	650 474 318	870 678 350

The money held in the call account is ceded to Acucap Investment (Pty) Ltd as the GPF's rental deposit. This amount will only become available to the GPF in 30 June 2019.

The Trust holds its Capital Account with the Corporation of Public Deposits at the South African Reserve Bank. This cash will be used to settle current and future commitments as per the Trust's mandate.

The Current Account comprises of the salaries and operational budget.

The Trust holds deposits on behalf of the Gauteng Department of Human Settlements, R149,509,920 (2017: R254,596,885), that are not available for use by the GPF. (Refer to note 10 & 24).

R254,362,116 (2017: R389,201,020) of the Capital Account amount of R291,664,490 has been committed. (Refer to note 23). The Capital Account is the cash available for future investments and fulfilment of the GPF mandate.

Cash at banks earn interest at floating rates based on daily bank deposits rates.

The fair value of cash equivalents approximates their carrying value as equivalents are readily convertible to cash.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counter-party default rates:

Credit rating		
Baa3	650 474 318	870 678 350

3. Loans and receivables from exchange transaction**Ace Pallets (Pty) Ltd - Portion 26 of Erf 381, Vanderbijlpark, Central West 5, Extension 1**

Loan amount	7 559 802	4 558 568
Advance	-	14 792 803
Interest earned	659 245	1 043 475
Short-term payments received	(924 000)	(12 122 495)
Social benefit adjustment	-	(412 737)
Interest amortised using effective interest rate	481 204	(299 812)
Current-term portion transferred to current assets	(356 198)	-
	7 420 053	7 559 802

The loan facility to Ace Pallets (Pty) Ltd - Portion 26 of Erf 381, Vanderbijlpark comprises of an interest-bearing loan of R8,101,420. The loan is for 20 years and is repayable in monthly instalments commencing in March 2017. The loan bears interest at a staggered JIBAR plus 0.5% rate. The nominal value of the loan is R8,439,003(2017: R9,107,071). The loan is secured by a mortgage bond over Portion 26 of Erf 381, Vanderbijlpark, Central West 5, Extension 1.

Aquarella Investments 360 (Pty) Ltd - 85-87 Quartz Street

Loan amount	-	2 068 698
Prior years provision for doubtful debts reversed	2 600 000	2 068 698
Interest earned	-	183 669
Advance	-	58 653
Interest earned using the effective interest rate method	-	976 598
Impairment	-	(21 356)



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3. Loans and receivables from exchange transaction (continued)		
Short-term payments received	(2 594 272)	-
Bad debt written off	(5 728)	(2 734 960)
Current-term portion transferred to current assets	-	(2 600 000)
	-	-

The loan facility to Aquarella Investments 360 (Pty) Ltd - 85-87 Quartz Street comprised of an interest-free loan of R794,000 and interest-bearing loan of R4,332,800. The interest-free facility was for 9 years and was repayable in 5 equal annual instalments which should have commenced in July 2018. The interest-bearing facility was for 20 years and bore interest at a staggered JIBAR rate. The interest-bearing facilities repayment was meant to commence in March 2015. The non-payment resulted in the loan being impaired. (Refer to note 18). The nominal value of the loan is RNil (2017: R2,600,000). The loan was provided as a doubtful debt due to breach of contract. The GPF auctioned the property and received a settlement of R2,594,272. This amount was received in May 2017. The loan was secured by a mortgage bond over Erf 5176 Hillbrow. The balance of the loan has been provided for as a provision for bad debt. (Refer to note 30).

Bixowize (Pty) Ltd - Erf 278, Primrose Hill

Loan amount	3 842 352	1 735 581
Prior years current-term portion reversed	-	17 598
Advance	836 366	2 875 356
Interest earned	347 722	199 576
Short-term payments received	-	(15 354)
Social benefit adjustment	(149 287)	(631 230)
Interest amortised using effective interest rate	(161 363)	113 019
Impairment	(200 616)	(452 194)
	4 515 174	3 842 352

The loan to Bixowize (Pty) Ltd - Erf 278, Primrose Hill comprises of an interest-free loan of R1,403,545 and an interest-bearing of R4,574,300. The interest-free facility is for fourteen years and is repayable in 5 equal instalments commencing in February 2018. The interest-bearing facility is for 20 five years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in April 2016. The nominal value of the loan is R6,434,901 (2017: R5,252,649). The loan is secured by a mortgage bond over Erf 278 Primrose Hill. The loan was restructured and the moratorium on payments was extended. This has resulted in an impairment of the loan. (Refer to note 18).

BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate

Loan amount	-	10 898 415
Amount provided for as provision debt in prior year	27 721 634	10 898 415
Interest earned	2 225 770	2 124 540
Interest amortised using effective interest rate	-	3 800 264
Provision for doubtful debts	(5 547 404)	-
Current-term portion transferred to current assets	(24 400 000)	(27 721 634)
	-	-

The 20 year loan facility of R22,305,600 to BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate bears interest at JIBAR plus 1%(rounded to the nearest whole number) and the capital was repayable in monthly instalments which commenced in December 2014. The nominal value of the loan is R30,186,534 (2017:R27,721,634). The loan is secured by a mortgage bond over Erf 6623 Soweto, Johannesburg. Management has provided for a loss of R5,547,404. (Refer to note 3). The GPF has instituted legal proceedings against the borrower. (Refer to note 30).

Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park located on 26 Kempton

Loan amount	2 308 106	-
Advance	87 041	3 295 648
Interest earned	145 654	80 132
Social benefit adjustment	(13 498)	(1 134 622)
Interest amortised using effective interest rate	77 790	66 948
Impairment	(4 636)	-
	2 600 457	2 308 106



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3. Loans and receivables from exchange transaction (continued)

The 20 year loan facility to Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park comprises of an interest-free loan of R1,600,000 and an interest-bearing loan of R4,429,500. The interest-free loan is repayable in monthly instalments commencing in August 2021. The interest-bearing facility bears interest at JIBAR plus 0.5% staggered and is repayable in monthly instalments commencing in February 2018. The loan requires an extension in moratorium and therefore has been impaired. The nominal value of the loan is R3,608,475 (2017: R3,375,780). The loan is secured by a mortgage bond over Erf 231, Kempton Park.

Bridge City Housing Consortium (Pty) Ltd - Portion 196 of Erf 7305, Chiawelo Extension 2, Soweto

Advance	10 434 879	-
Interest earned	491 143	-
Social benefit adjustment	(1 554 332)	-
Interest amortised using effective interest rate	79 479	-
	9 451 169	-

The 20 year loan facility to Bridge City Housing Consortium (Pty) Ltd - Portion 196 of Erf 7305, Chiawelo Extension 2, Soweto comprises of an interest-bearing loan of R10,434,879. This facility bears interest at a staggered Jibar plus 0.5% and the capital is repayable in monthly instalments commencing in September 2018. The nominal value of the loan is R10,722,228. The loan is secured by a mortgage bond over Portion 196 of Erf 7305, Chiawelo Extension 2.

Brickfields Housing Company (Pty) Ltd

Loan amount	-	12 875 738
Interest amortised using effective interest rate	-	1 424 262
Short-term payments received	-	(14 300 000)
	-	-

The nominal value of the twelve year loan to Brickfield's Housing Company (Pty) Ltd of R14,300,000 consists of redeemable preference shares with a fixed redemption date in February 2017 and is interest-free. The shares were redeemed in November 2016.

Bruzar Consulting Engineers (Pty) Ltd - Erven 484, 485 & 487 Ferndale

Loan amount	646 299	474 967
Prior years current-term portion reversed	12 651	-
Advance	-	113 147
Interest earned	78 620	70 836
Current-term portion transferred to current assets	(15 218)	(12 651)
	722 352	646 299

The 20 year loan facility to Bruzar Consulting Engineers (Pty) Ltd - Erven 484, 485, & 487 Ferndale comprises of an interest-bearing loan of R6,032,502. This facility bears interest at prime plus 1% and the capital is repayable in monthly instalments commencing in July 2016. The nominal value of the loan is R737,569 (2017: R474,967). The loan is secured by a mortgage bond over Erven 484, 485, & 487 Ferndale.

BUA Africa (Pty) Ltd - Erf 2918, Kempton Park

Loan amount	38 419 876	15 480 273
Prior years loan and receivables transferred to current assets held-for-trade	48 195 345	-
Advance	4 146 485	68 924 193
Interest earned	9 172 561	5 894 787
Short-term payments received	(1 317 000)	-
Social benefit adjustment	(768 425)	(4 155 816)
Interest amortised using effective interest rate	713 558	471 781
Current-term portion transferred to current assets	(650 590)	-
Loans and receivables held-for-trade	(52 341 830)	(48 195 345)
	45 569 980	38 419 873



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3. Loans and receivables from exchange transaction (continued)

The 20 year loan facility to BUA Africa (Pty) Ltd - Erf 2918, Kempton Park comprises of a interest-free loan of R2,000,000 and interest-bearing loan of R38,676,400. The interest-free facility is repayable in monthly instalments which commence in January 2021. The interest-bearing facility bears interest at a staggered JIBAR plus 0.5% and is repayable in monthly instalments commenced in January 2018. The nominal value of the loan is R140,235,457 (2017: R95,101,616). The loan is secured by a mortgage bond over Erf 2918, Kempton Park. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Cape Gannet Properties 175 (Pty) Ltd - Erf 42, Kempton Park

Loan amount	2 828 401	2 598 371
Advance	17 820	162 500
Interest earned	159 024	155 906
Short-term payments received	(220 500)	(185 500)
Social benefit adjustment	(2 650)	(24 961)
Interest amortised using effective interest rate	225 440	122 085
Impairment	(7 687)	-
Current-term portion transferred to current assets	(234 950)	-
	2 764 898	2 828 401

The 20 year loan facility to Cape Gannet Properties 175 (Pty) Ltd - Erf 42, Kempton Park comprises of a interest-free loan of R1,642,075 and interest-bearing loan of R1,991,730. The interest-free facility is repayable in 5 equal instalments which commence in February 2019. The interest-bearing facility bears interest at a staggered JIBAR and is repayable monthly payments which have commenced. The loan requires restructure and has been impaired. (Refer to note 18). The nominal value of the loan is R3,703,533 (2017: R3,581,121). The loan is secured by a mortgage bond over Erf 42, Kempton Park.

Castle Crest Properties 80 (Pty) Ltd - Erf 504, Pretoria

Loan amount	2 922 163	2 884 111
Prior years current-term portion reversed	53 200	48 759
Interest earned	230 902	238 958
Short-term payments received	(348 000)	(347 000)
Interest amortised using effective interest rate	(83 361)	150 535
Current-term portion transferred to current assets	(155 038)	(53 200)
	2 619 866	2 922 163

The loan facility to Castle Crest Properties 80 (Pty) Ltd - Erf 504, Pretoria comprises of an interest-free loan of R846,000 and interest-bearing loan of R3,375,227. The interest-free facility is for 10 years and is repayable in 5 equal instalments commencing in November 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate. The interest-bearing facility's repayments have commenced. The nominal value of the loan is R3,959,156 (2017: R4,076,255). The loan is secured by a mortgage bond over Erf 504, Arcadia, Pretoria.

Castle Crest Properties 80 (Pty) Ltd - Erf 233, Kempton Park

Loan amount	8 787 230	8 823 463
Prior years current-term portion reversed	46 706	58 885
Interest earned	703 943	735 295
Short-term payments received	(990 000)	(984 000)
Interest amortised using effective interest rate	64 875	200 293
Current-term portion transferred to current assets	(80 989)	(46 706)
	8 531 765	8 787 230

The loan facility to Castle Crest Properties 80 (Pty) Ltd - Erf 233, Kempton Park comprises of an interest-free loan of R1,022,700 and an interest-bearing loan of R9,602,800. The interest-free facility is for 9 years and is repayable in 5 equal instalments commencing in October 2019. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate. The interest-bearing facilities repayments have commenced. The nominal value of the loan is R10,069,263 (2017: R10,355,320). The loan is secured by a mortgage bond over Erf 233, Kempton Park.

Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni

Loan amount	339 560	15 109
Advance	6 690 884	611 251
Interest earned	157 802	-
Social benefit adjustment	(1 399 635)	(303 370)



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3. Loans and receivables from exchange transaction (continued)		
Interest amortised using effective interest rate	80 416	16 570
	5 869 027	339 560

The loan facility to Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni comprises of an interest-free loan of R1,500,000 and interest-bearing loan of R10,611,300. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in February 2021. The interest-bearing facility bears interest at a staggered JIBAR plus 0.5% rate which has not yet commenced. The loan has been impaired as the moratorium has been extended (Refer to note 18). The nominal value of the loan is R7,490,671 (2017: R891,986). The loan is secured by a mortgage bond over Erf 1686, Benoni.

Certum Estate 130 (Pty) Ltd- Erf 564, Bertrams, Johannesburg

Loan amount	7 767 446	8 166 358
Prior years current-term portion reversed	301 292	278 045
Interest earned	684 305	729 049
Short-term payments received	(1 151 628)	(1 249 000)
Interest amortised using effective interest rate	135 542	144 286
Current-term portion transferred to current assets	(338 196)	(301 292)
	7 398 761	7 767 446

The loan facility to Certum Estate 130 (Pty) Ltd - Erf 564, Bertrams, Johannesburg comprises of a interest-bearing loan of R9,097,665. The interest-bearing facility is for 15 years and bears interest at a staggered JIBAR plus 0.5% rate. The capital is repayable and has commenced. The nominal value of the loan is R8,671,439 (2017: R9,139,152). The loan is secured by a mortgage bond over Erf 564, Bertrams, Johannesburg.

Clare Water (Pty) Ltd - Erf 1509, Discovery, Roodepoort

Loan amount	5 014 298	4 466 357
Prior years current-term portion reversed	69 245	11 999
Advance	-	799 549
Interest earned	678 794	346 252
Social benefit adjustment	-	(106 421)
Short-term payments received	(161 000)	(69 000)
Interest amortised using effective interest rate	149 852	155 309
Impairment	(35 301)	(520 502)
Current-term portion transferred to current assets	-	(69 245)
	5 715 888	5 014 298

The facility to Clarewater (Pty) Ltd - Erf 1509, Discovery, Roodepoort comprises of a interest-free loan of R1,529,071 and interest-bearing loan of R3,496,537. The interest-free facility is for fourteen years and is repayable in 5 equal instalments commencing in December 2017. The interest-bearing facility is for 20 five years and bears interest at a staggered JIBAR rate and is repayable in annual instalments commencing which commence in June 2016. The loan has been impaired due to short-payment (Refer to note 18). The nominal value of the loan is R7,120,026 (2017: R6,601,855). The loan is secured by a mortgage bond over Erf 1509, Discovery, Roodepoort. The client was in breach of contract resulting in an impairment (Refer to note 18).

Clidet No. 1024 (Pty) Ltd - 44 Wanderers

Loan amount	5 278 222	5 498 917
Prior years current-term portion reversed	-	74 603
Advance	47 265	-
Interest earned	444 931	444 383
Social benefit adjustment	(7 839)	(810 377)
Interest amortised using effective interest rate	669 340	144 029
Impairment	(219 318)	(73 333)
	6 212 601	5 278 222

The 20 five year loan facilities to Clidet No. 1024 (Pty) Ltd - 44 Wanderers comprise of a interest free loan of R2,000,000, junior loan of R6,657,500 and a senior loan of R11,624,400. The junior loan is repayable in monthly instalments commencing in July 2021. The junior loan bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in July 2017. The senior loan has not commenced. The nominal value of the loan is R7,915,807 (2017: R7,428,686). The loan is secured by a mortgage bond over Erf 2043, 2044 & 5070, Joubert Park. The loan was restructured and the moratorium on payments was extended. The loan was then cancelled and this resulted in a further impairment of the loan. (Refer to note 18).



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3. Loans and receivables from exchange transaction (continued)		
Comu Property Developers (Pty) Ltd - 3103, Glen Marais		
Loan amount	4 908 279	5 130 075
Prior years current-term portion reversed	194 908	200 406
Interest earned	564 318	357 784
Short-term payments received	(671 000)	(749 684)
Impairment	(14 541)	(30 458)
Interest amortised using effective interest rate	163 742	195 064
Current-term portion transferred to current assets	(237 597)	(194 908)
	4 908 109	4 908 279

The loan facility to Comu Property Developers (Pty) Ltd - 3103, Glen Marais comprises of an interest-free loan of R1,711,897 and interest-bearing loan of R4,495,127. The interest-free facility is for 9 years and is repayable in 5 equal instalments commencing in May 2019. The interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in annual instalments which have commenced. The nominal value of the loan is R6,071,242 (2017: R6,177,925). The loan has been impaired due to short-payment (Refer to note 18). The loan is secured by a mortgage bond over Erf 3103, Glen Marais Kempton Park. The loan was in arrears which has resulted in an impairment. (Refer to note 18).

Comocap (Pty) Ltd - 88 Relly Street		
Loan amount	1 185 089	1 072 284
Prior years provision for doubtful debts reversed	1 185 089	1 072 282
Interest earned	359 178	320 281
Interest amortised using effective interest rate	126 538	(53 792)
Impairment	(12 020)	(40 876)
Provision for doubtful debts	(1 421 937)	(1 185 090)
	1 421 937	1 185 089

The 15 year loan facility of R2,000,000 to Comocap (Pty) Ltd - 88 Relly Street bears interest at staggered JIBAR rate plus 1% and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R3,148,479 (2017: R2,774,829). The loan is secured by a mortgage bond over Erf 1232, Pretoria. The loan is in arrears which has resulted in its impairment. (Refer to note 18). The GPF was provided for the loan as a doubtful debt due to breach of contract and the company being in business rescue. Management assess the probability of recovery as 50% therefore half of the whole loan has been provided for. (Refer to note 29).

Crimson Clover Trading 11 (Pty) Ltd - Ascot Fashion House		
Loan amount	3 523 354	3 543 350
Prior years current-term portion reversed	197 280	152 570
Interest earned	329 178	302 901
Short-term payments received	(432 000)	(374 000)
Interest amortised using effective interest rate	(82 795)	95 813
Current-term portion transferred to current assets	(97 265)	(197 280)
	3 437 752	3 523 354

The 20 year loan facility of R4,564,500 to Crimson Clover Trading 11(Pty) Ltd - Ascot Fashion House bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R4,010,497 (2017: R4,113,631). The loan is secured by a mortgage bond over Erf 947 & 948, Johannesburg.

DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban		
Loan amount	4 673 734	6 536 681
Prior years loan and receivables transferred to current assets held-for-trade	10 932 764	10 564 264
Provision for doubtful debts reversed	3 115 825	-
Advance	-	368 500
Interest earned	1 753 507	1 686 373
Short-term payments received	(553 087)	(411 000)
Social benefit adjustment	(43 513)	(187 961)
Interest amortised using effective interest rate	149 120	199 548
Impairment	(242 748)	(34 082)
Loan and receivables transferred to current assets held-for-trade	-	(10 932 764)
Provision for doubtful debts	(3 585 602)	(3 115 825)
Current-term portion transferred to current assets	(16 200 000)	-
	-	4 673 734



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3. Loans and receivables from exchange transaction (continued)

The loan facility to DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban comprises of a interest-free loan of R1,409,500, junior interest-bearing loan of R4,941,500 and senior interest-bearing loan of R9,626,500. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in January 2019. The interest-bearing facilities are for 20 years. The junior interest-bearing loan bears interest at a staggered JIBAR rate and is repayable monthly and has commenced. The senior interest-bearing loan bears interest at prime and is repayable in monthly instalments and has commenced. The nominal value of the loan is R21,661,602 (2017: R20,563,063). The loan is secured by a mortgage bond over Erf 517 & 518, City and Suburban. In the prior year the GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. The portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5). The loan was in arrears which has resulted in an impairment. (Refer to note 18). As a result of the loan being in arrears the GPF has had to withdraw the agreement with the senior funder. The GPF has instituted legal proceedings against the borrower. (Refer to note 29).

Eagle Valley Property 41 (Pty) Ltd Phase 1 - Portion 1 of Erf 1908, Erasmus

Loan amount	6 443 930	5 699 928
Prior years current-term portion reversed	3 725	-
Prior years loans and receivables transferred to current assets held-for-trade	5 993 324	7 135 762
Interest earned	1 067 506	1 161 575
Short-term payments received	(1 622 848)	(1 621 478)
Social benefit adjustment	(71 828)	(93 301)
Interest amortised using effective interest rate	155 522	158 493
Loan and receivables transferred to current assets held-for-trade	(4 976 567)	(5 993 324)
Current-term portion transferred to current assets	(23 749)	(3 725)
	6 969 015	6 443 930

The loan facility to Eagle Valley Property 41 (Pty) Ltd Phase 1- Portion 1 of Erf 1908, Erasmus comprises of an interest-free loan of R1,375,000, junior interest-bearing loan of R4,202,000 and senior interest-bearing loan of R7,829,600. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in May 2019. The interest-bearing facilities are for 20 years. The junior loan bears interest at a staggered JIBAR rate and repayments which have commenced. The senior loan bears interest at prime and payments which have commenced. The nominal value of the loan is R2,194,974 (2017: R13,778,786). The loan is secured by a mortgage bond over Erf 517 & 518, City and Suburban. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Eagle Valley Property 41 (Pty) Ltd Phase 2 - Portion 1 of Erf 1908, Erasmus

Loan amount	6 038 416	5 442 733
Prior years loan and receivables transferred to current assets held-for-trade reversed	6 585 477	7 750 136
Prior year's current-term portion transferred to current assets	62 038	-
Interest earned	1 152 861	1 256 891
Short-term payments received	(1 737 151)	(1 737 593)
Social benefit adjustment	(100 586)	(130 644)
Interest amortised using effective interest rate	178 716	104 408
Loan and receivables transferred to current assets held-for-trade	(5 520 463)	(6 585 477)
Current-term portion transferred to current assets	(99 021)	(62 038)
	6 560 287	6 038 416

The loan facility to Eagle Valley Property 41 (Pty) Ltd Phase 2- Portion 1 of Erf 1908, Erasmus comprises of an interest-free loan of R625,000, junior interest-bearing loan of R5,345,800 and senior interest-bearing loan of R8,306,300. The interest-free facility is for nine years and is repayable in monthly instalments which commence in April 2020. The interest-bearing facilities are for 20 years. The junior loan bears interest at a staggered JIBAR rate and repayments have commenced. The senior loan bears interest at prime and repayments have commenced. The nominal value of the loan is R13,514,999 (2017: R14,127,728). The loan is secured by a mortgage bond over Erf 517 & 518, City and Suburban. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

EGC Properties (Pty) Ltd - Browning Street

Loan amount	7 047 232	-
Prior years current-term portion reversed	138 354	-
Advance	629 431	7 776 398
Interest earned	734 491	465 213
Social benefit adjustment	(79 081)	(1 129 423)



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3. Loans and receivables from exchange transaction (continued)		
Short-term payments received	(792 000)	-
Interest amortised using effective interest rate method	109 340	73 398
Impairment	(21 402)	-
Current-term portion transferred to current assets	(273 385)	(138 354)
	7 492 980	7 047 232

The 15 year loan facility to EGC Properties (Pty) Ltd - Browning Street comprises of an interest-bearing loan of R9,104,207. The loan was repaid. The loan bears interest at JIBAR plus 0.5%. The loan was impaired as a result of non-payment (Refer to note 18). The loan is secured by a mortgage bond over Erf 103, 104 and 106, Browning Street. The nominal value of the loan is R8,813,532 (2017: R8,241,611).

EGC Properties (Pty) Ltd - Erf 101 Wolhuter, Jeppestown

Advance	4 633 218	-
Interest earned	232 902	-
Social benefit adjustment	(90 230)	-
Interest amortised using effective interest rate method	895	-
	4 776 785	-

The 20 year loan facility to EGC Properties (Pty) Ltd - Erf 101, Wolhuter, Jeppestown comprises of an interest-bearing loan of R4,633,218. The loan is repayable in monthly instalments which commence in October 2019. The loan bears interest at a staggered JIBAR plus 3% rate. The loan was secured by a mortgage bond over Erf 101 Wolhuter, Jeppestown. The nominal value of the loan is R4,866,120 (2017: RNil).

Egon House (Pty) Ltd - Erf 1171, City & Suburban, Johannesburg

Advance	4 755 935	-
Interest earned	349 637	-
	5 105 572	-

The 15 year loan facility to Egon House (Pty) Ltd - Erf 1171, City & Suburban, Johannesburg comprises of an interest-bearing loan of R4,755,465. The loan is repayable in monthly instalments which commence in August 2019. The loan bears interest at JIBAR plus 3%. The loan was secured by a mortgage bond over Erf 1171, City & Suburban, Johannesburg. The nominal value of the loan is R5,105,572 (2017: RNil).

Echo Canyon Trading (Pty) Ltd - 463 and 465 Hanny Street

Loan amount	5 349 415	4 865 350
Prior years current-term portion reversed	26 257	-
Interest earned	501 910	468 669
Interest amortised using effective interest rate	106 651	68 748
Impairment	(244 398)	(27 095)
Current-term portion transferred to current assets	-	(26 257)
Provision for doubtful debts	(5 739 835)	-
	-	5 349 415

The 15 year loan facility to Echo Canyon Trading (Pty) Ltd - 463 and 465 Hanny Street comprises of an interest-bearing loan of R5,500,000. The loan bears interest at JIBAR plus 1% and is repayable monthly instalments commencing in September 2016. The loan is secured by a mortgage bond over Erf 274 and portion 1 of Erf 815, Pretoria Gardens. The nominal value of the loan is R6,386,916 (2017: R5,885,006). The loan was impaired as it requires an additional moratorium due to delays in construction. (Refer to note 18). Management has provided for a loss of R5,739,835. The GPF has instituted legal proceedings against the borrower. (Refer to note 29).

Erf 85 Newtown (Pty) Ltd - Erf 269, Richmond

Loan amount	3 084 960	-
Prior years current-term portion reversed	22 125	-
Advance	-	3 159 423
Interest earned	318 559	205 199
Short-term payments received	(198 000)	-
Social benefit adjustment	-	(265 095)
Interest amortised using effective interest rate	45 633	7 558
Impairment	(3 378)	-
Current-term portion transferred to current assets	(175 205)	(22 125)



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3. Loans and receivables from exchange transaction (continued)	3 094 694	3 084 960
<p>The 20 year loan facility to Erf 85 Newtown (Pty) Ltd - Erf 269, Richmond comprises of an interest-bearing loan of R3,159,423. The loan bears interest at JIBAR and is repayable monthly instalments commencing in May 2017. The loan is secured by a mortgage bond over Portion 269 of Erf 269, Richmond, Johannesburg. The nominal value of the loan is R3,485,181 (2017: R3,364,622). The loan was in arrears which has resulted in an impairment. (refer note 18).</p>		
Eable Properties (Pty) Ltd - Erf 8186, Olievenhoutbosch		
Advance	2 182 064	-
Interest earned	12 911	-
Social benefit adjustment	(312 473)	-
Interest amortised using the effective interest rate	1 947	-
	1 884 449	-
<p>The 20 year loan facility to Eable Properties (Pty) Ltd - Erf 8186, Olievenhoutbosch comprises of an interest-bearing loan of R11,677,609. The loan bears interest at JIBAR plus 0.5% and is repayable monthly instalments commencing in March 2019. The loan is secured by a mortgage bond over Erf 8186, Olievenhoutbosch Johannesburg. The nominal value of the loan is R2,194,958 (2017: RNil).</p>		
Erf 273 Parktown Estate CC - Parktown Place Development		
Loan amount	6 460 333	6 575 880
Prior years current-term portion reversed	117 083	107 043
Interest earned	580 750	607 804
Short-term payments received	(834 000)	(828 500)
Interest amortised using effective interest rate	54 306	115 189
Current-term portion transferred to current assets	(136 189)	(117 083)
	6 242 283	6 460 333
<p>The 20 year loan facility of R7,353,384 to Erf 273 Parktown Estate CC - Parktown Place Development bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments which have commenced. The nominal value of the loan is R7,441,013 (2017: R7,694,263). The loan is secured by a mortgage bond over Erf 56 and 57, Parktown Estate, Tshwane.</p>		
Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North		
Loan amount	6 191 470	5 129 311
Advance	2 258 666	770 651
Interest earned	572 699	366 800
Social benefit adjustment	(355 500)	(128 000)
Impairment	(122 054)	(123 274)
Interest amortised using effective interest rate	195 353	175 982
Current-term portion transferred to current assets	(134 231)	-
	8 606 403	6 191 470
<p>The loan facility to Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North comprises of an interest-free loan of R1,800,000 and interest-bearing loan of R5,907,200. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in December 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate. The interest-bearing facilities capital is repayable in annual instalments which should have commenced. The nominal value of the loan is R10,491,088 (2017: R7,659,723). The loan is secured by a mortgage bond over portion 14 of Erf 8489, Protea Glen, Ext 11. The loan was impaired as it requires an additional moratorium due to delays in construction. (Refer to note 18).</p>		
FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville		
Loan amount	3 416 872	1 042 295
Advance	3 287 617	2 583 491
Interest earned	523 017	113 582
Short-term payments received	(105 863)	-
Social benefit adjustment	(453 614)	(416 776)
Interest amortised using effective interest rate method	30 772	94 280
Impairment	(16 272)	-
	6 682 529	3 416 872



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3. Loans and receivables from exchange transaction (continued)

The loan facility to FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville comprises of an interest-free loan of R1,427,200 and interest-bearing loan of R8,572,200. The interest-free facility is for 10 years and has commences in June 2020. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments commencing in October 2017. The interest-bearing facility has not yet commenced. The nominal value of the loan is R8,135,437 (2017: R4,430,668). The loan is secured by a mortgage bond over Erf 193, Duncanville. The loan is in arrears resulting in an impairment of the loan (refer note 3).

Golden City Property (Pty) Ltd - Erf 533 & 534, Germiston

Loan amount	2 948 310	1 273 318
Prior years current-term portion reversed	48 977	-
Advance	927 135	1 516 202
Interest earned	421 742	207 767
Short-term payments received	(126 000)	-
Current-term portion transferred to current assets	(80 487)	(48 977)
	4 139 677	2 948 310

The 20 year loan facility of R3,941,555 to Golden City Properties (Pty) Ltd - Erf 533 & 534, Germiston bears interest at a staggered prime plus 0.5% rate and the capital is repayable in monthly instalments commencing April 2017. The nominal value of the loan is R4,217,176 (2017: R2,997,287). The loan is secured by a mortgage bond over Erf 533 & 534, Germiston.

Goldburg Property Development (Pty) Ltd - Erf 72, Kempton Park

Loan amount	3 416 872	-
Advance	-	3 895 859
Interest earned	338 868	104 931
Short-term payments received	(146 000)	-
Social benefit adjustment	-	(591 943)
Interest amortised using effective interest rate	27 436	8 025
Impairment	(4 793)	-
Current-term portion transferred to current assets	(68 701)	-
	3 563 682	3 416 872

The 20 year loan facility of R3,741,455 to Goldburg Property Development (Pty) Ltd - Erf 72, Kempton Park bears interest at JIBAR rate plus 1% and is repayable in monthly instalments which commence in December 2017. The nominal value of the loan is R4,193,658 (2017: R4,000,790). The loan was impaired due to short- payments (Refer to note 18). The loan is secured by a mortgage bond over Erf 72, Kempton Park.

GNI Real Estate - Erf 113, Pretoria North

Loan amount	4 360 272	595 492
Prior years loan and receivables transferred to current assets held-for-trade reversed	5 858 488	-
Advance	1 453 827	10 158 572
Interest earned	1 091 425	418 564
Short-term payments received	(601 000)	-
Social benefit adjustment	(113 885)	(1 063 786)
Interest amortised using effective interest rate	159 263	109 918
Impairment	(5 761)	-
Loan and receivable transferred to current assets held-for-trade	(6 711 315)	(5 858 488)
	5 491 314	4 360 272

The loan facility to GNI Real Estate - Erf 113, Pretoria North comprises of an interest-free loan of R2,000,000 and interest - bearing loan of R3,748,000. The interest-free facility is for 10 years and commences in February 2021. The interest-bearing facility is for 20 years, bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments which has not yet commenced. The interest-bearing facility has not yet commenced. The nominal value of the loan is R13,732,701 (2017: R11,788,450). The loan is secured by a mortgage bond over Erf 113, Pretoria North. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5). Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan (refer note 18)



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3. Loans and receivables from exchange transaction (continued)		
Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Portion 484 (a portion of portion 125) of the farm Hartebeeshoek 303, Gauteng		
Loan amount	6 774 247	-
Advance	8 636 940	7 971 347
Interest earned	1 225 482	129 147
Social benefit adjustment	(1 399 893)	(1 342 443)
Interest amortised using effective interest rate	152 360	16 196
Current-term portion transferred to current assets	(85 771)	-
	15 303 365	6 774 247

The 20 year loan facility of R16,608,288 to Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Portion 484 (a portion of portion 125) of the farm Hartebeeshoek 303, Gauteng bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments which commence in July 2018. The nominal value of the loan is R17,962,916 (2017: R8,100,493). The loan is secured by a mortgage bond over Portion 484 (a portion of portion 125) of the farm Hartebeeshoek 303, Gauteng.

Hectofield (Pty) Ltd - Erf 644, Pretoria North

Advance	2 657 945	-
Interest earned	1 533	-
Social benefit adjustment	(1 183 724)	-
Interest amortised using effective interest rate	57 440	-
	1 533 194	-

The loan facility to Hectofield (Pty) Ltd - Erf 644, Pretoria North comprises of an interest-free loan of R2,000,000 and interest-bearing loan of R3,971,100. The interest-free facility is for 10 years and commences in April 2022. The interest-bearing facility is for 20 years, bears interest at a staggered JIBAR rate and is repayable in monthly instalments which has not yet commenced. The nominal value of the loan is R2,669,477 (2017: RNil). The loan is secured by a mortgage bond over Erf 644, Pretoria North.

Highlands Urban Living (Pty) Ltd - Highlands Lofts

Loan amount	3 135 610	3 847 636
Prior years current-term portion reversed	3 135 610	3 847 636
Interest earned	740 678	946 935
Short-term payments received	(2 350 756)	(2 299 000)
Impairment	(18 931)	19 356
Interest amortised using effective interest rate	(78 991)	(91 343)
Provision for doubtful debts	-	(3 135 610)
Current-term portion transferred to current assets	(401 075)	-
	4 162 145	3 135 610

The 15 year loan facility of R7,015,594 to Highlands Urban Living (Pty) Ltd - Highlands Lofts bears interest at a staggered JIBAR rate plus 2% and the is repayable in monthly instalments that have commenced. The nominal value of the loan is R5,391,502 (2017: R6,917,422). The loan is secured by a mortgage bond over Erf 3 & 4 Highlands, Johannesburg. The loan was in arrears which resulted in an impairment. (Refer to note 18).

Ikamvelihle Trading Enterprises (Pty) Ltd - Erf 953-956, Berea

Loan amount	5 369 638	4 371 901
Advance	-	833 000
Interest earned	367 328	290 072
Social benefit adjustment	-	(149 564)
Interest amortised using effective interest rate method	220 915	171 949
Impairment	(234 472)	(147 720)
Current-term portion transferred to current assets	(312 429)	-
	5 410 980	5 369 638

The loan facility to Ikamvelihle Trading Enterprises (Pty) Ltd - Erf 953-956, Berea comprises of an interest-free loan of R1,855,000 and interest-bearing loan of R3,489,757. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in July 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments which commence in November 2016. The nominal value of the loan is R7,149,196 (2017: R6,772,489). The loan is secured by a mortgage bond over Erf 953-956, Berea. The loan was impaired as the loan requires an additional moratorium due to delays in construction. (Refer to note 18).



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3. Loans and receivables from exchange transaction (continued)		
Indigo Kulani Properties (Pty) Ltd - Erf 1676, Benoni		
Loan amount	8 170 917	5 192 178
Prior years current-term portion reversed	149 349	87 098
Advance	-	3 157 304
Interest earned	700 034	649 542
Short-term payments received	(1 051 848)	(278 383)
Social benefit adjustment	-	(528 073)
Interest amortised using effective interest rate	59 879	131 744
Current-term portion transferred to current assets	(165 955)	(149 349)
Impairment	4 087	(91 144)
	7 866 463	8 170 917

The 20 year loan facility of R6,090,272 to Indigo Kulani Properties (Pty) Ltd - Erf 1676, Benoni bears interest at a staggered JIBAR rate is repayable in monthly instalments which have commenced. The nominal value of the loan is R9,550,943 (2017: R9,902,757). The loan is secured by a mortgage bond over Erf 1676, Benoni. The loan was impaired as it requires an additional moratorium due to delays in construction. (Refer to note 18).

Ifizo (Pty) Ltd - Erf 733, Pretoria North

Loan amount	13 013	11 809
Interest amortised using effective interest rate	1 320	1 204
	14 333	13 013

The loan of R4,634,100 to Ifizo (Pty) Ltd - Erf 733, Pretoria North comprises of an interest-free loan of R1,000,000 and junior interest-bearing loan of R3,634,100. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in January 2021. The junior interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate. The junior interest bearing facility has not yet commenced. The loan is secured by a mortgage bond over Erf 733, Pretoria North. The nominal value of the loan is R23,827 (2017: R273,827).

Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB

Loan amount	535 138	-
Advance	1 954 067	1 074 769
Interest earned	75 707	-
Social benefit adjustment	(411 045)	(578 993)
Interest amortised using effective interest rate	91 124	39 362
	2 244 991	535 138

The loan facility to Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue comprises of an interest-free loan of R1,350,000 and an interest-bearing loan of R2,047,400. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in May 2021. The interest-bearing facility has not yet commenced. The nominal value of the loan is R3,099,485 (2017: R1,306,310). The loan is secured by a mortgage bond over Erf 436 & 437, Bellevue. The loan was restructured due to delays in construction (refer note 3).

KDM Properties (Pty) Ltd - Erf 403, Johannesburg

Loan amount	3 762 595	3 909 676
Prior years current-term portion reversed	150 409	136 528
Interest earned	331 148	354 317
Short-term payments received	(611 000)	(560 000)
Interest amortised using effective interest	75 433	72 483
Current-term portion transferred to current assets	(167 258)	(150 409)
	3 541 327	3 762 595

The 15 year loan facility of R4,564,540 to KDM Properties (Pty) Ltd - Erf 403, Johannesburg bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments which commenced. The nominal value of the loan is R4,158,173 (2017: R4,643,707). The loan is secured by a mortgage bond over Erf 403, Johannesburg.

Kertrade CC - Erf 564 & 566, Springs

Loan amount	6 896 567	6 284 828
Prior years current-term portion reversed	36 654	-
Interest earned	1 016 475	609 077



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Short-term payments received	(630 840)	-
Interest amortised	12 153	87 897
Impairment	(30 273)	(48 581)
Current-term portion transferred to current assets	(127 195)	(36 654)
	7 173 541	6 896 567

The 20 year loan facility of R7,099,130 to Kertrade CC - Erf 564 & 566, Springs bears interest at a staggered JIBAR rate plus 1% and is repayable in monthly instalments which should have commenced in December 2016. The nominal value of the loan is R8,500,656 (2017: R8,115,021). The loan is secured by a mortgage bond over Erf 564 & 566, Springs. The loan was impaired in the prior year as it required an additional moratorium due to delays in construction and is now in arrears that resulted in an impairment. (Refer to note 18).

Kimovax (Pty) Ltd - Erf 419 and Erf 420 Cresslawn, Kempton Park

Loan amount	1 437 780	689 800
Advance	-	874 691
Interest earned	55 875	16 393
Social benefit adjustment	-	(218 861)
Interest amortised using effective interest rate	97 895	75 757
	1 591 550	1 437 780

The loan of R4,634,100 to Kimovax (Pty) Ltd - Erf 419 and Erf 420 Cresslawn, Kempton Park comprises of an interest-free loan of R1,544,800 and junior interest-bearing loan of R5,541,200. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in March 2021. The junior interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate. The junior interest bearing facility has not yet commenced. The loan is secured by a mortgage bond over - Erf 419 and Erf 420 Cresslawn, Kempton Park. The nominal value of the loan is R2,346,125 (2017: R2,290,251).

Johannesburg Housing Company (Pty) Ltd - 117 Pritchard Street

Loan amount	7 208 919	7 841 695
Prior years current-term portion reversed	327 492	306 823
Interest earned	627 527	691 442
Short-term payments received	(1 404 488)	(1 484 432)
Interest amortised using effective interest rate	156 298	180 883
Current-term portion transferred to current assets	(399 603)	(327 492)
	6 516 145	7 208 919

The 15-year loan facility of R11,175,110 to Johannesburg Housing Company (Pty) Ltd - 117 Pritchard Street bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments which have commenced. The nominal value of the loan is R7,638,313 (2017: R8,413,959). The loan is secured by a mortgage bond over Erf 4453, City of Johannesburg.

Johannesburg Housing Company (Pty) Ltd - Crest Hotel

Loan amount	9 334 619	10 294 857
Prior period current-term portion reversed	415 528	404 054
Interest earned	803 843	903 670
Short-term payments received	(1 983 086)	(2 087 156)
Interest amortised using effective interest rate	(34 318)	234 722
Current-term transferred to current assets	(479 847)	(415 528)
	8 056 739	9 334 619

The 15 year loan facility of R14,792,032 to Johannesburg Housing Company (Pty) Ltd - Crest Hotel bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments which have commenced. The nominal value of the loan is R9,737,446 (2017: R10,915,014). The loan is secured by a mortgage bond over Erf 212, 214 & 216, City of Johannesburg.

Johannesburg Housing Company (Pty) Ltd - Hlanganani

Loan amount	8 513 253	9 610 425
Prior years short-term portion reversed	877 283	816 463
Interest earned	369 864	445 022
Short-term payments received	(1 970 531)	(2 045 690)



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3. Loans and receivables from exchange transaction (continued)		
Interest amortised using effective interest rate method	347 221	564 316
Current-term portion transferred to current assets	(918 661)	(877 283)
	7 218 429	8 513 253

The 15-year loan facility of R20,000,000 to Johannesburg Housing Company (Pty) Ltd - Hlanganani bears interest at prime less 7% and is repayable monthly. Payments have commenced. The nominal value of the loan is R10,256,549 (2017: R11,856,602). The loan is secured by a mortgage bond over Erf 15604, Cosmo City Extension 6.

Kesef Properties (Pty) Ltd - Erf 343, 344, 345, 346, 347, 348, 387, 388 and 389, New Doornfontein, Johannesburg

Loan amount	13 790 078	13 576 434
Prior years current-term portion reversed	464 234	-
Interest earned	2 319 239	1 274 345
Interest amortised using effective interest rate	(21 915)	218 666
Short-term payments received	(1 304 213)	(815 133)
Current portion transferred to current assets	(567 621)	(464 234)
Impairment	(81 394)	-
	14 598 408	13 790 078

The 15-year loan of R16,635,173 to Kesef Properties (Pty) Ltd - Erf 343, 344, 345, 346, 347, 348, 387, 388 and 389, New Doornfontein, Johannesburg bears interest at a staggered JIBAR plus 0.5% per annum and is repayable in monthly instalments commencing in November 2016. The nominal value of the loan is R17,313,182 (2017: R16,298,156). The loan is secured over Erf 343, 344, 345, 346, 347, 348, 387, 388 and 389, New Doornfontein, Johannesburg. The client is in breach of contract for non-payment resulting in an impairment (refer note 18).

KTN Properties (Pty) Ltd - Parklane Hotel

Loan amount	-	76 068
Prior period current-term portion reversed	-	43 545
Interest earned	-	1 074
Short-term payments received	-	(145 106)
Interest amortised using effective interest rate method	-	24 419
	-	-

The 10 year loan facility of R1,944,000 to KTN Property Management (Pty) Ltd - Parklane Hotel bears interest at a rate of prime less 3.75% and has been fully repaid. The nominal value of the loan is RNil (2017: RNil) as the loan was fully repaid. The loan is secured by a mortgage bond over Erf 4604, Johannesburg.

Lakeside Developments (Pty) Ltd - Erf 1373, Leachville

Loan amount	1 377 317	896 381
Advance	-	439 843
Interest earned	60 500	38 988
Social benefit	-	(69 391)
Interest amortised using effective interest rate	97 559	71 496
Impairment	(24 610)	-
	1 510 766	1 377 317

The 10 year loan facility of R11,101,000 to Lakeside Developments (Pty) Ltd - Erf 1373, Leachville comprises of an interest-free loan of R1,283,300, junior interest-bearing loan of R3,311,100 and a senior loan of R6,441,700. The interest-free facility is for 10 years and repayments commence in September 2020. The junior interest-bearing facility bears interest at a staggered JIBAR rate and repayments commence in August 2017. The senior interest loan bears interest at prime plus 1% and has not yet commenced. The nominal value of the loan is R2,103,280 (2017: R2,042,605). The loan is secured by a mortgage bond over Erf 1373, Leachville. The client is in breach of the contract for non-payment resulting in an impairment and provision for doubtful debts (refer note 18 and 32).

Landopoint (Pty) Ltd - Erf 905, 906 and 907, Kenilworth

Loan amount	1 073 157	1 847 630
Prior years current term portion reversed	1 073 158	-
Advance	-	193 626
Interest earned	115 660	108 635
Social benefit adjustment	-	(80 559)



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3. Loans and receivables from exchange transaction (continued)		
Interest amortised using effective interest rate	105 721	96 356
Impairment	(69 710)	(19 373)
Provision for doubtful debts	(1 397 986)	(1 073 158)
Current-term portion transferred to current assets	(900 000)	-
	-	1 073 157

The 20 year loan of R11,157,024 to Landopoint (Pty) Ltd - Erf 905, 906 and 907, Kenilworth comprises of an interest-free loan of R1,516,128, junior interest-bearing loan of R2,861,826 and senior interest-bearing loan of R6,629,070. The interest-free loan is for 10 years and is repayable in annual instalments commencing in June 2019. The interest-bearing facilities are for 20 years. The junior interest-bearing facility bears interest at a staggered JIBAR plus 0.5% rate and is repayable in monthly instalments which should have commenced. The senior interest-bearing facility bears interest at prime and has not yet commenced. The loan is secured by a mortgage bond over Erf 905, 906 and 907, Kenilworth. The loan was impaired due to breach of contract. (Refer to note 18). Management has provided for a loss of R2,882,264.63. (Refer to note 3). The GPF has instituted legal proceedings against the borrower. (Refer to note 29). The nominal value of the loan is R2,853,110 (2017: R2,766,605).

Lavigen Lofts (Pty) Ltd - Erf 134, Bedworth Park

Advance	12 436 677	-
Interest earned	437 586	-
Short term payments received	(7 908 084)	-
Loan and receivables transferred to current assets held-for-trade	(1 688 585)	-
	3 277 594	-

The 20 year loan facility to Lavigen Lofts (Pty) Ltd - Erf 134, Bedworth Park comprises of a junior interest-bearing loan of R2,840,009 and senior interest-bearing loan of R9,596,669. The interest-bearing facilities are for 20 years. The junior interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in monthly instalments which commence in October 2018. The senior interest-bearing facility bears interest at prime and is expected to be bought out by an external funder. The nominal value of the loan is R4,966,179 (2017: RNil). The loan is secured by a mortgage bond over Erf 134, Bedworth Park. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Lisinfo 282 Property (Pty) Ltd - Erf 1952, Malvern

Loan amount	3 217 492	3 532 393
Prior years current-term portion reversed	165 665	-
Interest earned	401 163	257 806
Short-term payments received	(74 662)	(543 494)
Interest amortised using effective interest rate	(9 819)	136 452
Impairment	(113 396)	-
Current-term portion transferred to current assets	(228 659)	(165 665)
	3 357 784	3 217 492

The 20 loan facility to Lisinfo 282 Property (Pty) Ltd - Erf 1952, Malvern comprises of an interest-free loan of R969,000 and interest-bearing loan of R3,399,161. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in March 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate. The interest-bearing facilities capital is repayable in monthly instalments which have commenced. The nominal value of the loan is R4,714,321 (2017: R4,387,958). The loan is secured by a mortgage bond over Erf 1952, Malvern, Johannesburg. The client was in breach of the contract for non-payment resulting in a provision for doubtful debts (refer note 3 and 30).

Lukataedi (Pty) Ltd - Erf 739, Pretoria North

Loan amount	9 282 707	8 533 671
Prior years current-term portion reversed	31 809	-
Prior years loan and receivables transferred to current assets held-for-trade reversed	5 515 114	5 306 942
Advance	-	849 377
Interest earned	1 306 337	1 448 905
Short-term payments received	(1 270 000)	(1 174 000)
Social benefit adjustment	(67 436)	(88 948)
Interest amortised using effective interest rate	245 368	132 868
Impairment	(117 236)	(179 185)
Current-term portion transferred to current assets	(77 170)	(31 809)
Loan and receivables transferred to current assets held-for-trade	(4 479 307)	(5 515 114)



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<p>The 20 year loan facility to Lukataedi (Pty) Ltd - Erf 739, Pretoria North comprises of a interest-free loan of R1,518,800, junior -interest bearing loan of R8,216,000 and a senior loan of R6,224,400. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in September 2019. The interest bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate. The senior interest-bearing facility is for 20 years and bears interest at prime. The junior and senior interest-bearing facilities repayments commence in May 2016. The nominal value of the loan is R16,796,672 (2017: R16,935,498). The loan is secured by a mortgage bond over Erf 739, Pretoria North. The loan was renegotiated in the prior year and the moratorium on payments was extended as there were delays in construction. The loan is in arrears resulting in the impairment of the loan. (Refer to note 18). The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).</p>		
Madulamoho Housing Association - Allenby House		
Loan amount	1 608 488	1 767 817
Prior period current-term portion reversed	207 018	196 710
Interest earned	122 289	139 577
Short-term payments received	(348 000)	(347 000)
Interest amortised using effective interest rate	(43 144)	58 402
Current-term portion transferred to current assets	(165 914)	(207 018)
	1 380 737	1 608 488
<p>The 15-year loan facility of R3,270,000 to Madulamoho Housing Association - Allenby House bears interest at a rate of prime less 4% per annum and is repayable in fourteen equal instalments which have commenced. The nominal value of the loan is R1,833,589 (2017: R 2,059,303). The loan is secured by a mortgage bond over Erf 4880, Hillbrow, Johannesburg Township.</p>		
Madulamoho Housing Association - Fleurhof Views		
Loan amount	15 418 574	16 454 627
Prior years current- term portion reversed	1 628 479	1 307 240
Interest earned	1 512 811	1 332 977
Short-term payments received	(2 520 000)	(2 514 000)
Interest amortised using effective interest rate	(89 322)	466 209
Current-term portion transferred to current assets	(1 633 547)	(1 628 479)
	14 316 995	15 418 574
<p>The 15-year loan facility of R23,345,378 to Madulamoho Housing Association bears - Fleurhof Views interest at a staggered JIBAR rate and is repayable in 15 annual instalments which have commenced. The nominal value of the loan is R17,058,670 (2017: R19,224,477). The loan is secured by a mortgage bond over Erf 691 to 698, Fleurhof Extension two.</p>		
Madulamoho Housing Association - Jabulani		
Loan amount	17 717 546	18 489 818
Prior year current-term portion reversed	788 816	714 055
Interest earned	1 440 119	1 555 005
Short-term payments received	(2 760 000)	(2 750 000)
Interest amortised using effective interest rate	474 909	497 484
Current-term portion transferred to current assets	(1 022 975)	(788 816)
	16 638 415	17 717 546
<p>The 15-year loan facility of R24,578,202 to Madulamoho Housing Association - Jabulani bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R19,517,427 (2017: R20,837,308). The loan is secured by a mortgage bond over Erf 2605 Jabulani, Soweto, Johannesburg.</p>		
Makabongwe Property Holding (Pty) Ltd - Erf 983, Johannesburg		
Loan amount	6 572 672	4 985 083
Prior years current-term portion transferred to current assets reversed	31 032	-
Prior years loans and receivables transferred to current assets held-for-trade reversed	9 591 786	4 914 327
Advance	-	4 855 170
Interest earned	2 245 095	1 603 701
Social benefit adjustment	(168 360)	(183 153)



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3. Loans and receivables from exchange transaction (continued)		
Short-term payments received	(1 783 520)	-
Interest amortised using effective interest rate	60 809	71 074
Impairment	(27 762)	(50 712)
Current-term portion transferred to current assets	(145 231)	(31 032)
Loans and receivables transferred to current assets held-for-trade	(8 355 536)	(9 591 786)
	8 020 985	6 572 672

The 20 year loan facility to Makabongwe Property Holding (Pty) Ltd - Erf 983, Johannesburg comprises of a junior interest-bearing facility of R5,488,088 and senior interest-bearing facility of R8,892,150. The junior loan bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments commencing in November 2016. The senior loan bears interest at prime plus 1.5% and is repayable in monthly instalments commencing in January 2017. The nominal value of the loan is R17,841,845 (2017: R17,382,527). The loan is secured by a mortgage bond over Erf 983, Johannesburg. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5). The loan was in arrears which has resulted in an impairment. (Refer to note 18).

Mahlahla Advanced Dynamics CC - Erf 442, Wolmer, Pretoria

Loan amount	5 876 245	1 409 220
Prior years loan and receivables transferred to current assets held-for-trade reversed	9 102 998	-
Advance	210 177	13 471 888
Interest earned	1 859 113	809 591
Social benefit adjustment	(142 598)	(821 546)
Short-term payments received	(500 000)	-
Interest amortised using effective interest rate	76 214	110 090
Impairment	(25 939)	-
Loans and receivables held-for-trade	(8 813 175)	(9 102 998)
	7 643 035	5 876 245

The 20 year loan facility to Mahlahla Advanced Dynamics CC - Erf 442, Wolmer, Pretoria comprises of an interest-free loan of R1,300,000 and an interest-bearing loan of R5,337,100. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in March 2021. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate and repayments commence in September 2017. The nominal value of the loan is R18,125,238 (2017: R16,556,238). The loan is secured by a mortgage bond over Erf 442, Wolmer, Pretoria. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5). The client was in breach of contract for non-payment resulting in an impairment and provision for doubtful debts (refer note 3 and 30)

Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown

Loan amount	71 087	-
Advance	10 222 251	234 438
Interest earned	201 586	-
Social benefit adjustment	(1 453 333)	(164 330)
Interest amortised using the effective interest rate method	128 017	979
Loans and receivables transferred to current assets held-for-trade	(5 613 089)	-
	3 556 519	71 087

The 20 year loan facility to Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown comprises of an interest-free loan of R2,000,000 and an interest-bearing loan of R2,843,600. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in March 2021. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate and repayments have not yet commenced. The nominal value of the loan is R10,651,643 (2017: R484,438). The loan is secured by a mortgage bond over portion 0 of Erf 2909, Jeppestown. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Meilijian Construction and Development CC - Erf 232, Kempton Park

Loan amount	1 990 437	2 012 668
Prior years current-term portion reversed	37 171	33 748
Interest earned	255 368	179 516
Short-term payments received	(2 665 974)	(236 393)



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Interest amortised using effective interest rate	386 749	41 234
Impairment	(3 751)	(3 165)
Current-term portion transferred to current assets	-	(37 171)
	-	1 990 437

The 15-year loan facility of R8,997,348 to Meilijian Construction and Development CC - Erf 232, Kempton Park bears interest at JIBAR and is repayable in monthly instalments which have commenced. The nominal value of the loan is RNil (2017: R2,440,684). The loan is secured by a mortgage bond over Erf 232, Kempton Park. The loan was in arrears which has resulted in an impairment. (Refer to note 18).

Meilijian Construction and Development CC - Erf 24, Kempton Park

Loan amount	7 590 814	7 656 990
Prior period current-term portion reversed	135 318	122 818
Interest earned	806 982	706 084
Impairment	(21 970)	(13 097)
Short-term payments received	(878 471)	(873 530)
Interest amortised using effective interest rate	103 131	126 867
Current-term portion transferred to current assets	(159 349)	(135 318)
	7 576 455	7 590 814

The 20 year loan facility of R8,997,348 to Meilijian Construction and Development CC - Erf 24, Kempton Park bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments which have commenced. The nominal value of the loan is R8,934,542 (2017: R9,006,032). The loan is secured by a mortgage bond over Erf 24, Kempton Park. The loan was in arrears which has resulted in an impairment. (Refer to note 18).

Meilijian Construction and Development CC - Erf 1614, Kempton Park

Loan amount	8 668 291	8 454 218
Prior years current-term portion reversed	60 586	-
Interest earned	923 743	856 867
Short-term payments	(1 062 359)	(619 792)
Interest amortised using effective interest rate method	18 945	54 198
Impairment	(5 391)	(16 614)
Current-term portion transferred	(181 099)	(60 586)
	8 422 716	8 668 291

The 20 year loan facility to Meilijian Construction and Development CC - Erf 1614, Kempton Park comprises of a junior interest-bearing facility of R4,075,146 and senior interest-bearing facility of R4,468,128. The junior loan bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments commencing in August 2016. The senior loan bears interest at prime and is repayable in monthly instalments commencing in August 2016. The nominal value of the loan is R9,226,165 (2017: R9,364,782). The loan is secured by a mortgage bond over Erf 1614, Kempton Park. The loan was in arrears which has resulted in an impairment. (Refer to note 18). The GPF is now funding 100% of the loan.

Meilijian Construction and Development CC - Erf 27, Kempton Park

Loan amount	8 456 624	8 486 353
Prior years current-term portion reversed	144 820	-
Interest earned	951 407	787 368
Short-term payment received	(1 023 680)	(793 485)
Interest amortised using effective interest rate method	11 120	135 872
Impairment	(12 731)	(14 664)
Current-term portion transferred to current assets	(162 354)	(144 820)
	8 365 206	8 456 624

The 20 year loan facility of R9,047,338 to Meilijian Construction and Development CC - Erf 27, Kempton Park bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments commencing in July 2016. The nominal value of the loan is R9,985,477 (2017: R10,057,749). The loan is secured by a mortgage bond over Erf 27, Kempton Park. The loan was in arrears which has resulted in an impairment. (Refer to note 18).

Meilijian Construction and Development CC - 3597, Pomona, Ext 75

Loan amount	14 455 973	283 178
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3. Loans and receivables from exchange transaction (continued)		
Prior years loan and receivables transferred to current assets held-for-trade reversed	5 047 629	-
Advance	14 252 231	22 985 103
Interest earned	2 087 137	750 270
Social benefit adjustment	(85 380)	(2 673 875)
Short-term payments received	(21 673 339)	(1 954 636)
Interest amortised using effective interest rate method	335 004	113 562
Impairment	(40 272)	-
Loan and receivables transferred to current assets held-for-trade	-	(5 047 629)
Current-term portion transferred to current assets	(229 484)	-
	14 149 499	14 455 973

The 20 year loan facility of R13,065,197 to Meilijian Construction and Development CC - Erf 3597, Pomona, Ext 75 bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments commencing in October 2017. The nominal value of the loan is R16,803,149 (2017: R22,156,494). The loan is secured by a mortgage bond over Erf 3597, Pomona, Ext 75. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5). The client was in breach of contract for non payment resulting in an impairment (refer note 18).

Michaelson Investments (Pty) Ltd - Erf 658, Troyeville, Johannesburg

Loan amount	1 566 385	1 441 937
Interest earned	96 785	91 453
Interest amortised using effective interest rate method	61 005	59 214
Impairment	(65 072)	(26 219)
Current-term portion transferred to current assets	(110 836)	-
	1 548 267	1 566 385

The 20 loan facility to Michaelson Investments (Pty) Ltd - Erf 658, Troyeville, Johannesburg comprises of an interest-free loan of R895,100 and interest-bearing loan of R4,625,000. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in October 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in annual instalments commencing in June 2016. The nominal value of the loan is R2,033,540 (2017: R1,961,095). The loan is secured by a mortgage bond over Erf 658, Troyeville, Johannesburg. The loan was renegotiated and the moratorium on payments was extended as there were delays in construction. This resulted in an impairment of the loan. (Refer to note 18).

Multidirect Investment 8 (Pty) Ltd - Erf 1815, Pretoria North

Loan amount	4 839 199	4 862 159
Prior years current-term portion reversed	-	716
Short term payments received	(433 000)	(505 125)
Interest earned	319 054	-
Interest amortised using effective interest rate method	(144 250)	148 756
Interest earned	210 279	332 693
Impairment	(5 698)	-
Current-term portion transferred to current assets	(261 140)	-
	4 524 444	4 839 199

The 20 year loan facility to Multidirect Investment 8 (Pty) Ltd - Erf 1815, Pretoria North comprises of an interest-free loan of R1,428,933 and interest-bearing loan of R4,455,837. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in September 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate. The interest-bearing facility is repayable in monthly instalments which commence in April 2016. The nominal value of the loan is R5,839,910 (2017: R5,953,856). The loan is secured by a mortgage bond over Erf 1815, Pretoria North. The client was in breach of contract for non-payment. This resulted in an impairment of the loan. (Refer to note 18).

Muma Properties Investments (Pty) Ltd - Erf 978, Pretoria North

Loan amount	8 148 743	8 141 428
Prior years current-term portion reversed	64 641	-
Prior years receivables transferred to current assets held-for-trade reversed	10 261 443	10 286 363
Advance	-	150 000
Interest earned	1 952 954	1 745 628
Short-term payments received	(1 788 000)	(1 883 561)
Social benefit adjustment	(161 838)	(198 956)



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Impairment	(38 948)	-
Interest amortised using the effective interest rate method	240 073	233 925
Loan and receivable transferred to current assets held-for-trade	(9 135 593)	(10 261 443)
Current-term portion transferred to current assets	(398 948)	(64 641)
	9 144 527	8 148 743

The 20 year loan facility to Muma Properties Investments (Pty) Ltd - Erf 978, Pretoria North comprises of an interest-free loan of R1,480,000, junior interest-bearing loan of R6,145,400 and senior interest-bearing loan of R11,546,800. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in September 2018. The interest-bearing facilities are for 20 years. The junior interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in annual instalments which have commenced. The senior interest-bearing facility bears interest at prime and is expected to be bought out by an external funder. The nominal value of the loan is R20,474,547 (2017: R20,326,437). The loan is secured by a mortgage bond over Erf 978, Pretoria North. The loan was renegotiated in the prior year and the moratorium on payments was extended as there were delays in construction. In the current year the client was in breach of the contract for non-payment. This resulted in an impairment of the loan. (Refer to note 18). The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Nelisa Properties (Pty) Ltd - Erf 388, Windsor, Randburg

Loan amount	1 044 482	953 054
Advance	938 370	3 814
Interest earned	57 721	47 347
Social benefit adjustment	(221 968)	(1 287)
Interest amortised using effective interest rate	71 269	51 652
Impairment	(30 513)	(10 098)
Current-term portion transferred to current assets	(168 563)	-
	1 690 798	1 044 482

The 20 year loan facility to Nelisa Properties (Pty) Ltd - Erf 388, Windsor, Randburg comprises of a interest-free loan of R1,227,800 and interest-bearing loan of R8,189,700. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in March 2019. The interest-bearing facility is for 20 years and bears interest at a JIBAR plus 0.5% and is repayable in annual instalments commencing in April 2016. The nominal value of the loan is R2,356,350 (2017: R1,365,393). The loan is secured by a mortgage bond over Erf 388, Windsor, Randburg. The loan was renegotiated and the moratorium on payments was extended as there were delays in construction. This resulted in an impairment of the loan in the current and prior years. (Refer to note 18).

Ninarich Trading 3 (Pty) Ltd - Betty Street Precinct

Loan amount	16 397 361	16 681 749
Prior years current-term portion reversed	291 577	266 769
Interest earned	1 468 713	1 534 517
Short-term payments received	(2 067 000)	(2 065 000)
Interest amortised using effective interest rate	245 460	270 903
Current-term portion transferred to current assets	(330 827)	(291 577)
	16 005 284	16 397 361

The 20 year loan facility of R17,766,740 to Ninarich Trading 3 (Pty) Ltd - Betty Street Precinct is interest-bearing at JIBAR plus 0.5% and is repayable in monthly instalments commencing in April 2016. The nominal value of the loan is R18,807,196 (2017: R19,405,483). The loan is secured by a mortgage bond over Erf 2,3,4,12,105,106 & 413, Betty Street, Erf 22 Auret Street and Erf 173 Park Street, New Doornfontein, Gauteng Province.

NBLR Properties (Pty) Ltd - Erf 2551, 2552 & 2553, Fleurhof Ext 20

Loan amount	8 421 496	5 913 944
Prior years receivables transferred to current assets held-for-trade	17 120 626	-
Advance	-	17 925 382
Interest received	2 368 594	1 959 345
Short-term payments received	(2 085 124)	-
Social benefit adjustment	(259 667)	(405 865)
Impairment	(75 776)	(32 937)
Interest amortised using effective interest rate method	(142 903)	182 253
Loan and receivable transferred to current assets held-for-trade	(13 806 217)	(17 120 626)
Current-term portion transferred to current assets	(55 921)	-



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3. Loans and receivables from exchange transaction (continued)

11 485 108	8 421 496
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The loan facility to NBLR Properties (Pty) Ltd - Erf 2551, 2552 & 2553, Fleurhof Ext 20 comprises of an interest-free loan of R2,000,000 and interest-bearing loan of R8,931,447. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in January 2021. The interest-bearing facility is for 20 years and bears interest at a JIBAR rate and is repayable in monthly instalments commencing in January 2017. The nominal value of the loan is R27,584,726 (2017: R28,101,201). The loan is secured by a mortgage bond over Erf 2551,2552 & 2553, Fleurhof Ext 20. The loan was renegotiated and the moratorium on payments was extended as there were delays in construction. This resulted in an impairment of the loan. (Refer to note 18). The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Nonkwelo (Pty) Ltd - Erf 10 & 11, Hunter Street

Loan amount	4 096 138	4 278 866
Advance	2 159 980	-
Interest earned	410 159	274 026
Social benefit adjustment	(298 408)	-
Interest amortised using effective interest rate method	206 767	151 710
Impairment	(282 457)	(608 464)
Current-term portion transferred to current assets	(24 050)	-
	6 268 129	4 096 138

The 23 year loan facility to Nonkwelo (Pty) Ltd - Erf 10 & 11, Hunter Street comprises of an interest-free loan of R1,516,987 and interest-bearing facility of R4,062,645. The interest-free facility is for thirteen years and is repayable in 5 equal instalments commencing in March 2018. The interest-bearing facility is for 20 four years and bears interest at a staggered JIBAR rate and is repayable in annual instalments which should have commenced. The nominal value of the loan is R8,302,788.62 (2017: R5,732,688). The loan is secured by a mortgage bond over Erf 10 & 11, Hunter Street. The loan was impaired as it is currently being renegotiated and the instalment due was not paid. (Refer note 18).

Norvena Property Consortium

Loan amount	8 912 585	8 064 798
Transfer from Norvena Consortium - Norvena Court	10 189 320	-
Prior years current-term portion reversed	225 139	258 817
Interest earned	1 621 286	744 900
Short-term payments received	(1 979 317)	-
Interest amortised using effective interest rate	115 531	163 597
Impairment	(330 385)	(94 388)
Current-term portion transferred to current assets	(751 362)	(225 139)
	18 002 797	8 912 585

The 15-year loan facility of R20,338,600 to Norvena Property Consortium bears interest at a staggered JIBAR rate and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R22,010,893 (2017: R22,368,924). The loan is secured by a mortgage bond over Erf 74,76,78,80,82,84,86 and 2004, Johannesburg. The loan was impaired as it is currently being renegotiated and the instalment due was not paid. (Refer note 18). Norvena Property Consortium - Norvena Court and Norvena Property Consortium - O' Reilly Street and amalgamated into one loan during the year.

Norvena Property Consortium - Norvena Court

Loan amount	9 971 542	2 137 701
Advance	-	8 566 143
Interest earned	-	626 558
Social benefit adjustment	-	(1 391 062)
Interest amortised using effective interest rate	-	130 835
Impairment	-	(98 633)
Transfer to Norvena Property Consortium	(9 971 542)	-
	-	9 971 542

The 20 year loan facility of R9,213,700 to Norvena Property Consortium - Novena Court bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in January 2017. The nominal value of the loan is RNil (2017: R11,795,909). The loan is secured by a mortgage bond over Erf 74, 76, 78, 80, 82, 84, 86 and Erf 2004, Johannesburg. The loan was impaired as it is currently being renegotiated and the instalment due was not paid. (Refer note 18). The loan has been consolidated as Norvena Property Consortium in the reconciliation above.



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3. Loans and receivables from exchange transaction (continued)		
Ordicode (Pty) Ltd - Erf 2242, 2243, 2248 and 2249, Johannesburg		
Loan amount	3 089 522	2 431 141
Advance	-	465 593
Interest earned	206 003	180 604
Social benefit adjustment	-	(90 011)
Interest amortised using effective interest rate	87 770	102 195
Impairment	(74 387)	-
	3 308 908	3 089 522

The 20 year loan facility to Ordicode (Pty) Ltd - Erf 2242, 2243 and 2249, Johannesburg comprises of an interest-free loan of R1,500,000 and interest-bearing facility of R5 562,900. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in February 2021. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is monthly instalments commencing in August 2017. The nominal value of the loan is R4,469,050 (2017: R4,263,048). The loan is secured by a mortgage bond over Erf 2242, 2243 and 2249, Johannesburg. The loan was impaired as it is currently being renegotiated due to delays in construction that resulted in an impairment (Refer note 18).

Phahamo Resources (Pty) Ltd - Erf 8993 Olievenhoutbosch Ext 36, Centurion		
Loan amount	10 904 680	-
Prior years receivables transferred to current assets held-for-trade reversed	8 759 003	-
Advance	8 867 697	21 815 803
Interest earned	2 790 847	578 357
Social benefit adjustment	(277 976)	(2 866 954)
Interest amortised using effective interest rate	33 755	136 477
Loan and receivable transferred to current assets held-for-trade	(17 626 700)	(8 759 003)
	13 451 306	10 904 680

The 20 year loan facility to Phahamo Resources (Pty) Ltd - Erf 8993 Olievenhoutbosch Ext 36, Centurion comprises of an interest-free loan of R2,000,000, interest-bearing facility of R11,056,800 and a senior loan of R17,626,700. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in June 2024. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.50% rate and is repayable in monthly instalments commencing in August 2018. The interest-bearing facility is for 20 years and bears interest at prime plus 1% rate and is repayable monthly instalments commencing in February 2018. The nominal value of the loan is R34,052,703.20 (2017: R22,394,160). The loan is secured by a mortgage bond over Erf 8993 Olievenhoutbosch Ext 36, Centurion. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Property Best Investment (Pty) Ltd - Erf 3834 ,Eersterus, Ext 6		
Advance	38 174 007	-
Interest earned	1 350 568	-
Short-term payment received	(8 612 894)	-
Social benefit	(2 848 322)	-
Interest amortised using effective interest rate	114 205	-
Loan and receivable transferred to current assets held-for-trade	(6 561 518)	-
Current-term portion transferred to current assets	(411 283)	-
	21 204 763	-

The 20 year loan facility to Property Best Investment (Pty) Ltd - Erf 3834, Eersterus, Ext 6 comprises of an interest-bearing facility of R22,918,251. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.50% rate and is repayable in monthly instalments commencing in August 2018. The interest-bearing facility is for 20 years and bears interest at prime plus 0.5% rate and is repayable monthly instalments commencing in June 2018. The nominal value of the loan is R34,052,703 (2017: RNil). The loan is secured by a mortgage bond over Erf 3834 Eersterus. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871, Albertville, Randburg		
Loan amount	2 061 447	454 894
Advance	3 534 048	1 871 931
Interest earned	431 635	53 650
Impairment	(15 867)	-
Social benefit	(68 253)	(372 821)



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Interest amortised using effective interest rate	80 768	53 793
Loan and receivable transferred to current assets held-for-trade	(3 415 447)	-
	2 608 331	2 061 447

The 20 year loan facility to Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871, Albertville, Randburg comprises of an interest-free facility of R900,000, a junior interest-bearing facility of R2,100,800 and a senior interest-bearing facility of R3,867,340. The interest-free facility is repayable in monthly instalments which commence in November 2020. The junior interest-bearing facility bears interest at a staggered JIBAR rate and has not yet commenced. The senior interest-bearing facility bears interest at prime and has not yet commenced. The nominal value of the loan is R6,778,932.99 (2017:R2,813,249). The loan is secured by a mortgage bond over Portion 1 & 2 of Erf 1871, Albertville, Randburg. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5). The loan was restructured due to delays in construction (refer note 18).

Proxisol (Pty) Ltd - Erven 31, 32, 33, 59 & 60, Bertrams

Loan amount	8 804 357	-
Prior years receivables transferred to current assets held-for-trade reversed	6 182 895	-
Advance	7 555 089	18 428 559
Interest earned	1 192 199	618 034
Short-term payment received	(14 403 337)	(3 654 393)
Social benefit adjustment	(9 763)	(413 880)
Interest amortised using effective interest rate	194 353	8 932
Loan and receivables transferred to current assets held-for-trade	-	(6 182 895)
Current-term portion transferred to current assets	(183 402)	-
	9 332 391	8 804 357

The 20 year loan facility of R8,591,312 to Proxisol (Pty) Ltd - Erven 31, 32, 33, 59 & 60, Bertrams bears interest at JIBAR plus 2.5% and is repayable in monthly instalments which commence in September 2017. The nominal value of the loan is R10,015,950 (2017: R15,392,201). The loan is secured by a mortgage bond over Erven 31, 32, 33, 59 & 60, Bertrams. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Rainbow Beach Trading 261 (Pty) Ltd - Sondela Village Daggafontein

Loan amount	10 456 787	10 848 938
Prior years current-term portion reversed	801 415	761 259
Interest earned	959 391	1 019 239
Short-term payments received	(1 644 000)	(1 582 014)
Interest amortised using effective interest rate	76 216	210 780
Impairment	(48 184)	-
Current-term portion transferred to current assets	(827 486)	(801 415)
	9 774 139	10 456 787

The 15-year loan facility of R12,672,939 to Rainbow Beach Trading 261 (Pty) Ltd - Sondela Village Daggafontein and Suburban bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R11,318,107 (2017: R12,002,717). The loan is secured by a mortgage bond over Erf 101 and Erf 94, City and Suburban. The client was in breach of contract for non-payment resulting in an impairment (Refer note 18).

Redformationz Holdings (Pty) Ltd - Erf 4862, Birch Acres, Ext 32

Loan amount	6 847 887	3 476 641
Advance	23 128 877	3 480 820
Interest earned	1 333 520	385 600
Social benefit adjustments	(1 064 563)	(661 480)
Interest amortised using effective interest rate	273 326	166 306
Impairment	(140 612)	-
Loans and receivables held-for-trade	(16 863 951)	-
	13 514 484	6 847 887



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<p>The loan facility to Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres, Ext 32 comprises of an interest-free facility of R2,000,000 and an interest-bearing facility of R12,673,600. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in August 2020. The interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in August 2017. The nominal value of the loan is R33,371,278 (2017: R8,908,881). The loan is secured by a mortgage bond over Erf 4862, Birch Acres, Ext 32. The loan was renegotiated and the moratorium on payments was extended as there were delays in construction. This resulted in an impairment of the loan. (Refer to note 18). The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).</p>		
Rivavect Investments (Pty) Ltd - Central House		
Loan amount	4 254 458	4 412 586
Prior years current-term portion reversed	157 832	143 206
Interest earned	386 608	412 449
Interest amortised using the effective interest rate method	66 853	78 049
Short-term payments received	(636 000)	(634 000)
Current-term portion transferred to current assets	(182 824)	(157 832)
	4 046 927	4 254 458
<p>The 15-year loan facility of R5,150,000 to Rivavect Investments (Pty) Ltd - Central House bears interest at a staggered JIBAR rate plus 1.25% and is repayable in monthly instalments which commenced. The nominal value of the loan is R4,471,584 (2017: R4,722,375). The loan is secured by a mortgage bond over Erf 2071, Roodepoort.</p>		
Sabiglo (Pty) Ltd - Erf 301, Windsor West, Randburg		
Loan amount	1 223 855	1 112 693
Advance	1 483 049	-
Interest earned	118 550	65 628
Social benefit adjustments	(195 081)	-
Interest amortised using effective interest rate	35 514	51 421
Impairment	(21 926)	(5 887)
	2 643 961	1 223 855
<p>The 20 year loan facility to Sabiglo (Pty) Ltd - Erf 301, Windsor West, Randburg comprises of an interest-free loan of R860,000 and interest bearing loan of R8,552,200. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in August 2019. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate. The interest-bearing facility should have commenced in October 2016. The nominal value of the loan is R3,153,776 (2017: R1,552,220). The loan is secured by a mortgage bond over Erf 301, Windsor West, Randburg. The loan needs to be restructured due to delays in construction resulting in an impairment of the loan. (Refer to note 18).</p>		
Sakhazonke Investment (Pty) Ltd - Erf 252, Kempton Park		
Loan amount	-	273 429
Prior years provision for doubtful debts reversed	647 583	-
Advance	-	589 321
Social benefit adjustment	-	(274 445)
Interest amortised using effective interest rate	67 621	59 278
Provision for doubtful debts	-	(647 583)
	715 204	-
<p>The 20 year loan facility to Sakhazonke Investments (Pty) Ltd - Erf 252, Kempton Park comprises of a interest-free loan of R707,477 and a interest-bearing loan of R6,708,315. The interest-free facility is for nine years and is repayable in annually instalments commencing in May 2023. The interest-bearing facility has not yet commenced. The nominal value of the loan is R1,073,7488 (2017: R1,273,838). The loan is secured by a mortgage bond over Erf 252, Kempton Park. The loan was provided for as a doubtful debt due to breach of contract in the prior year. The current years valuation and security on the loan is sufficient for a full recovery of amounts paid out. The provision was reversed (Refer to note 14).</p>		
Sethitho Projects (Pty) Ltd - Erf 1191, Rayton Extension 7		
Loan amount	2 507 850	343 765
Advance	6 492 023	2 856 220
Interest earned	617 165	12 574
Social benefit adjustment	(191 895)	(759 405)
Interest amortised using effective interest rate	112 264	54 696



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3. Loans and receivables from exchange transaction (continued)		
Loan and receivables transferred to current assets held-for-trade	(5 705 083)	-
	3 832 324	2 507 850

The loan facility to Sethitho Projects (Pty) Ltd - Erf 1191, Rayton Extension 7 comprises of an interest-free loan of R1,500,000 and an interest-bearing loan of R2,761,300. The interest-free facility is for nine years and is repayable in monthly instalments commencing in February 2021. The interest-bearing facility has not yet commenced. The nominal value of the loan is R10,683,000 (2017: R3,573,813). The loan is secured by a mortgage bond over Erf 1191 Rayton, Extension 7. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Sam Lubbe Investment CC - Erf 1654, Germiston

Loan amount	7 582 193	-
Advance	-	8 227 218
Interest earned	871 862	483 153
Social benefit adjustment	-	(1 207 810)
Interest amortised using effective interest rate	19 225	79 632
Impairment	(205 205)	-
Current-term portion transferred to current assets	(93 241)	-
	8 174 834	7 582 193

The 20 year loan facility to Sam Lubbe Investments CC - Erf 1654, Germiston comprises of an interest-bearing loan of R8,227,219 bears interest at a staggered JIBAR plus 0.50% rate and is repayable in monthly instalments commencing in July 2017. The nominal value of the loan is R9,582,190.84 (2017: R8,710,372). The loan is secured by a mortgage bond over Erf 1654, Germiston. The loan was renegotiated and the moratorium on payments was extended resulting in an impairment of the loan.

Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lofts

Loan amount	3 559 315	-
Advance	9 939 326	4 134 600
Interest earned	681 058	96 989
Social benefit adjustment	(575 582)	(676 668)
Interest amortised using effective interest rate	75 971	4 394
Short-term payments received	(4 670 051)	-
Impairment	(39 499)	-
Loan and receivables transferred to current assets held-for-trade	(1 689 899)	-
Current-term portion transferred to current assets	(115 075)	-
	7 165 564	3 559 315

The loan facility to Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lofts comprises of an interest-bearing loan of R7,615,713. The loan bears interest at a staggered JIBAR plus 0.50% rate and is repayable in monthly instalments commencing in January 2018. The nominal value of the loan is R10,182,077 (2017: R4,231,589). The loan is secured by a mortgage bond over Erf 73, Klippoortjie, Johannesburg. The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5). The client was in breach of the contract for non-payment resulting in an impairment (refer note 18).

Seraph Investment Pty Ltd - Erven 488, 489, 490, and 491, New Doornfontein

Loan amount	8 389 358	-
Advance	2 145 244	11 370 956
Interest earned	1 612 823	65 274
Social benefit adjustment	-	(3 064 034)
Interest amortised using the effective interest rate method	3 046 972	17 162
	15 194 397	8 389 358

The 20 year loan facility to Seraph Investment Pty Ltd - Erven 488, 489, 490, and 491, New Doornfontein comprises of an interest-bearing loan of R11,166,200 and an interest-free loan of R2,000,000. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in February 2022. The interest bears interest at prime plus 1% rate and is repayable in monthly instalments commencing in March 2019. The nominal value of the loan is R15,194,397 (2017: R11,436,230). The loan is secured by a mortgage bond over Erven 488, 489, 490, and 491, New Doornfontein.



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3. Loans and receivables from exchange transaction (continued)		
Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park		
Loan amount	7 381 260	6 182 140
Prior years loans and receivables transferred to current assets held-for-trade	7 745 029	-
Provision for doubtful debts reversed	11 485	1 634 584
Advance	3 984 103	6 187 445
Interest earned	1 054 190	1 053 035
Social benefit adjustment	(98 621)	(101 182)
Interest amortised using effective interest rate	489 023	188 445
Impairment	(299 127)	(6 693)
Loan and receivables transferred to current assets held-for-trade	(11 234 969)	(7 745 029)
Current-term portion transferred to current assets	-	(11 485)
	9 032 373	7 381 260

The 20 year loan facility to Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park comprises of a interest-free loan of R1,586,925, junior interest-bearing loan of R5,482,763 and senior interest-bearing loan of R10,555,978. The interest - free facility is for nine years and is repayable in 5 equal instalments commencing in September 2018. The interest -bearing facilities are for 20 years. The junior interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in April 2016. The senior interest-bearing facility bears interest at prime and is repayable in monthly instalments which commence in January 2017. The nominal value of the loan is R22,122,476 (2017: R16,671,904). The loan is secured by a mortgage bond over Erf 2682, Kempton Park. The loan was renegotiated and the moratorium on payments was extended as there were delays in construction. This resulted in an impairment of the loan. (Refer to note 18). The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams		
Loan amount	2 762 233	2 093 684
Advance	-	503 446
Interest earned	135 281	118 960
Social benefit adjustment	-	(76 164)
Interest amortised using effective interest rate	115 135	132 078
Impairment	(63 698)	(9 771)
	2 948 951	2 762 233

The 20 year loan facility to Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams comprises of a interest-free loan of R1,695,840 and interest-bearing loan of R2,811,461. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in April 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in June 2016. The nominal value of the loan is R3,495,609 (2017: R3,360,353). The loan is secured by a mortgage bond over Erf 550, Bertrams, Johannesburg. The loan was renegotiated and the moratorium extended as there were delays in construction resulting in an impairment. This resulted in an impairment of the loan. (Refer to note 18).

Stormstrong (Pty) Ltd - Erf 299 Windsor, Randburg		
Loan amount	316 033	276 602
Advance	837 208	17 602
Interest earned	31 546	-
Social benefit adjustment	(219 643)	(9 518)
Interest amortised using effective interest rate	105 482	31 347
	1 070 626	316 033

The 20 year loan facility to Stormstrong (Pty) Ltd - Erf 299 Windsor, Randburg comprises of a interest-free loan of R900,000 and interest-bearing loan of R3,282,500. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in April 2021. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and has not yet commenced. The nominal value of the loan is R1,490,388 (2017: R871,634). The loan is secured by a mortgage bond over Erf 299 Windsor, Randburg.

SOA Residential Village (Pty) Ltd - Erf 1532, Selcourt, Springs		
Loan amount	5 543 956	4 789 662
Advance	-	353 310
Social benefit adjustment	-	(59 182)
Interest earned	643 589	393 201



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3. Loans and receivables from exchange transaction (continued)		
Interest amortised	(163 773)	151 559
Impairment	(168 317)	(84 594)
Current-term portion transferred to current assets	(244 720)	-
	5 610 735	5 543 956

The 20 year loan facility of R5,455,665 to SOA Residential Village (Pty) Ltd - Erf 1532, Selcourt, Springs comprises of a interest-free loan of R1,110,000 and interest-bearing loan of R4,345,665. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in September 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments that commence in April 2016. The nominal value of the loan is R7,438,876 (2017:R6,795,287). The loan is secured by a mortgage bond over Erf 1532, Selcourt, Springs. The loan was renegotiated and the moratorium on payments was extended as there were delays in construction. This resulted in an impairment of the loan in the current and prior years. (Refer to note 18).

Take Shape Properties 75 (Pty) Ltd - Erf 4510, Johannesburg

Loan amount	9 014 481	8 338 512
Prior years current-term portion reversed	32 709	20 148
Advance	-	370 295
Interest earned	710 467	728 897
Social benefit adjustment	-	(58 621)
Interest amortised using effective interest rate	219 199	204 769
Short term payments received	(979 270)	(492 000)
Impairment	-	(64 810)
Current-term portion transferred to current assets	(42 895)	(32 709)
	8 954 691	9 014 481

The 20 year loan facility to Take Shape Properties 75 (Pty) Ltd - Erf 4510, Johannesburg comprises of a interest-free loan of R1,500,000 and interest-bearing loan of R8,497,900. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in September 2019. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate and commences in April 2016. The nominal value of the loan is R10,605,552 (2017: R10,874,355). The loan is secured by a mortgage bond over Erf 4519, Johannesburg. The moratorium on payments was extended as there was delays in construction. This resulted in an impairment of the loan in the current and prior years. (Refer to note 18).

Tenitor Properties (Pty) Ltd - The Ridge Hotel

Provision for doubtful debts reversed	-	10 725 600
Interest earned	-	486 105
Short-term payments received	-	(3 579 856)
Interest amortised using effective interest rate	-	1 298 838
Impairment	-	(114 584)
Bad debt written off	-	(8 816 103)
	-	-

The 20 year loan facility of R11,217,900 to Tenitor Properties (Pty) Ltd - The Ridge Hotel bore interest at JIBAR rate and was repayable in twelve annual instalments which commenced. The nominal value of the loan was RNil (2017: RR12,565,366). The loan is secured by a mortgage bond over Erf 185,187,189,191 and 1411 Berea, Johannesburg. The loan was impaired as the building was hijacked and no payments were received. (Refer to note 17). The loan to Tenitor Properties (Pty) Ltd - The Ridge Hotel was sold on auction and the balance owed was written off.

Toproot Management (RF) (Pty) Ltd - Erf 1335, Pennyville

Advance	8 603 607	-
Interest earned	354 043	-
Social benefit adjustment	(1 472 726)	-
Interest amortised using effective interest rate	75 680	-
	7 560 604	-

The loan facility to Toproot Management (RF) (Pty) Ltd - Erf 1335, Pennyville comprises of an interest-bearing loan of R10,858,719. The facility is for 20 years and bears interest at staggered JIBAR rate and is repayable in monthly instalment commencing in September 2018. The loan is secured over Erf 1335, Pennyville. The nominal value of the loan is R88,957,650 (2017: RNil).



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Trust for Urban Housing Finance - Intuthuko (Pty) Ltd		
Loan amount	13 977 946	13 685 512
Interest earned	1 192 160	1 198 626
Short-term payments received	(990 578)	(1 328 131)
Interest amortised using effective interest rate	564 579	421 939
Current term portion transferred to current assets	(3 612 851)	-
	11 131 256	13 977 946

The loan facility of R20,000,000 was made available from our Emerging Entrepreneur Fund to enable the Trust for Urban Housing Finance - Intuthuko (Pty) Ltd to finance low collateral projects. The first tranche of R2,000,000 was for 10 years, interest free and was repayable in 1 instalment in April 2015. The designated funds will not be utilised to make a surplus, but to facilitate and fund low collateral projects on the basis that the capital amount is preserved. The second tranche of R8,000,000 bears interest at prime less 4.16%. The second tranche's final repayment date is October 2018. The third tranche of R10,000,000 is available for seven years and bears interest at prime less 2% and is repayable in 1 instalment in August 2020. The nominal amount is R15,582,495 (2017: R15,380,913).

Tsebo Consumables Supplies (Pty) Ltd - Erf 256, Kempton		
Loan amount	3 221 874	3 504 204
Prior years current-term portion reversed	-	11 493
Interest earned	245 338	217 604
Short-term payments received	(217 889)	(304 038)
Interest amortised using effective interest rate	129 410	144 878
Impairment	(9 501)	(352 267)
Current term portion transferred to current assets	(2 899)	-
	3 366 333	3 221 874

The 20 year loan facility to Tsebo Consumable Supplies (Pty) Ltd - Erf 256, Kempton comprises of a interest-free loan of R1,594,922 and interest-bearing loan of R2,840,397. The interest-free facility is for 10 years and is repayable in 5 equal instalments commencing in December 2018. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and the capital is repayable in monthly instalments which have commenced. The nominal value of the loan is R3,724,873 (2017: R4,520,718). The loan is secured by a mortgage bond over Erf 256, Kempton Park, Ekurhuleni. The loan was impaired as the moratorium on payments was extended because of delays in construction. This resulted in an impairment of the loan. (Refer to note 18).

Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein		
Loan amount	3 014 218	2 744 406
Advance	19 625	23 256
Interest earned	205 877	192 686
Social benefit adjustment	(2 660)	(3 623)
Interest amortised using effective interest rate method	121 836	101 117
Impairment	(136 041)	(43 624)
Current-term portion transferred to current assets	(179 705)	-
	3 043 150	3 014 218

The loan facility to Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein comprises of an interest-free loan of R1,577,136 and interest-bearing loan of R2,641,418. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in February 2019. The interest-bearing facility is for 20 years and bears interest at staggered JIBAR rate and is repayable in monthly instalment commencing in April 2016. The nominal value of the loan is R3,982,346 (2017: R3,723,681). The loan is secured by a mortgage bond over Erf 52 & 53, New Doornfontein. The loan was renegotiated and the moratorium on payments has been extended as there was delays in construction. This resulted in an impairment of the loan. (Refer to note 18).

Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350 Eldorette Ext 34, Pretoria North		
Loan amount	2 518 264	-
Advance	610 054	3 594 560
Interest earned	178 480	129 121
Social benefit adjustment	(108 917)	(1 293 397)
Interest amortised using effective interest rate	121 011	87 980
Impairment	(35 655)	-



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3. Loans and receivables from exchange transaction (continued)

3 283 237	2 518 264
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The 20 year loan facility to Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34, Pretoria North comprises of an interest-free loan of R1,600,000 and a junior interest-bearing loan of R9,115,300. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in June 2021. The junior interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments which commence in December 2017. The nominal value of the loan is R4,512,215 (2017: R3,710,489). The loan is secured by a mortgage bond over Erf 347, 348, 349 and 350, Eldorette Ext. The loan was renegotiated due to delays in construction. This resulted in an impairment of the loan (refer note 18).

Valotorgue 199 (Pty) Ltd - Erf 757, Pretoria North

Loan amount	6 728 471	5 530 774
Prior years loans and receivables transferred to current assets held-for-trade	7 455 584	8 150 688
Advance	-	230 216
Social benefit adjustment	(105 219)	(132 922)
Interest earned	1 224 165	1 280 121
Short-term payments received	(1 063 497)	(1 013 500)
Interest amortised using effective interest rate	243 092	197 120
Impairment	(106 500)	(58 442)
Loans and receivables transferred to current assets held-for-trade	(6 432 036)	(7 455 584)
Current-term portion transferred to current assets	(388 754)	-
	7 555 306	6 728 471

The 20 year loan facility to Valotorgue 199 (Pty) Ltd - Erf 757, Pretoria North comprises of a interest-free loan of R1,768,675, junior interest bearing loan of R4,172,000 and senior interest loan of R8,584,325. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in November 2018. The junior interest-bearing facility is for 20 -years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments which should have commenced. The senior interest bearing facility bears interest at prime and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R15,964,856 (2017: R15,741,674). The loan is secured by a mortgage bond over Erf 757, Pretoria North. The loan was renegotiated and the moratorium on payments was extended as there were delays in construction. The client is in arrears. This resulted in an impairment of the loan. (Refer to note 18). The GPF has concluded an agreement with a senior funder to purchase the senior portion of this loan. This portion was transferred to loans and receivables assets held-for-trade. (Refer to note 5).

Yeast City Housing (Pty) Ltd - Salvokop

Loan amount	5 010 749	5 191 354
Prior years current-term portion reversed	231 318	229 801
Interest earned	435 619	467 972
Short-term payments received	(787 572)	(767 617)
Interest amortised using effective interest rate method	99 345	120 557
Current-term portion transferred to current assets	(249 304)	(231 318)
	4 740 155	5 010 749

The 20 year loan facility of R7,221,660 to Yeast City Housing (Pty) Ltd - Salvokop bears interest at a staggered JIBAR rate and the capital is repayable in 19 annual instalments which have commenced. The nominal value of the loan is R5,602,607 (2017: R5,942,121). The loan is secured by a mortgage bond over Erf 4, Salvokop, Pretoria.

Yeast City Housing (Pty) Ltd - Thembelihle Village

Loan amount	40 023 654	-
Advance	-	48 085 150
Interest earned	3 676 172	1 222 267
Social benefit adjustment	-	(9 477 572)
Interest amortised using effective interest rate method	650 436	193 809
	44 350 262	40 023 654

The 20 year loan facility of R48,085,150 to Yeast City Housing (Pty) Ltd - Thembelihle Village bears interest at staggered JIBAR rate and is repayable in monthly instalments which commence in December 2018. The nominal value of the loan is R52,983,587 (2017: R49,307,416). The loan is secured by a mortgage bond over Erf 3020, Pretoria, Tshwane.

Yeast City Housing (Pty) Ltd - Tau Village

Loan amount	3 564 570	3 949 550
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Prior years current-term portion reversed	399 820	378 574
Interest earned	174 125	204 307
Short-term payments received	(175 357)	(845 411)
Interest amortised using effective interest rate	195 691	277 370
Impairment	(28 248)	-
Current-term portion transferred to current assets	(489 405)	(399 820)
	3 641 196	3 564 570

The 15-year loan facility of R9,000,000 to Yeast City Housing (Pty) Ltd - Tau Village bears interest at a rate of prime less 7% and is repayable in 14 annual instalments which have commenced. The nominal value of the loan is R5,250,311 (2017: R5,251,544). The loan is secured by a mortgage bond over Erf 112, Pretoria. The client is in breach of contract for non-payment resulting in an impairment (refer note 3).

Xanado Trade or Invest 614 (Pty) Ltd - Erf 324, Princess Ext 49, Roodepoort

Loan amount	9 949 414	10 105 228
Prior years current-term portion reversed	169 016	-
Advance	-	154 717
Interest earned	890 822	929 452
Short-term payments received	(1 237 000)	(1 228 000)
Interest amortised using effective interest rate	146 716	157 033
Current-term portion transferred to current assets	(192 139)	(169 016)
	9 726 829	9 949 414

The 20 year loan facility of R11,593,786 to Xanado Trade or Invest 614 (Pty) Ltd - Erf 324, Princess Ext 49 bears interest at JIBAR rate plus 0.5% and is repayable in monthly instalments which have commenced. The nominal value of the loan is R11,413,821 (2017: R11,759,999). The loan is secured by a mortgage bond over Erf 324, Princess Ext 49, Roodepoort.

Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa unit 2

Loan amount	1 064 823	965 866
Prior years current-term portion reversed	18 163	-
Interest earned	129 206	117 120
Current-term portion transferred to current assets	(24 479)	(18 163)
	1 187 713	1 064 823

The 20 year loan facility to Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa unit 2 comprises of a interest-bearing loan of R10,221,314. The loan bears interest at prime plus 1% and is repayable monthly instalments commencing in September 2016. The loan is secured by a mortgage bond over portion 3 of Erf 2834, Ga-Rankuwa unit 2. The nominal value of the loan is R1,212,192 (2017: R1,082,986).

Zakhele Investments (Pty) Ltd - Erf 257, Kempton Park

Loan amount	3 534 098	3 798 499
Prior years current-term portion reversed	124 675	40 806
Interest earned	240 250	297 860
Short-term payments received	(340 932)	(350 867)
Interest amortised using effective interest rate	90 929	119 329
Impairment	(176 885)	(246 854)
Current-term portion transferred to current assets	(261 741)	(124 675)
	3 210 394	3 534 098

The 24 year loan facility to Zakhele Investments (Pty) Ltd - Erf 257, Kempton Park comprises of a interest-free loan of R1,542,089 and interest-bearing loan of R2,978,169. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in December 2017. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in annual instalments which have commenced. The nominal value of the loan is R4,744,044 (2017: R4,881,804). The loan is secured by a mortgage bond over Erf 257, Ekurhuleni. The loan was restructured and has therefore been impaired. (Refer to note 18).

Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield

Loan amount	8 324 900	3 581 131
Advance	11 224 909	5 622 444
Interest earned	1 452 907	268 993

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Social benefit adjustment	(117 355)	(897 209)
Interest amortised using effective interest rate	485 891	145 832
Impairment	(71 371)	(396 291)
	21 299 881	8 324 900

The 23 loan facility to Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield comprises of a interest-free loan of R1,858,700, junior interest-bearing loan of R7,247,600 and senior interest-bearing loan of R16,071,780. The interest-free facility is for nine years and is repayable in 5 equal instalments commencing in February 2019. The interest-bearing facilities are for 20 years. The junior interest-bearing facility bears interest at a staggered JIBAR rate plus 0.5% and is repayable in monthly instalments commencing in April 2016. The senior interest-bearing facility bears interest at prime and has not yet commenced. The nominal value of the loan is R23,220,625 (2017: R10,542,666). The loan is secured by a mortgage bond over Erf 424 & 425, Rhodesfield. The loan was renegotiated and the moratorium on payments was extended. This resulted in an impairment of the loan. (Refer to note 18).

Total non-current loan and receivables from exchange transactions.	718 938 540	592 112 672
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Total loans and receivables from exchange transactions		
Non-current portion loans and receivables from exchange transactions	718 938 540	592 112 672
Current-portion loans and receivables from exchange transactions	61 891 967	39 794 928
	780 830 507	631 907 600

Reconciliation of provision for doubtful debts		
Opening balance	9 157 265	28 612 630
Decrease in provision - Aquarella Investment 360 (Pty) Ltd	-	(2 068 698)
Increase/(decrease) in provision - BM Molefi Property 241 (Pty) Ltd - Kgorong Estate	5 547 404	(10 898 415)
Increase in provision - Comocap (Pty) Ltd - 88 Relly Street	236 847	112 807
Increase in provision - DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban	469 777	3 115 825
Increase in provision - Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street	5 739 835	-
Decrease in provision - Highlands (Pty) Ltd - Highlands Lofts	(3 135 610)	(712 025)
Increase in provision - Landopoint (Pty) Ltd - Erf 905, 906 and 907, Kenilworth	324 828	1 073 158
(Decrease)/Increase in provision - Sakhazonke Investments (Pty) Ltd - Erf 252, Kempton Park	(647 583)	647 583
Decrease in provision - Tenitor Properties (Pty) Ltd - The Ridge	-	(10 725 600)
Closing balance	17 692 763	9 157 265

The movement in the provision is R8,535,498 (2017: R19,455,365). (Refer to note 3).

4. Receivables from exchange transactions

Guarantees with attorneys	561 633	1 435 123
Sundry debtors	32 325 026	2 774 605
Interest accrued	1 590 800	2 318 811
	34 477 459	6 528 539

Receivables from exchanges transactions non-current		
Prepayment - restated	3 591 000	3 591 000

Receivables from exchange transactions**Current**

Guarantees with Attorneys - comprise of money held in Trust by attorneys until such time that bonds are registered and transfer has taken place. These guarantees are interest-bearing and are generally between 30- and 360-day terms. (Refer to note 23).

Sundry debtors - consists mainly of money owed to the Trust from Gauteng Department of Human Settlements subsidy budget, tenant installation allowance and contract recovery fees owed by clients. These amounts are non-interest-bearing.



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4. Receivables from exchange transactions (continued)

Interest accrued - comprised of interest owed on the GPF's bank accounts by Absa Bank. These interest amounts are non-interest-bearing and are generally on 30-day terms.

Receivables from exchange transactions - non -current

Receivables from exchange transactions - non - current - related to a prepayment to a service provider in the 2017 financial year where not all the service deliverables had been properly met in accordance with the Service Level Agreement (SLA) with the service provider. The matter is under litigation which might take over a year to conclude.

Credit quality of trade and other receivables

The credit quality of receivables from exchange transactions that are neither past nor due nor impaired is good . The credit quality is assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Fair value of trade and other receivables

Receivables from exchange transactions are carried at invoice amount and not discounted due to the effect of discounting not being material. Receivables from exchange transaction fair value approximate its carrying value.

5. Loans and receivables held-for-trade

Loans and receivables held-for-trade

BUA Africa (Pty) Ltd - Erf 2918, Kempton Park	52 341 830	48 195 345
DNM Estate (Pty) Ltd - Erf 517 & 518, City & Suburban	-	10 932 764
Eagle Valley Property 41 (Pty) Ltd Phase 1 - Ptn 1 of Erf 1908, Erasmus	4 976 567	5 993 324
Eagle Valley Property 41 (Pty) Ltd Phase 1 - Ptn 2 of Erf 1908, Erasmus	5 520 463	6 585 477
GNI Real Estate - Erf 113 ,Pretoria North	6 711 315	5 858 488
Lavigen Lofts (Pty) Ltd - Erf 905, 906 and 907, Kenilworth	1 688 585	-
Lukataedi (Pty) Ltd - Erf 739, Pretoria North	4 479 307	5 515 114
Mahlahla Advancement Dynamics CC - Erf 442, Wolmer, Pretoria	8 813 175	9 102 998
Makabongwe Property Holding (Pty) Ltd - Erf 983	8 355 536	9 591 786
Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown	5 613 089	-
Meilijian Construction and Development CC - 3597, Pomona Ext 75	-	5 047 629
Muma Property Investment (Pty) Ltd - Erf 978, Pretoria North	9 135 593	10 261 443
NBLR Properties (Pty) Ltd - Ext 2551, 2552 & 2553, Fleurhof Ext 20	13 086 217	17 120 626
Phahamo Resources (Pty) Ltd - Erf 8993 ,Olievenhoutbosch, Ext 36, Centurion	17 626 700	8 759 003
Property Best Investment (Pty) Ltd - Erf 3834, Eersterus, Ext 6	6 561 518	-
Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871 Albertville, Randburg	3 415 447	-
Proxisol (Pty) Ltd - Erven 31, 32, 33, 59, & 60, Bertrams	-	6 182 895
Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres ,Ext 32	16 863 951	-
Sethitho Projects (Pty) Ltd - Erf 1191, Rayton Extension 7	5 705 083	-
Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lofts	1 689 899	-
Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park	11 234 969	7 745 029
Valotorgue 199 (Pty) Ltd - Erf 757, Pretoria North	6 432 036	7 455 584
	190 251 280	164 347 505

Loans and receivables held-for-trade comprise of senior loans that will be purchased by a senior funder within the next financial year. The GPF has concluded an agreement with a senior funder for the purchase of these loans. These amounts bear interest at prime related rates and are expected to be bought out shortly. Held-for-trade instruments are initially recognised at cost which approximates fair value. These loans will be sold at their cost. R180,311,278 (2017:R153,116,98) is attributable to Aspari (Pty) Ltd and R9,940,002 (2017:R11,230,524) is attributable to Future Growth Asset Management (Pty) Ltd. The Trust has decided to foreclose on the loan to DNM Estate (Pty) Ltd. The DNM Estate (Pty) Ltd loan attributable to Aspari (Pty) Ltd of R10,932,764 has been converted to a GPF loan. (Refer to note 3). The Trust received R146,703,773 from Aspari (Pty) Ltd and R8,250,103 from Future Growth Asset Management (Pty) Ltd subsequent to year-end. (Refer to note 34).

6. Property, plant and equipment

2018	2017
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Figures in Rand	2018			2017		
6. Property, plant and equipment (continued)						
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	1 641 487	(650 684)	990 803	1 006 844	(529 693)	477 151
Motor vehicles	161 076	(159 428)	1 648	161 076	(152 839)	8 237
Office equipment	2 269 440	(1 785 490)	483 950	1 758 545	(1 418 840)	339 705
Computer equipment	3 900 722	(2 010 945)	1 889 777	3 014 105	(1 685 527)	1 328 578
Leasehold improvements	5 063 959	(3 078 699)	1 985 260	2 904 861	(2 614 653)	290 208
Total	13 036 684	(7 685 246)	5 351 438	8 845 431	(6 401 552)	2 443 879

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Disposals	Depreciation	Scrapping	Total
Furniture and fixtures	477 151	634 643	-	(120 991)	-	990 803
Motor vehicles	8 237	-	-	(6 589)	-	1 648
Office equipment	339 705	552 659	-	(406 588)	(1 826)	483 950
Computer equipment	1 328 578	1 169 482	(1 846)	(605 654)	(783)	1 889 777
Leasehold improvements	290 208	2 159 098	-	(464 046)	-	1 985 260
	2 443 879	4 515 882	(1 846)	(1 603 868)	(2 609)	5 351 438

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Scrapping	Total
Furniture and fixtures	573 081	5 393	-	(101 304)	(19)	477 151
Motor vehicles	14 825	-	-	(6 588)	-	8 237
Office equipment	676 835	23 120	(1 163)	(358 905)	(182)	339 705
Computer equipment	696 515	1 199 783	(7 267)	(523 267)	(37 186)	1 328 578
Leasehold improvements	435 311	-	-	(145 103)	-	290 208
	2 396 567	1 228 296	(8 430)	(1 135 167)	(37 387)	2 443 879

Pledged as security

No assets were pledged as security.

Assets subject to finance lease (Net carrying amount)

IT equipment	-	18 207
Office equipment	184 868	194 057
	184 868	212 264

Other information**Property, plant and equipment fully depreciated and still in use (Gross carrying amount)**

IT Equipment	12	12
Office equipment	5	12
	17	24

Expenditure incurred to repair and maintain property, plant and equipment included in statement of financial performance

Repairs and maintenance	473 509	710 050
	473 509	710 050

7. Intangible assets

	2018	2017
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7. Intangible assets (continued)

	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	319 889	(104 263)	215 626	275 544	(229 239)	46 305

Reconciliation of computer software 2018

	Opening balance	Additions	Amortisation	Total
Computer software	46 305	229 477	(60 156)	215 626

Reconciliation of computer software 2017

	Opening balance	Amortisation	Total
Computer software	196 729	(150 424)	46 305

8. Conditional grants realised

Movement during the year

Balance at the beginning of the year	135 331 887	288 239 546
Additions during the year	49 371 415	191 068 638
Income recognition during the year	(184 703 302)	(343 976 297)
	-	135 331 887
Non-current liabilities	-	-
Current liabilities	-	135 331 887
	-	135 331 887

Deferred income represents the amounts of government grants not yet disbursed. (Refer to note 1.13 & 24).

9. Finance lease obligation

Minimum lease payments due

- within one year	95 100	251 565
- in second to fifth year inclusive	121 125	9 600
	216 225	261 165
less: future finance charges	(24 435)	(9 348)
Present value of minimum lease payments	191 790	251 817

Present value of minimum lease payments due

- within one year	79 494	242 363
- in second to fifth year inclusive	112 296	9 454
	191 790	251 817
Non-current liabilities	112 296	9 454
Current liabilities	79 494	242 363
	191 790	251 817

These leases are linked to prime lending rate with no escalation and for a period of two to three years.

The entity's obligations under finance leases are secured by the lessor's title over the leased assets. (Refer to note 6).

The photocopiers, PABX system and ipads under the finance leases are currently depreciated over the lease term of two to three years.



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10. Payables from exchange transactions		
Accruals	4 286 402	744 207
Gauteng Department of Human Settlements	149 509 920	254 596 885
Sundry creditors	96 124	30 231
	153 892 446	255 371 323

Accruals - mainly comprise of salary third party payments and other sundry accruals. Accruals are non-interest-bearing and normally settled on 30-day terms.

Gauteng Department of Human Settlements - represents deposits held and interest accrued. Deposits are held in terms of a memorandum of agreement to assist the department in expediting payments to subsidised and mega projects. For terms and conditions relating to related parties. (Refer to note 24).

Sundry creditors comprise staff creditors, credit card balances and overpayments from clients. These are non-interest bearing and are normally settled on 30-day terms.

11. Provisions**Reconciliation of provisions - 2018**

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	819 498	1 065 967	(819 498)	1 065 967
Provision for bonuses	4 117 139	4 393 288	(4 117 139)	4 393 288
	4 936 637	5 459 255	(4 936 637)	5 459 255

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	768 582	819 498	(768 582)	819 498
Provisions for bonuses	3 718 244	4 117 139	(3 718 244)	4 117 139
Provision for salary related expenses	347 462	-	(347 462)	-
	4 834 288	4 936 637	(4 834 288)	4 936 637

Provision for leave is based on current salary rates and included in the statement of financial position. A provision is made for the estimated liability as a result of services rendered by employees up to reporting date.

Provision for bonus is based on management's best estimate of expenditure required to settle the present obligation at the end of the reporting period.

Provision for salary related expenses was based on management best estimate on Pay As You Earn (PAYE) expense owed to SARS. The amount was paid. (Refer to note 33).

12. Operating lease liability

Non-current liabilities	-	182 341
Current liabilities	225 827	
	225 827	182 341

Operating lease rentals represents rentals payable by the Trust to Acucap Management Services (Pty) Ltd for office premises. The three year lease expires in June 2019 and had an escalation of 8% annually.

Minimum lease payments

- within one-year	3 674 914	2 541 830
- in second to fifth-year	-	2 745 274
	3 674 914	5 287 104



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13. Revenue		
Revenue from non-exchange transaction - Deferred income transferred to revenue - Government grants	184 703 302	343 976 297
Revenue from exchange transactions - Interest received from banks	44 473 022	48 646 070
Revenue from exchange transactions - Interest received from loans and receivables	84 150 929	57 741 126
Revenue from exchange transactions - Interest calculated using the effective interest rate method from loans and receivables (Refer to note 3)	16 144 906	19 140 891
	329 472 159	469 504 384
14. Interest received from banks		
Current accounts	13 034 743	13 114 119
Capital account	31 389 745	35 500 193
Call accounts	48 534	31 758
	44 473 022	48 646 070
15. Other income		
Contract recovery costs	3 693 571	3 606 712
Decrease in provision for doubtful debts	7 433 695	13 519 938
Profit on sale of assets	34 739	143 383
Department of Trade and Industry	444 685	1 605 469
Moratorium extension fee	-	744 000
Tenant installation allowance	168 602	-
	11 775 292	19 619 502
Contract recovery costs are costs charged to borrowers for the recovery of the GPF's operational expenditure. (Refer to note 3).		
Decrease in provision for doubtful debts relates to Highlands Urban Living (Pty) Ltd - Highlands Lofts and Sakhazonke Investment (Pty) Ltd Erf 252, Kempton Park. The prior year amount relates to BM Molefi Properties 241(Pty) Ltd - Kgorong Estate, Highlands Urban Living (Pty) Ltd - Highlands Lofts and Tenitor Properties (Pty) Ltd - The Ridge Hotel.		
tenant installation allowance relates to an allowance offered by the landlord for renovations done to the first floor.		
Profit on sale of assets disposed during the year (Refer to note 6).		
Income received from the Department of Trade and Industry is for shared expenses for the Entrepreneur Empowerment Property Fund. (Refer to note 24).		
Moratorium extension fee relates to an additional fee charged to clients for extending the moratoriums in prior year. (Refer to note 3).		
16. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
External audit fee	1 077 547	1 033 393
Internal audit fee	407 542	906 016
	1 485 089	1 939 409
Operating lease charges		
Premises		
• Contractual amounts	3 440 915	2 569 880
• Utilities	1 142 155	682 443
Office equipment		
• Contractual amounts	46 824	22 106
	4 629 894	3 274 429



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16. Operating surplus (continued)		
Profit on sale of assets	34 739	143 383
Impairment on property, plant and equipment	2 609	37 387
Amortisation on intangible assets	60 156	150 424
Depreciation on property, plant and equipment	1 603 869	1 135 167
Employee costs	47 802 515	36 651 113
17. Fair value adjustments		
Provisions for bonuses	148 283	14 146
Provisions for leave pay	(143 102)	1 243
Financial instruments at fair value	-	206 378
Social benefit on loans and receivables	(18 715 332)	(42 980 267)
	(18 710 151)	(42 758 500)

The fair value adjustment on the provision for bonuses relates to the timing the payment. (Refer to note 11).

The fair value adjustment on the provision for leave pay relates to the timing the payment in the prior year. (Refer to note 11).

The social benefit adjustment on loans and receivables relates to the discounted rates the GPF provides to borrowers. (Refer to note 3).

18. Impairment (loss)/reversal of loans and receivables from exchange transactions

Impairment loss - Aquarella Investment 360 (Pty) Ltd - 85 - 87 Quartz Street The client was in breach of the contract for non-payment resulting in a provision for doubtful debts. (Refer note 3 and 30).	-	(21 356)
Impairment loss - Bixowize (Pty) Ltd - Erf 278 Primrose Hill The loan was restructured and the moratorium on payments was extended. (Refer note 3).	(200 616)	(452 194)
Impairment loss - Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park, located on 26 Kempton Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	(4 636)	-
Impairment loss - Cape Gannet Properties 175 (Pty) Ltd - Erf 42, Kempton Park The loan needs restructuring which has resulted in an impairment. (Refer note 3).	(7 687)	-
Impairment loss - Clare Water (Pty) Ltd - Erf 1509, Discovery, Roodepoort The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).	(35 301)	(520 502)
Impairment loss - Clidet No. 1024 (Pty) Ltd - 44 Wanderers The loan was restructured and the moratorium on payments was extended. The loan is cancelled. (Refer note 3)	(219 318)	(73 333)
Impairment loss - Comocap (Pty) Ltd - 88 Relly Street The loan was in arrears which has resulted in an impairment. The company is in business rescue (Refer note 3).	(12 020)	(40 876)
Impairment loss - Comu Property Developers (Pty) Ltd - 3103, Glen Marais The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).	(14 541)	(30 458)
Impairment loss - DNM Estate (Pty) Ltd - Erf 517 & 518 ,City and Suburban The loan was in arrears which has resulted in an impairment and has been provided for as a doubtful debt. (Refer note 3 and 30).	(242 748)	(34 083)
Impairment loss - Echo Canyon Trading (Pty) Ltd - 463 and 465 Hanny Street The loan needs restructuring which has resulted in an impairment and has been provided for as a doubtful debt. (Refer note 3 and 30)	(244 398)	(27 095)
Impairment loss - EGC Properties (Pty) Ltd - Browning Street The loan was in arrears which has resulted in an impairment. (Refer note 3).	(21 402)	-
Impairment loss Erf 85 Newtown (Pty) Ltd - Erf 269, Richmond The loan was in arrears which has resulted in an impairment. (Refer note 3).	(3 378)	-
Impairment loss - Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489 ,Protea North The loan was in arrears that resulted in an impairment. (Refer note 3).	(122 054)	(123 274)
Impairment loss FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville The loan is in arrears resulting in impairment of the loan. (Refer note 3).	(16 272)	-



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18. Impairment (loss)/reversal of loans and receivables from exchange transactions (continued)		
Impairment loss - GNI Real Estate - Erf 113, Pretoria North	(5 761)	-
Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).		
Impairment loss - Goldberg Property Development (Pty) Ltd - Erf 72, Kempton Park	(4 793)	-
The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).		
Impairment loss reversal - Highlands Urban Living (Pty) Ltd - Highlands Lofts	(18 931)	19 356
The loan was in arrears which has resulted in an impairment. (Refer note 3).		
Impairment loss - Ikamvelihle Enterprises (Pty) Ltd - Erf 953-956 Berea	(234 472)	(147 720)
The loan requires an additional moratorium due to delays in construction resulting in impairment of the loan. (Refer note 3).		
Impairment loss - Indigo Kulani Properties (Pty) Ltd - Erf 1676, Benoni	(4 087)	(91 144)
Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).		
Impairment loss - Kertrade CC - Erf 564 & 566, Springs	(30 273)	(48 581)
The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).		
Impairment loss - Kesef Properties (Pty) Ltd - Erf 343, 344, 345, 346, 347, 348, 387, 388 and 389, New Doornfontein, Johannesburg	(81 394)	-
The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).		
Impairment loss - Lakeside Developments (Pty) Ltd - Erf 1373, Leachville	(24 610)	-
The client was in breach of the contract for non-payment resulting in a provision for doubtful debts. (Refer note 3 and 30).		
Impairment Loss - Landopoint (Pty) Ltd Erf 905,906 and 907 Kenilworth	(69 710)	(19 373)
The loan was in breach resulting in impairment of the loan and a provision for doubtful debt (Refer note 3 and 30).		
Impairment loss - Lisinfo 282 Property (Pty) Ltd - Erf 1952, Malvern	(113 396)	-
The client was in breach of the contract for non-payment resulting in a provision for doubtful debts. (Refer note 3 and 30).		
Impairment loss - Lukataedi (Pty) Ltd - Erf 739 Pretoria North	(117 236)	(179 185)
The loan is in arrears which has resulted in an impairment. (Refer note 3).		
Impairment loss - Mahlahla Advanced Dynamics CC - Erf 442, Wolmer Pretoria	(25 939)	-
The client was in breach of the contract for non-payment resulting in a provision for doubtful debts. (Refer note 3 and 30).		
Impairment loss Makabongwe Property Holding (Pty) Ltd - Erf 983, Johannesburg	(27 762)	(50 712)
The loan is in arrears which has resulted in an impairment. (Refer note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 1614, Kempton Park	(5 391)	(16 614)
The loan is in arrears which has resulted in an impairment. (Refer note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 232, Kempton Park	(3 751)	(3 165)
The loan was in arrears which has resulted in an impairment. (Refer note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 24, Kempton Park	(21 970)	(13 097)
The loan was in arrears which has resulted in an impairment. (Refer note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 27, Kempton Park	(12 731)	(14 664)
The loan was in arrears which has resulted in an impairment. (Refer note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 3597 Kempton Park	(40 272)	-
The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).		
Impairment loss - Michaelson Investments (Pty) Ltd - Erf 658, Troyeville	(65 072)	(26 219)
The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer note 3).		
Impairment loss - Multidirect Investment 8 (Pty) Ltd - Erf 1815, Pretoria North	(5 698)	-
The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).		
Impairment loss - Muma Properties Investments (Pty) Ltd - Erf 978, Pretoria North	(38 948)	-
The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).		
Impairment loss - NBLR Properties (Pty) Ltd - Erf 2551, 2552 & 2553, Fleurhof Ext 20	(75 776)	(32 937)
Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).		



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Impairment loss - Nelisa Property (Pty) Ltd - Erf 388, Windsor The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer note 3).	(30 513)	(10 098)
Impairment loss - Nonkwelo (Pty) Ltd - Erf 10 & 11, Hunter Street Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	(282 457)	(608 464)
Impairment loss - Norvena Property Consortium - Novena Court Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	-	(98 633)
Impairment loss - Norvena Property Consortium - O' Reilly Street Due to arrears resulting in impairment of the loan. (Refer note 3).	(330 385)	(94 388)
Impairment loss - Ordicode (Pty) Ltd - Erf 2242, 2243, 2248 and 2249, Johannesburg The loan was restructured due to delays in construction (refer note 3).	(74 387)	-
Impairment loss - Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871, Albertville, Randburg The loan was restructured due to delays in construction (refer note 3).	(15 867)	-
Impairment loss - Rainbow Beach Trading 261 (Pty) Ltd -Sondela Village Daggafontein The client was in breach of the contract for non-payment resulting in an impairment (refer note 3).	(48 184)	-
Impairment loss - Sabiglo (Pty) Ltd - Erf 301, Windsor West, Randburg The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer note 3).	(21 926)	(5 887)
Impairment loss - Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres, Ext 32 Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	(140 612)	-
Impairment loss - Sam Lubbe Investment CC - Erf 1654, Germiston The loan was restructured due to delays in construction (refer note 3).	(205 205)	-
Impairment loss - Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lofts The client was in breach of the contract for non-payment resulting in an impairment. (Refer note 3).	(39 499)	-
Impairment loss - Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams The loan requires needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer note 3).	(63 698)	(9 771)
Impairment loss - Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	(299 127)	(6 693)
Impairment loss - SOA Residential Village (Pty) Ltd - Erf 1532, Selcourt Springs Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	(168 317)	(84 594)
Impairment loss - Take Shape Properties 75 (Pty) Ltd - Erf 4510, Johannesburg Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	-	(64 810)
Impairment loss - Tenitor Properties (Pty) Ltd - The Ridge Hotel The loan was renegotiated and the moratoriums on payments extended as the building was hijacked.(Refer note 3).	-	(114 584)
Impairment loss - Tsebo Consumables Supplies (Pty) Ltd - Erf 256, Kempton The loan was in arrears and renegotiation which has resulted in an impairment.(Refer note 3).	(9 501)	(352 267)
Impairment loss - Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).	(136 041)	(43 624)
Impairment loss - Valotorgue199 (Pty) Ltd - Erf 757, Pretoria North Due to arrears resulting in impairment of the loan. (Refer note 3).	(106 500)	(58 442)
Impairment loss - Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34, Pretoria North The loan was restructured due to delays in construction (refer note 3).	(35 655)	-
Impairment loss - Yeast City Housing (Pty) Ltd - Tau Village The client was in breach of the contract for non-payment resulting in an impairment (refer note 3)	(28 248)	-
Impairment loss - Zakhele Investments (Pty) Ltd - Erf 257 Kempton Park The loan was restructured (Refer note 3).	(176 885)	(246 854)
The loan is in arrears resulting in impairment of the loan. (Refer note 3).	-	-



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18. Impairment (loss)/reversal of loans and receivables from exchange transactions (continued)		
Impairment loss - Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield	(71 371)	(396 291)
Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer note 3).		
	(4 456 722)	(4 142 626)

19. Finance costs

Finance lease	21 402	30 473
Interest on salary related expense	-	35 810
	21 402	66 283

Finance cost comprises of interest amortised for the finance lease.

Interest on salary-related expense relates to tax that was not paid over to SARS timeously in the prior year. As a result interest was charged. (Refer to note 33).

20. General expenses

Auditors remuneration	1 485 088	1 939 409
Bank charges	73 953	48 281
Consulting and professional fees	15 856 447	12 637 593
Entertainment	227 327	174 831
Insurance	606 331	397 504
Marketing	2 368 191	2 133 098
Magazines, books and subscriptions	199 743	181 750
Fuel and oil	8 782	8 139
Postage and courier	5 065	7 192
Printing and stationery	348 787	429 916
Security	1 804 051	11 004
Telephone and fax	659 352	763 093
Training	500 958	735 439
Travel	1 429 741	610 728
Offsite storage	46 644	38 580
	25 620 460	20 116 557

21. Employee related costs

Basic	44 326 145	34 367 202
Medical aid - company contributions	1 895 435	845 937
Life cover	223 410	225 019
Retirement annuity	1 357 525	1 212 955
Refer to note 16	47 802 515	36 651 113

22. Taxation

No provision has been made for 2018 tax as the Trust has been granted tax exemption status by the South African Revenue Service in terms of Section 30 of the Income Tax Act, and receipts and accruals are exempt from income tax in terms of Section 10 (1) (CN) of the Income Tax Act. The status quo was applicable for the 2018 period.

23. Commitments

Project Funding Commitments

Begin All Investments (Pty) Ltd - Erf 89, 90 and 91, Bertrams	5 673 772	3 777 609
Bixowize (Pty) Ltd - Erf 278 Primrose Hill	-	836 366
Bravo Enterprise and Projects (Pty) Ltd - Erf 231 Kempton Park, located 26 Kempton	2 846 812	2 933 852
Bridge City Housing Consortium (Pty) Ltd - Portion 196 of Erf 7305, Chiawelo	-	10 434 879
Extension 2, Soweto		
Bruzar Properties (Pty) Ltd - Erf 60, Kempton Park	-	9 180 554
Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni	5 070 531	11 219 314



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Figures in Rand	2018	2017
23. Commitments (continued)		
Clidet no 1024 (Pty) Ltd - 44 Wanderers	-	14 213 506
Comu Property Developers (Pty) Ltd - Erf 3101, Glen Marais	4 683 000	-
Devland Gardens (Pty) Ltd - Erf 564 & 566, Springs	45 000 000	-
Eable Properties (Pty) Ltd - Erf 8186, Olievenhoutbosch	9 495 545	11 677 609
Echo Canyon Trading (Pty) Ltd - 463 and 465 Hanny Street	-	32 333
EGC Properties (Pty) Ltd - Browning Street	549 358	1 178 789
EGC Properties (Pty) Ltd - Erf 101 Wolhuter, Jeppestown	-	4 633 218
Fanaye Business Enterprises (Pty) Ltd - Erf 102 Erasmus, Bronkhortspruit	4 532 242	-
Egon House (Pty) Ltd - Erf 1171, City & Suburban, Johannesburg	-	4 755 935
Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North	14 330 385	16 209 051
FV Trading Enterprises (Pty) Ltd - Erf 193 Duncanville	2 395 603	5 683 220
Golden City Property (Pty) Ltd - Erf 533 & 534, Germiston	120 849	1 005 984
Hectofield (Pty) Ltd - Erf 644, Pretoria North	3 317 155	4 847 610
Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Ervens 1499 & 1450, Karen Park Ext 52, Pretoria	-	8 636 941
Ifizo (Pty) Ltd - Erf 733, Pretoria North	-	4 360 273
Indigo Kulani Architects & Urban Planners (Pty) Ltd - Erf 1676, Benoni	-	142 696
Intuthuko Fund	-	1 187 847
Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB	368 205	2 072 631
Kimovax (Pty) Ltd - Erf 419 and Erf 420 Cresslawn, Kempton park	4 812 143	4 812 143
Klatrade 723 (Pty) Ltd - Erf 8341 & 8342	-	45 000 000
Lakeside Development Company (Pty) Ltd - Erf 1373, Leachville	-	2 394 050
Landopoint (Pty) Ltd - Erf 905, 906 and 907, Kenilworth	-	1 853 579
Lavigen Lofts (Pty) Ltd - Erf 134, Bedworth Park	-	2 840 009
Lavender Tree (Pty) Ltd - Erf 93, 94 and 95, Bertrams	6 190 156	4 258 425
Limapong Housing (Pty) Ltd - Erf 96, 121 and 122, Bertrams	5 632 629	3 777 601
Masakhe Apartment (Pty) Ltd - Portion 1 of Erf 416, Linden Ext, Randburg	-	7 961 922
Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown	-	4 358 862
Mattsia (Pty) Ltd - Erf 1162, Bedworth Park Ext 1	7 156 175	-
Michaelson Investment (Pty) Ltd - Erf 658, Troyeville	3 748 563	3 748 563
Mokogoko Consulting CC - Erf 1760, Ga-Rankuwa, Unit 1	-	2 102 555
MSX Properties 001 (Pty) Ltd - 2546, 2547, 2548, 2549 & 2550 Fleurhof Ext 28 Roodepoort	-	19 178 800
Nelisa Properties (Pty) Ltd - Erf 388, Windsor	1 974 423	2 912 793
Nonkwelo (Pty) Ltd - Erf 10 & 11 Hunter Street	22 333 306	24 912 951
Ordicode (Pty) Ltd - Erf 2242, 2243, 2248 and 2249, Johannesburg	16 079 556	2 801 106
Property Best Investment (Pty) Ltd - Erf 3834, Eersterus, Ext 6	-	22 918 251
Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871, Albertville, Randburg	-	118 601
Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres, Ext 32	-	6 264 925
Sabiglo (Pty) Ltd - Erf 301 Windsor West, Randburg	6 618 320	8 004 369
Seraph Investment (Pty) Ltd - Erven 488, 489, 490 and 491 New Doornfontein, City	-	1 795 244
Sethitho Projects CC - Erf 1191, Rayton Extension 7	-	700 061
Sheran Investments (Pty) Ltd - Klippoortjie Agricultural Lofts	-	3 481 113
Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams	-	1 116 423
Somnitron (Pty) Ltd - Pension Backed loans	15 000 000	15 000 000
Stormstrong (Pty) Ltd - Erf 299, Windsor, Randburg	2 473 658	3 060 866
Toproot Management (RF) (Pty) Ltd - Erf 1335, Pennyville	-	8 603 607
Toproot Management (RF) (Pty) Ltd - PTN 47 of Erf 2665, Riverlea	10 858 719	10 858 719
Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein	872 465	892 090
Vutomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34, Pretoria North	6 510 686	7 120 740
Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102	37 154 017	37 154 017
Xylo Trading (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa, unit 2	-	9 319 477
Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield	8 563 843	858 941
	254 362 116	389 201 020

The commitment to Begin All Investments (Pty) Ltd - Erf 89,90 and 91, Bertrams was approved by the Board. R280,817 was paid out to the transferring attorneys as a guarantee. (Refer to note 4.) The loan has been restructured and the loan amount has been increased.

The commitment to Bixowize (Pty) Ltd - Erf 278, Primrose Hill was approved by the Board. The borrower has fully drawn down. (Refer to note 3).



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23. Commitments (continued)		
The commitment to Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park located on 26 Kempton was approved by the Board. The borrower has started drawing down. (Refer to note 3).		
The commitment to Bridge City Housing Consortium (Pty) Ltd - Portion 196 of Erf 7305, Chiawelo Extension 2, Soweto located on 26 Kempton was approved by the Board. The borrower has fully drawn down. (Refer to note 3).		
The commitment to Bruzar Consulting Engineers (Pty) Ltd - Erven 484, 485 & 487, Ferndale was approved by the Board. The borrower has started drawing down. (Refer to note 3). The obligation was cancelled during the year.		
The commitment to Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni was approved by the Board. The borrower has started drawing down. (Refer to note 3).		
The commitment to Clidet no 1024 (Pty) - 44 Wanderers was cancelled during the year. The borrower has started drawing down. (Refer to note 3). The obligation has been cancelled.		
The commitment to Comu Property Developers (Pty) Ltd Erf 3101, Glen Marais was approved by the Board. The loan has been restructured and the loan amount has increased. The borrower has started drawing down. (Refer to note 3).		
The commitment to Devland Gardens (Pty) Ltd - Erf 564 & 566, Springs was approved by the Board.		
The commitment to Eable Properties (Pty) Ltd - 8186, Olievenhoutbosch was approved by the Board.		
The commitment to Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street was approved by the Board. The borrower has fully drawn down. (Refer to note 3).		
The commitment to EGC Properties (Pty) Ltd - Browning Street was approved by the Board. The borrower has started drawing down. (Refer to note 3).		
The commitment to EGC Properties (Pty) Ltd - Erf 101 Wolhuter, Jeppestown was approved by the Board. The borrower has fully drawn down. (Refer to note 3).		
The commitment to Fanaye Business Enterprises (Pty) Ltd - Erf 102, Erasmus, Bronkhorstspuit was approved by the Board.		
The commitment to Egon House (Pty) Ltd - Erf 1171, City & Suburban, Johannesburg was approved by the Board. The borrower has fully drawn down.		
The commitment to Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North was approved by the Board. The borrower has started drawing down. (Refer to note 3).		
The commitment to FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville was approved by the Board. The borrower has started drawing down. (Refer to note 3).		
The commitment to Golden City Property (Pty) Ltd - Erf 533 & 534, Germiston was approved by the Board. The borrower has started drawing down. (Refer to note 3).		
The commitment to Hectofield (Pty) Ltd - Erf 644, Pretoria North was approved by the Board. The borrower has started drawing down. (Refer to note 3).		
The commitment to Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Ervens 1499 & 1450, Karen Park, Ext 52 was approved by the Board. The borrower fully drawn down. (Refer to note 3).		
The commitment to Ifizo (Pty) Ltd - Erf 733, Pretoria North was approved by the Board. The borrower fully drawn down. (Refer to note 3).		
The commitment to Indigo Kulani Properties(Pty) Ltd - Erf 1676, Benoni was approved by the Board. The loan was restructured and the loan amount has been increased. The borrower has fully drawn down. (Refer to note 3).		
The commitment to Intuthuko Fund (Pty) Ltd was approved by the Board. The borrower has started drawing down. (Refer to note 3). The facility has been cancelled as loan period had expired.		
The commitment to Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East Johannesburg was approved by the Board. The borrower has started drawing down. (Refer to note 3).		



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23. Commitments (continued)

The commitment to Kimovax (Pty) Ltd - Erf 419 and Erf 420, Cresslawn Kempton Park was approved by the Board. The borrower has started drawing down. (Refer to note 3).

The commitment to Klatrade 24 (Pty) Ltd - Erf 564 & 566, Springs was approved by the Board. The obligation name was changed to Devland Gardens (Pty) Ltd - Erf 564 & 566 Springs.

The commitment to Kimovax (Pty) Ltd - Erf 419 and Erf 420, Cresslawn Kempton Park was approved by the Board. The borrower has started drawing down. (Refer to note 3).

The commitment to Lakeside Developments (Pty) Ltd - Erf 1373, Leachville was approved by the Board. The borrower has started drawing down. (Refer to note 3). The facility has subsequently been cancelled.

The commitment to Landopoint (Pty) Ltd - Erf 905, 906 and 907, Kenilworth was approved by the Board. The borrower had started drawing down. (Refer to note 3). The facility has subsequently been cancelled.

The commitment to Lavigen Lofts (Pty) Ltd - Erf 134, Bedworth Park was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Lavender Tree (Pty) Ltd - Erf 93, 94 and 95, Bertrams was approved by the Board. The loan was restructured and the loan amount has been increased.

The commitment to Limapong Housing (Pty) Ltd - Erf 96, 121 and 122, Bertrams was approved by the Board. The loan has been restructured and the loan amount has been increased. R280,817 was paid out to the transferring attorneys as a guarantee. (Refer to note 4.)

The commitment to Masakhe Apartment (Pty) Ltd - Portion 1 of Erf 416, Linden Ext, Randburg was approved by the Board. The obligation was cancelled during the year.

The commitment to Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown was approved by the Board. The borrower has started drawing down. (Refer to note 3). The obligation has been cancelled.

The commitment to Mattsa (Pty) Ltd - Erf 1162 Bedworth Park, Ext 1 was approved by the Board.

The commitment to Michaelson Investments (Pty) Ltd - Erf 658, Troyeville was approved by the Board. The borrower has started drawing down. (Refer to note 3).

The commitment to Mokogoko Consulting CC - Erf 1760, Ga-Rankuwa was approved by the board. The obligation was cancelled during the year.

The commitment to MSX Properties 001 (Pty) Ltd - 2546, 2547, 2548, 2549 & 2550, Fleurhof Ext 28, Roodepoort was cancelled during the year.

The commitment to Nelisa Properties (Pty) Ltd - Erf 388, Windsor was approved by the Board. The borrower has started drawing down. (Refer to note 3).

The commitment to Nonkwelo (Pty) Ltd - Erf 10 & 11, Hunter Street was approved by the Board. The borrower has started drawing down. (Refer to note 3).

The commitment to Ordicode (Pty) Ltd Erf 2242, 2243, 2248 and 2249, Johannesburg was approved by the Board. The loan has been restructured and the loan amount has been increased. The borrower has started drawing down. (Refer to note 3).

The commitment to Property Best Investments (Pty) Ltd - Erf 3834, Eersterus, Ext 6 was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 187,1 Albertville, Randburg was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Redformationz Holdings (Pty) Ltd - Erf 4862, Birch Acres, Ext 32 was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Sabiglo (Pty) Ltd - Erf 301, Windsor West, Randburg was approved by the Board. The borrower has started drawing down. (Refer to note 3).



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Figures in Rand	2018	2017
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23. Commitments (continued)

The commitment to Seraph Investment Pty Ltd - Erven 488, 489, 490, and 491, New Doornfontein, City was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Sethitho Projects CC - Erf 119,1 Rayton Extension 7 was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lots was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Somnitron (Pty) Ltd for pension backed loans was approved by the Board.

The commitment to Stormstrong (Pty) Ltd - Erf 299, Windsor, Randburg was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Toproot Management (Pty) Ltd - Erf 1335, Pennyville was cancelled during the year. The borrower has started drawing down. (Refer to note 3).

The commitment to Toproot Management (Pty) Ltd - PTN 47 of Erf 2665, Riverlea was approved by the Board.

The commitment to Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein was approved by the Board. The borrower has started drawing down. (Refer to note 3).

The commitment to Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig Ext 102 was approved by the Board.

The commitment to Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34, Pretoria North was approved by the Board. The borrower has started drawing down. (Refer to note 3).

The commitment to Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa Unit 2 was cancelled during the year.

The commitment to Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield was approved by the Board. The loan has been restructured and the loan amount has been increased. The borrower has started drawing down. (Refer to note 3).



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24. Related parties		
Relationships		
Controlling entity	Gauteng Department of Human Settlements	
Partner of Entrepreneur Property Fund	Department of Trade and Industry	
Related party balances		
The Trust was founded by the Gauteng Department of Human Settlements as an independent entity in the form of a non-profit Trust. The Trust was established and registered in terms of the Trust Property Control Act.		
Gauteng Department of Human Settlements		
Grants received	49 371 415	191 068 638
The Trust received a government grant during the year of R49,371,415 (2017:R191,068,638). (Refer to note 8).		
Amounts included in Trade Receivable (Trade Payable) regarding related parties		
Subsidies programme	57 155 284	43 111 455
Mega Projects programme	92 354 636	211 485 430
	149 509 920	254 596 885

A service level agreement has been entered into between the Trust and the Founder where the Trust expedites payments to contractors and consultants for various projects. (Refer to note 10).

Related party transactions**Non-Executive Trustees fees**

L Mthimunya - Bakoro (Chairperson Fees)	1 118 065	243 981
Z Fihlani (Resigned 17 October 2016)	-	261 761
Z Hill	43 140	-
R Kalidass	557 818	57 523
L Khangala (Resigned 17 October 2016)	-	232 228
M Kganedi	47 454	-
M Lehobye (Resigned 30 September 2017)	148 543	131 461
M Leshabane (Resigned 17 October 2016)	-	162 078
L Makibinyane (Resigned 17 October 2016)	-	134 509
D Maphatiane (Resigned 30 June 2017)	73 868	361 865
M Maponya	605 428	-
S Mbanjwa (Resigned 17 October 2016)	-	172 429
G Makhubo	98 060	-
C Motsepe	395 383	121 921
P Mphahlele	515 315	304 031
B Nzo	425 507	72 956
T Sukazi	847 857	139 669
	4 876 438	2 396 412

The above amounts are remuneration for attending meetings. Other allowances have been included in the Governance report.

Executive Management - Chief Executive Officer

Basic	2 115 273	2 537 464
Settlement	2 549 728	-
Performance bonus	780 987	894 815
Retirement annuity contribution, medical aid and life cover	133 306	278 915
	5 579 294	3 711 194

Executive Management - Acting Chief Executive Officer

Basic	1 241 731	-
	1 241 731	-



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Figures in Rand	2018	2017
24. Related parties (continued)		
Executive Management - Chief Financial Officer		
Basic	2 232 639	2 001 887
Performance bonus	474 930	436 918
Retirement annuity contribution, medical aid and life cover	144 054	134 942
	2 851 623	2 573 747
Executive Management - Chief Investment Officer		
Basic	2 140 983	1 975 821
Performance bonus	445 624	409 958
Retirement annuity contribution, medical aid and life cover	142 396	133 785
	2 729 003	2 519 564

Management considers the Trustees and Executive Management to be key management. Trustees do not receive pension entitlement from the Trust.

Department of Trade and Industry

Entrepreneur Empowerment Property Fund	444 685	1 605 469
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The GPF has entered into an agreement with the Department of Trade and Industry (DTI) whereby 50% of the consulting for the Entrepreneur Empowerment Property Fund's expenses paid by the Trust are reimbursed by the DTI. (Refer to note 14).

25. Financial risk management and objectives

Objective

The Trust's principal financial instruments comprise of financial instruments at fair value, loans and receivables from exchange transactions, cash and cash equivalents, and receivables from exchange transactions. The non-financial liabilities are finance lease and provisions. The main purpose of the financial instruments at fair value, loans and receivables from exchange transactions and cash and cash equivalents is to assist Social Housing Institutions to leverage funding from private financial institutions, in line with one of the objectives of the Trust. The receivables from exchange transactions, payables from exchange transactions, finance lease and obligations arise directly from the Trust's operations.

The risks arising from the Trust's financial instruments are credit risk, interest rate risk and liquidity risk. The Board of Trustees reviews and agrees on policies for managing these risks.

The objective of managing financial instrument risk is to safeguard the Trust assets whilst still enabling fulfilment of the Trust mandate. The Trust's method of measuring the risks mentioned below involves detailed project feasibility, regular project monitoring and management.

Liquidity risk

The Trust manages liquidity risk by granting of loans to borrowers for affordable housing through proper management of working capital, capital expenditure and actual vs forecasted cash flows and its cash management policy. Liquidity risk is the risk arising from default of the counter-party. The objective of managing liquidity risk is to safeguard the Trust assets whilst still enabling fulfilment of the Trust mandate. The Trust manages liquidity risk through regular monitoring of financial assets. The forecasted cash flows considers the maturity of its financial assets and project cash flows from operations. Adequate reserves and liquid resources are also maintained. The following table sets forth details of the remaining contractual maturities of financial assets and liabilities as at 31 March 2018. Liquidity risk is currently 15% (2017:34%). Liquidity risk is calculated by dividing the financial and non-financial liabilities by the financial assets as per the table shown below:

Financial Assets 2018	Due or due not later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Loans and receivables from exchange transactions	7 681 327	17 804 043	92 479 726	616 159 484	1 301 646 118	2 035 770 698
Cash and cash equivalents	649 549 318	925 000	-	-	-	650 474 318
Receivables from exchange transactions	34 477 459	-	-	3 591 000	-	38 068 459



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Notes to the Financial Statements**Figures in Rand****25. Financial risk management and objectives (continued)**

	691 708 104	18 729 043	92 479 726	619 750 484	1 301 646 118	2 724 313 475
Financial and Non-financial Liabilities 2018	Due or due not later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Payables from exchange transactions	(4 282 526)	-	-	-	-	(4 282 526)
Non-financial liabilities						
Finance lease	(10 325)	(20 650)	(64 125)	(121 125)	-	(216 225)
Gauteng Department of Human Settlements	(149 509 920)	-	-	-	-	(149 509 920)
Provisions	(5 459 255)	-	-	-	-	(5 459 255)
Commitments	(254 362 116)	-	-	-	-	(254 362 116)
	(413 624 142)	(20 650)	(64 125)	(121 125)	-	(413 830 042)
	278 083 962	18 708 393	92 415 601	619 629 359	1 301 646 118	2 310 483 433
Financial Assets 2017	Due or due not later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Loans and receivables from exchange transactions	5 229 025	15 139 896	59 525 640	566 919 311	1 106 069 485	1 752 883 357
Loans and receivables from exchange transactions						
Receivables from exchange transactions	-	-	-	-	-	-
Cash and cash equivalents	870 040 128	-	-	-	638 222	870 678 350
Receivables from exchange transactions	6 528 539	-	-	3 591 000	-	10 119 539
	881 797 692	15 139 896	59 525 640	570 510 311	1 106 707 707	2 633 681 246
Financial and Non-financial Liabilities 2017	Due or due not later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Payables from exchange transactions	(774 438)	-	-	-	-	(774 438)
Non-Financial liabilities						
Provisions	(4 936 637)	-	-	-	-	(4 936 637)
Finance lease	(25 124)	(50 248)	(176 194)	(9 600)	-	(261 165)
Deposits held on behalf of Gauteng Department of Human Settlements	(254 596 885)	-	-	-	-	(254 596 885)
Commitments	-	-	-	-	-	(649 770 145)
	(260 333 084)	(50 248)	(176 194)	(9 600)	-	(910 339 270)
	621 464 608	15 089 648	59 349 446	570 500 711	1 106 707 707	1 723 341 976

Interest rate risk

The Trust's exposure to the risk of changes in the market interest rate relates primarily to the Trust's loans and receivables from exchange transactions with floating interest rates. The objective of interest rate risk management is to consider the effect of fluctuations in interest rates that might affect the fair value or future cash flows of a financial instrument. The method for measuring interest rate risk is the sensitivity analysis for fluctuations in the interest rate. Interest rate risk is managed internally by ensuring that allowances for increased interest rates are provided for in the project assessment. The Trust's exposure to interest rate risk arises from increases in the rate that could give rise to unexpected changes in cash flows.



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25. Financial risk management and objectives (continued)

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the Trust's surplus (through the impact of floating rate loans). The effect on surplus has been determined by calculating an increase or decrease of 100 basis points on the current interest rates of the receivables from exchange transaction and interest received from banks. Management considers a range of 100 basis points increase or decrease to be reasonable for the analysis. There is no impact on the Trust's net assets.

Year	Increase/ decrease in basis points	Effect on surplus(R'000)
2018		
Effect of an increase in basis points on surplus	100	1 286
Effect of a decrease in basis points on surplus	(100)	(1 286)
2017		
Effect of an increase in basis points on surplus	100	1 064
Effect of a decrease in basis points on surplus	(100)	(1 064)

Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument. The objective of credit risk is to ensure that the counter-party will meet its obligation under a financial instrument. The Trust is exposed to credit risk in respect of its financial instruments at fair value debt instruments, receivables from exchange transaction, cash and cash equivalents and loans and receivables from exchange transactions. Credit risk is managed internally by ensuring that investments are made only after assessing and evaluating the social housing institutions management capacity and project feasibility. The method for measuring credit risk is the ongoing monitoring of financial assets. The Gauteng Partnership Fund's credit risk exposure arises from default of the counter-party, with a maximum exposure of R1,656,033,564 (2017: R1,673,461,994) equal to the carrying amount of loans and receivables from exchange transactions, cash and cash equivalents and receivables from exchange transaction.

Financial assets exposed to credit risk at year-end were as follows:

Credit Exposure

Class of financial instrument	Credit risk exposure	Collateral	Repayment terms	Credit quality of financial assets that are neither past due or impairment
Ace Pallets (Pty) Ltd - Portion 26 of Erf 381, Vanderbijlpark, Central West 5 Extension 1	7 776 251	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/06/2036	Performing
Bixowize (Pty) Ltd - Erf 278, Primrose Hill	4 515 174	Mortgage bond held by the Gauteng Partnership Fund	45 months from disbursement date with a final repayment on 30/09/2036	Impaired
BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate	24 400 000	Mortgage bond held by the Gauteng Partnership Fund	Payable by 31/03/2018	Provision for doubtful debts
Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park, located on 26 Kempton	2 600 457	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/07/2036	Impaired
Bridge City Housing Consortium (Pty) Ltd - Portion 196 of Erf 7305, Chiawelo	9 451 169	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/08/2037	Performing



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Bruzar Consulting Engineers (Pty) Ltd - Erven 484, 485 & 487, Ferndale	737 570	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/06/2035	Performing
BUA Africa (Pty) Ltd - Erf 2918, Kempton Park	46 220 570	Mortgage bond held by the Gauteng Partnership Fund	20 months from disbursement date with a final repayment on 31/05/2036	Performing
Cape Gannet Properties 175 (Pty) Ltd - Erf 42, Kempton Park	2 999 848	Mortgage bond held by the Gauteng Partnership Fund	33 months from disbursement date with a final repayment on 30/09/2033	Performing
Castle Crest Properties 80 (Pty) Ltd - Erf 504, Pretoria	2 774 904	Mortgage bond held by the Gauteng Partnership Fund	12 months from disbursement date with a final repayment on 31/12/2032	Performing
Castle Crest Properties 80 (Pty) Ltd - Erf 233, Kempton Park	8 612 754	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 30/09/2034	Performing
Certum Estate 130 (Pty) Ltd - Erf 564, Bertrams, JHB	7 736 957	Mortgage bond held by the Gauteng Partnership Fund	18 months from disbursement date with a final repayment on 31/10/2029	Performing
Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni	5 869 027	Mortgage bond held by the Gauteng Partnership Fund	5 months from disbursement date with a final repayment on 31/08/2037	Impaired
Clare Water (Pty) Ltd - Erf 1509, Discovery, Roodepoort	5 715 888	Mortgage bond held by the Gauteng Partnership Fund	28 months from disbursement date with a final repayment on 31/07/2036	Impaired
Clidet No.1024 (Pty) Ltd 44 Wanderers	6 212 601	Mortgage bond held by the Gauteng Partnership Fund	61 months from disbursement date with a final repayment on 31/08/2033	Impaired
Comu Property Developers (Pty) Ltd - 3103, Glen Marais	5 145 706	Mortgage bond held by the Gauteng Partnership Fund	18 months from disbursement date with a final repayment on 31/07/2028	Impaired
Comocap (Pty) Ltd - 88 Relly Street	1 421 937	Mortgage bond held by the Gauteng Partnership Fund	27 months from disbursement date with a final repayment on 31/10/2028	Provision for doubtful debts and impaired
Crimson Clover Trading 11 (Pty) Ltd - Ascot Fashion House	3 535 017	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/04/2032	Performing
DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban	16 200 000	Mortgage bond held by the Gauteng Partnership Fund	29 months from disbursement date with a final repayment on 30/11/2034	Provision for doubtful debts and impaired
Eable Properties (Pty) Ltd - Erf 8186, Olievenhoutbosch	1 884 449	Mortgage bond held by the Gauteng Partnership Fund0	13 months from disbursement date with a final repayment on 28/02/2038	Performing
Eagle Valley Property 41 (Pty) Ltd Phase 1 - Portion 1 of Erf 1908, Erasmus	6 992 764	Mortgage bond held by the Gauteng Partnership Fund	11 months from disbursement date with a final repayment on 30/09/2034	Performing
Eagle Valley Property 41 (Pty) Ltd Phase 2 - Portion 1 of Erf 1908 Erasmus	6 659 308	Mortgage bond held by the Gauteng Partnership Fund	12 months from disbursement date with a final repayment on 31/03/2035	Performing



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25. Financial risk management and objectives (continued)

EGC Properties (Pty) Ltd - Browning Street	7 766 365	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/05/2031	Impaired
EGC Properties (Pty) Ltd - Erf 101 Wolhuter, Jeppestown	4 776 785	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 30/09/2037	Performing
Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street	-	Mortgage bond held by the Gauteng Partnership Fund	21 months from disbursement date with a final repayment on 30/09/2030	Provision for doubtful debts and impaired
Egon House (Pty) Ltd - Erf 1171, City & Suburban, Johannesburg	5 105 572	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 31/07/2032	Performing
Erf 85 Newtown (Pty) Ltd - Erf 269, Richmond	3 269 899	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/03/2036	Impaired
Erf 273 Parktown Estate CC - Parktown Place Development	6 378 472	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/12/2033	Performing
Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North	8 740 634	Mortgage bond held by the Gauteng Partnership Fund	46 months from disbursement date with a final repayment in 31/01/2034	Impaired
FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville	6 682 529	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/03/2036	Impaired
Golden City Property (Pty) Ltd - Erf 533 & 534	4 220 164	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/04/2036	Performing
Goldburg Property Development (Pty) Ltd - Erf 72, Kempton Park	3 632 383	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/10/2036	Impaired
GNI Real Estate - Erf 113, Pretoria North	5 491 314	Mortgage bond held by the Gauteng Partnership Fund	18 months from disbursement date with a final repayment on 30/09/2036	Impaired
Hectofield (Pty) Ltd - Erf 644, Pretoria North	1 533 194	Mortgage bond held by the Gauteng Partnership Fund	18 months from disbursement will final repayment on 31/03/2038	Performing
Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Portion 484 (a portion of 125) of farm Hartebeeshoek 303, Gauteng	15 389 136	Mortgage bond held by the Gauteng Partnership Fund	17 months from disbursement date with a final repayment on 31/12/2036	Performing
Highlands Urban Living (Pty) Ltd - Highlands Lofts	4 563 220	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/01/2028	Impaired
Indigo Kulani Properties (Pty) Ltd - Erf 1676, Benoni	8 032 418	Mortgage bond held by the Gauteng Partnership Fund	36 months from disbursement date with a final repayment on 28/02/2034	Impaired



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25. Financial risk management and objectives (continued)

Ifizo (Pty) Ltd - Erf 733, Pretoria North	14 333	Mortgage bond held by the Gauteng Partnership Fund	61 months from disbursement date with a final repayment on 31/01/2026	Performing
Ikamvelihle Trading Enterprises (Pty) Ltd - Erf 953 - 956 Berea	5 723 409	Mortgage bond held by the Gauteng Partnership Fund	46 months from disbursement date with a final repayment on 30/06/2036	Impaired
Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB	2 244 991	Mortgage bond held by the Gauteng Partnership Fund	5 months from disbursement date with a final repayment on 30/06/2037	Impaired
KDM Properties (Pty) Ltd - Erf 403, Johannesburg	3 708 585	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/07/2029	Performing
Kertrade CC - Erf 564 & 566, Springs	7 300 736	Mortgage bond held by the Gauteng Partnership Fund	24 months from disbursement date with a final repayment on 30/06/2035	Impaired
Kesef Properties (Pty) Ltd - Erf 343, 344, 345, 346, 347, 348, 387, 388 and 389, New Doornfontein, Johannesburg	15 166 029	Mortgage bond held by the Gauteng Partnership Fund	14 months from disbursement date with a final repayment on 31/10/2030	Impaired
Kimovax (Pty) Ltd - Erf 419 and Erf 420, Cresslawn Kempton Park	1 591 550	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/12/2036	Performing
Johannesburg Housing Company (Pty) Ltd - 117 Pritchard Street	6 915 748	Mortgage bond held by the Gauteng Partnership Fund	1 month from disbursement date with a final repayment on 29/02/2028	Performing
Johannesburg Housing Company (Pty) Ltd - Crest Hotel	8 536 586	Mortgage bond held by the Gauteng Partnership Fund	1 month from disbursement date with a final repayment on 31/03/2028	Performing
Johannesburg Housing Company (Pty) Ltd - Hlanganani	8 137 090	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/09/2024	Performing
Lakeside Development (Pty) Ltd - Erf 1373, Leachville	1 510 766	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/01/2036	Impaired
Landopoint (Pty) Ltd - Erf 905, 906 and 907 Kenilworth	900 000	Mortgage bond held by the Gauteng Partnership Fund	31 months from disbursement date with a final repayment on 30/09/2034	Impaired
Lavigen Lofts (Pty) Ltd - Erf 134, Bedworth Park	3 277 594	Mortgage bond held by the Gauteng Partnership Fund	8 months from disbursement date with a final repayment on 31/08/2037	Performing
Lisinfo 282 Property (Pty) Ltd - Erf 1952, Malvern	3 586 443	Mortgage bond held by the Gauteng Partnership Fund	17 months from disbursement date with a final repayment on 31/03/2033	Impaired
Lukataedi (Pty) Ltd - Erf 1952, Malvern	10 447 356	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/12/2035	Impaired



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25. Financial risk management and objectives (continued)

Madulamoho Housing Association - Allenby	1 546 651	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/11/2024	Performing
Madulamoho Housing Association - Fleurhof Views	15 950 542	Mortgage bond held by the Gauteng Partnership Fund	12 months from disbursement date with a final repayment on 28/02/2027	Performing
Madulamoho Housing Association - Jabulani	17 661 390	Mortgage bond held by the Gauteng Partnership Fund	7 months from disbursement date with a final repayment on 31/03/2028	Performing
Makabongwe Property Holding (Pty) Ltd - Erf 983, Johannesburg	8 166 216	Mortgage bond held by the Gauteng Partnership Fund	16 months from disbursement date with a final repayment on 31/10/2035	Impaired
Mahlahla Advancement Dynamics CC - Erf 442, Wolmer Pretoria	7 643 035	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/08/2036	Impaired
Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown	3 556 519	Mortgage bond held by the Gauteng Partnership Fund	14 months from disbursement date with a final repayment on 31/10/2037	Performing
Meilijian Construction and Development (Pty) Ltd - Erf 232, Kempton Park	-	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/09/2033	Impaired
Meilijian Construction and Development (Pty) Ltd - Erf 24, Kempton Park	7 735 804	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 28/02/2034	Impaired
Meilijian Construction and Development (Pty) Ltd - Erf 1614, Kempton Park	8 603 815	Mortgage bond held by the Gauteng Partnership Fund	16 months from disbursement date with a final repayment on 30/04/2035	Impaired
Meilijian Construction and Development (Pty) Ltd - Erf 27, Kempton Park	8 527 560	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 30/06/2034	Impaired
Meilijian Construction and Development (Pty) Ltd - Erf 3597, Pomona Ext 75	14 378 983	Mortgage bond held by the Gauteng Partnership Fund	2 months from disbursement date with a final repayment on 31/12/2036	Impaired
Michaelson Investments (Pty) Ltd - Erf 658, Troyeville	1 659 103	Mortgage bond held by the Gauteng Partnership Fund	35 months from disbursement date with a final repayment on 30/11/2033	Impaired
Multidirect Investments 8 (Pty) Ltd - Erf 1815, Pretoria North	4 785 584	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/07/2034	Impaired
Muma Properties Investments (Pty) Ltd - Erf 978, Pretoria North	9 543 475	Mortgage bond held by the Gauteng Partnership Fund	10 months from disbursement date with a final repayment on 30/06/2035	Impaired
NBLR Properties (Pty) Ltd - Ext 2551, 2552 & 2553, Fleurhof Ext 20	11 541 029	Mortgage bond held by the Gauteng Partnership Fund	12 months from disbursement date with a final repayment on 30/04/2036	Impaired
Nelisa Properties (Pty) Ltd - Erf 388, Windsor	1 859 361	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 31/03/2034	Impaired



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25. Financial risk management and objectives (continued)

Ninarich Trading 3 (Pty) Ltd - Betty Street Precinct	16 336 111	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 31/03/2034	Performing
Nonkwelo (Pty) Ltd - Erf 10 & 11, Hunter	6 292 179	Mortgage bond held by the Gauteng Partnership Fund	27 months from disbursement date with a final repayment on 30/04/2033	Impaired
Norvena Property Consortium - O' Relly Street	-	Mortgage bond held by the Gauteng Partnership Fund	23 months from disbursement date with a final repayment on 31/03/2030	Impaired
Norvena Property Consortium - Norvena Court	18 754 159	Mortgage bond held by the Gauteng Partnership Fund	23 months from disbursement date with a final repayment on 31/03/2030	Impaired
Ordicode (Pty) Ltd - Erf 2242, 2243, 2248 and 2249, Johannesburg	3 308 908	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 29/02/2036	Impaired
Phahamo Resources (Pty) Ltd - Erf 8993, Olievenhoutbosch Ext 36, Centurion	13 451 306	Mortgage bond held by the Gauteng Partnership Fund	15 months from disbursement date with a final repayment on 30/11/36	Performing
Property Best Investments (Pty) Ltd - Erf 3834, Eersterus Ext 6	21 616 046	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/11/2037	Performing
Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871 Albertville, Randburg	2 608 331	Mortgage bond held by the Gauteng Partnership Fund	14 months from disbursement date with a final repayment on 31/03/2037	Impaired
Proxisol (Pty) Ltd - Erven 31,32,33,59 & 60, Bertrams	9 515 793	Mortgage bond held by the Gauteng Partnership Fund	2 months from disbursement date with a final repayment on 31/12/2036	Performing
Rainbow Beach Trading 261 (Pty) Ltd - Sondela Village Daggafontein	10 601 625	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/09/2028	Impaired
Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres, Ext 321	13 514 484	Mortgage bond held by the Gauteng Partnership Fund	14 months from disbursement date with a final repayment on 30/09/2037	Impaired
Rivavect Investments (Pty) Ltd - Central House	4 229 751	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 28/02/2029	Performing
Sakhazonke Investment (Pty) Ltd - Erf 252, Kempton Park	715 204	Mortgage bond held by the Gauteng Partnership Fund	59 months from disbursement date with a final repayment on 30/06/2035	Provision for doubtful debt
Sabiglo (Pty) Ltd - Erf 301 Windsor West, Randburg	2 643 961	Mortgage bond held by the Gauteng Partnership Fund	53 months from disbursement date with a final repayment on 30/09/2034	Impaired
Sam Lubbe Investments CC - Erf 1654, Germiston	8 268 075	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/07/2036	Impaired
Seraph Investments (Pty) Ltd - Erven 488, 489, 490 and 491, New Doornfontein	15 194 397	Mortgage bond held by the Gauteng Partnership Fund	23 months from disbursement date with a final repayment on 28/02/2037	Performing



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Sethitho Projects CC - Erf 1191, Rayton Extension 7	3 832 324	Mortgage bond held by the Gauteng Partnership Fund	14 months from disbursement date with a final repayment on 30/06/2037	Performing
Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park	9 032 373	Mortgage bond held by the Gauteng Partnership Fund	42 months from disbursement date with a final repayment on 30/09/2033	Impaired
Sheran Investments (Pty) Ltd - Klippoortjie Agricultural Lots	7 280 639	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/09/2037	Impaired
Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams	2 948 951	Mortgage bond held by the Gauteng Partnership Fund	47 months from disbursement date with a final repayment on 30/06/2033	Impaired
SOA Residential Village (Pty) Ltd - Erf 1532, Selcourt	5 855 456	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 30/11/2033	Impaired
Stormstrong (Pty) Ltd - Erf 299, Windsor, Randburg	1 070 626	Mortgage bond held by the Gauteng Partnership Fund	47 months from disbursement date with a final repayment in 31/05/2037	Performing
Take Shape Properties 75 (Pty) Ltd - Erf 4510, Johannesburg	8 997 586	Mortgage bond held by the Gauteng Partnership Fund	22 months from disbursement date with a final repayment on 31/12/2034	Impaired
Toproot Management (RF) (Pty) Ltd - Erf 1335, Pennyville	7 560 604	Mortgage bond held by the Gauteng Partnership Fund	15 months from disbursement date with a final repayment on 31/08/2032	Performing
Trust for Urban Housing Finance Intuthuko (Pty) Ltd	14 744 107	Mortgage bond held by the Gauteng Partnership Fund	120 months with a final repayment date on 31/08/2020	Performing
Tsebo Consumable Supplies (Pty) Ltd - Erf 256, Kempton	3 369 232	Mortgage bond held by the Gauteng Partnership Fund	15 months from disbursement with a final repayment date on 30/09/2036	Impaired
Tumaini Properties and Real Estate CC Erf 52 & 53, New Doornfontein	3 222 855	Mortgage bond held by the Gauteng Partnership Fund	41 months from disbursement date with a final repayment on 30/11/2033	Impaired
Valotorgue 199 (Pty) Ltd - Erf 757, Pretoria North	7 944 060	Mortgage bond held by the Gauteng Partnership Fund	12 months from disbursement date with a final repayment on 31/03/2035	Impaired
Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34 Pretoria	3 283 237	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 30/06/2036	Impaired
Yeast City Housing (Pty) Ltd - Tau Village	4 130 601	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 28/02/2025	Impaired
Yeast City Housing (Pty) Ltd - Thembelihle Village	44 350 262	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 31/10/2036	Performing
Yeast City Housing (Pty) Ltd - Salvokop	4 989 459	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement with a final repayment date on 30/06/2033	Performing



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Xanado Trade or Invest 614 (Pty) Ltd - Erf 324 Princess Ext 49, Roodepoort	9 918 968	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/08/2034	Performing
Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa unit 2	1 212 192	Mortgage bond held by the Gauteng Partnership Fund	20 months from disbursement date with a final repayment on 31/08/2035	Performing
Zakhele Investment (Pty) Ltd - Erf 257, Kempton Park	3 472 135	Mortgage bond held by the Gauteng Partnership Fund	23 months years from disbursement with a final repayment date on 30/11/2032	Impaired
Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield	21 299 881	Mortgage bond held by the Gauteng Partnership Fund	23 months from disbursement with a final repayment date 30/11/2032	Impaired
Receivables from exchange transactions	34 477 459			
Cash and cash equivalents	650 474 318			
Loans and receivables held-for-trade	190 251 280			
	1 656 033 564			

Concentration risk

The Gauteng Partnership Fund's risk are concentrated in the Gauteng social housing sector (for households earning less than R15,000) through structured funding instruments to Social Housing Institutions and Financial Institutions with the goal to attract fair priced private sector funding. Concentration risk is quantified at an amount of R1,118,826,182 (2017: R933,070,204) which is the nominal balance of all loans per the metropolitan municipalities listed below:

Metros	2018	2017
Ekurhuleni	355 660 944	283 616 553
Johannesburg	364 994 371	327 757 875
Tshwane	317 863 423	253 567 425
West Rand	66 509 204	59 021 279
Emfuleni	13 798 240	9 107 072
	1 118 826 182	933 070 204

26. Financial and non-financial instruments

2018	Loans and Receivables	Financial Instruments at fair value	Other assets	Other Liabilities	Non-financial instruments at amortised cost	Total
Financial Assets						
Loans and Receivables from exchange transactions	780 830 507	-	-	-	-	780 830 507
Loans and receivables held-for-trade	190 251 280	-	-	-	-	190 251 280
Receivables from exchange transactions	-	-	34 477 459	-	-	34 477 459
Cash and cash equivalents	-	-	650 474 318	-	-	650 474 318
Non-Financial Assets						
Intangible assets	-	-	-	-	215 626	215 626
Property, plant and equipment	-	-	-	-	5 351 438	5 351 438
Receivables from exchange transactions	-	-	3 591 000	-	-	3 591 000
Financial Liabilities						
Payables from exchange transactions	-	-	-	(153 892 446)	-	(153 892 446)



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26. Financial and non-financial instruments (continued)

Non-Financial

Liabilities

Finance lease	-	-	-	-	(191 790)	(191 790)
Deferred Income	-	-	-	-	-	-
Operating lease	-	-	-	-	(225 827)	(225 827)
Provisions	-	-	-	-	(5 459 255)	(5 459 255)

	971 081 787	-	688 542 777	(153 892 446)	(309 808)	1 505 422 310
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2017	Loans and Receivables	Financial instruments at fair value	Other assets	Other Liabilities	Non-financial instruments at amortised cost	Total
Financial Assets						
Loans and Receivables from exchange transactions	631 907 600	-	-	-	-	631 907 600
Loans and receivables held-for-trade	164 347 505					164 347 505
Receivables from exchange transactions	-	-	6 528 539	-	-	6 528 539
Cash and cash equivalents	-	-	870 678 350	-	-	870 678 350
Non-Financial Assets						
Intangible assets	-	-	-	-	46 305	46 305
Property, plant and Equipment	-	-	-	-	2 443 879	2 443 879
Receivables from exchange transactions	-	-	3 591 000	-	-	3 591 000
Financial Liabilities						
Payables from exchange transactions	-	-	-	(255 371 323)	-	(255 371 323)
Non-Financial Liabilities	-	-	-	-	-	-
Operating lease	-	-	-	-	(182 341)	(182 341)
Finance lease	-	-	-	-	(251 817)	(251 817)
Deferred Income	-	-	-	-	(135 331 887)	(135 331 887)
Provisions	-	-	-	-	(4 936 637)	(4 936 637)
	697 369 397	-	880 797 889	(255 371 323)	(138 212 498)	1 283 469 173

The above table illustrates the categorisation of financial instruments.

Set out below is a comparison by class of carrying amounts and fair values of all the Gauteng Partnership Fund's financial instruments:

Financial assets	Carrying amount 2018	Carrying amount 2017	Fair value 2018	Fair value 2017
Loans and receivables from exchange transactions	780 830 507	631 907 600	780 830 507	631 907 600
Receivables from exchange transactions	38 068 459	10 119 539	38 068 459	10 119 539
Cash and cash equivalents	650 474 318	870 678 350	650 474 318	870 678 350
Loans and receivables held-for-trade	190 251 280	164 347 505	190 251 280	164 347 505
	1 659 624 564	1 677 052 994	1 659 624 564	1 677 052 994
Financial Liabilities				
Non financial liabilities - Finance lease obligation	191 790	251 817	191 790	251 817
Non financial liabilities - Operating lease	225 827	182 341	225 827	182 341
Financial liabilities - Payables from exchange transactions	153 892 446	255 371 323	153 892 446	255 371 323



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26. Financial and non-financial instruments (continued)

			154 310 063	255 805 481	154 310 063	255 805 481
Fair Value of Financial Instruments	Valuation technique - market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2018	Valuation technique - market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2017
Financial Assets						
Current portion - financial instruments at fair value	-	-	-	-	-	-
Loans and receivable held-for-trade	-	190 251 280	190 251 280	-	164 347 505	164 347 505
Loans and receivables from exchange transactions	-	780 830 507	780 830 507	-	631 907 600	631 907 600
	-	971 081 787	971 081 787	-	796 255 105	796 255 105
Non-Financial Liabilities	Valuation technique-market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2018	Valuation technique-market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2017
Finance lease	191 790	-	191 790	251 817	-	251 817
Operating lease	225 827	-	225 827	182 341	-	182 341
	417 617	-	417 617	434 158	-	434 158

The fair value of shares which are not listed are estimated using the discounted cash flow valuation model based assumptions that are supported by a combination of market and non-market observable inputs. The valuation is based on projected sustainable cash flows taking into account views of future performance as at 31 March 2018. The discounted rates used to present value these cash flows taking both systematic and unsystematic risks into account. Systematic risk is market risk or the risk that cannot be diversified away. Unsystematic risk is asset specific risk.

The fair value of loans and receivables from exchange transaction has been determined by discounting future cash flows over the period of the loan at the prime rate at date of inception thereof.

The fair value of the derivative was has been determined by using the Black Scholes model and discounting future cash flow of the difference between the fair value of the option price and the equity fair value.

Finance leases are capitalised at the lower of present value of minimum lease payments or fair value. The discounted rate used in calculating the present value of minimum lease payments is 9.75% and 10.25% for printers (which is the prime rate at date of inception) and 6% for the telephone system (which is the escalation of the lease).

Fair Value Hierarchy

The fair value hierarchy shall have the following levels:

- Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

As at 31 March 2018, the GPF held the following financial instruments measured at fair value:



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26. Financial and non-financial instruments (continued)

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

27. Net cash outflow from operating activities

Surplus	221 953 137	372 600 233
Adjustments for:		
Depreciation and amortisation	1 664 023	1 285 591
Gain on sale of assets and liabilities	(34 739)	(143 383)
Impairment loss	4 456 722	4 142 626
Fair value adjustments	18 710 151	42 758 500
Finance costs - Finance leases	21 402	66 283
Impairment of property, plant and equipment	2 609	37 387
Increase in operating movements in operating lease assets and accruals	43 486	182 341
Increase in provisions	522 618	102 349
Bad debt recovered	(7 433 695)	(13 519 938)
Contract recovery fee transferred	(3 993 571)	(3 606 712)
Restructure fee transferred	-	(744 000)
Changes in working capital:		
Receivables from exchange transactions	(27 948 920)	1 577 336
Provision for doubtful debts	(14 709 759)	(5 615 636)
Prepayments	-	(3 591 000)
Payables from exchange transactions	(101 478 877)	134 697 001
Conditional grants realised	(182 237 990)	(343 976 297)
Donations	49 371 415	191 068 638
Loans and receivables from exchange transactions	(148 922 907)	(195 986 480)
Loan and receivables held-for-trade	(25 903 775)	(108 603 938)
Difference in interest calculated and interest capitalised	452 971	(15 612 689)
	(215 465 699)	57 118 212

28. Budget Comparison

Comparison between budget and actual amounts

The budget was approved by the Trustees and submitted to the Executive Authority in terms of section 53(1) of the PFMA.

The GPF operated within its approved budget. The year to date versus the actual expenditure to date for the 31 March 2018 was under the budget by 40%.

This was mainly due to:

a) timing of the capital raising, consulting, marketing and staff vacancies.

Refer to Statement of Comparison of Budget and Actual amounts.

29. Provision for doubtful debts

Loans and receivables from exchange transactions

Aquarella Investments 360 (Pty) Ltd - 85-87, Quartz Street	5 728	666 262
BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate	5 547 405	-
Comocap (Pty) Ltd - 88 Relly Street	236 848	112 808
DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban	2 855 114	3 115 825
Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street	5 739 835	-
Landopoint (Pty) Ltd - Erf 905, 906 and 907, Kenilworth	324 829	1 073 158
Sakhazonke Investment (Pty) Ltd - Erf 252, Kempton Park	-	647 583
	14 709 759	5 615 636



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29. Provision for doubtful debts (continued)

The loan to Aquarella Investments 360 (Pty) Ltd - 85-87 Quartz Street had been provided as a doubtful debt due to breach of contract. The GPF auctioned the property to mitigate the loss. The GPF auctioned the property and is expected to receive a settlement of R2,594,272. (Refer to note 3 & 32). Management has provided for a loss of R5,728.

The loan to BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate was provided as a doubtful debt due to breach of contract. The GPF obtained a judgement against BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate to pay back the loan amount together with interest. Management has provided for a loss of R5,547,405. (Refer to note 3). The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

The loan to Comocap (Pty) Ltd - 88 Relly Street was provided as a doubtful debt due to breach of contract and the company being in business rescue. Management assesses the probability of recovery as 50% therefore half of the loan has been provided for. The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

The loan to DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R691,054. The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

The loan to Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R5,739,835. The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

The loan to Landopoint (Pty) Ltd - Erf 905, 906 and 907, Kenilworth was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R324,829. (Refer to note 3). The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

In the prior year the loan to Sakhazonke Investment (Pty) Ltd - Erf 252, Kempton Park was provided for as a doubtful debt due to breach of contract. The current years valuation and security on the loan is sufficient for a full recovery of amounts paid out. The provision was reversed. (Refer to note 3 & 14).

30. Gain on disposal of assets

Gain on disposal of assets relates to asset disposed	13 614	143 383
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Gain on disposal of assets relates to assets disposed. (Refer note 6).

31. Bad debts written off

Aquarella Investments 360 (Pty) Ltd - 85-87, Quartz Street	5 728	2 734 960
Tenitor Properties (Pty) Ltd - The Ridge Hotel	-	8 816 103
	5 728	11 551 063

The loan to Aquarella Investments 360 (Pty) Ltd - 85-87, Quartz Street has had been written off as the GPF has auctioned off the property and received a settlement of R2,594,272. The Trust received R5,728 lesser than expected from the prior year. (Refer to note 3 & 30).

In the prior year, a portion of the loan to Tenitor Properties (Pty) Ltd - The Ridge Hotel has had been written off as the GPF has auctioned off the property and the GPF received a settlement of R3,579,856. (Refer to note 3).

32. Fruitless and wasteful expenditure

SARS	-	35 810
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In the prior year, the fruitless and wasteful expenditure relates to SARS was due to tax that was not paid over to SARS timeously. As a result interest was charged. (Refer to note 11).

33. Subsequent events

Subsequent to year-end, the Trust received R146,703,773 from Aspari (Pty) Ltd and R8,250,103 from Future Growth Asset Management (Pty) Ltd. (Refer to note 5).

The Trustees are not aware of any other matter or circumstance arising since year-end.



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34. Error

In the previous financial year, the GPF made a payment to a service provider in the amount of R3,591,000 in instances where not all the service deliverables had been properly met in accordance with the Service Level Agreement (SLA) with the service provider. Subsequent to the discovery of the payment, the GPF then instituted an investigation to determine the root cause of the payment and the circumstance that resulted in the payment without compliance with some elements of the SLA. The matter is under litigation. (Refer note 36 & 4).

The effect of the change is as follows:

Statement of Financial Position

Receivables from exchange transactions non-current	-
Add: Prepayment	3 591 000
Balance as restated (Refer note 4 & 36)	3 591 000

Statement of Financial Performance

Operating expenses as previously stated	73 147 244
Less: Prepayment	(3 591 000)
	69 556 244

Statement of Changes in Net Assets

Surplus for the year previously stated	369 009 233
Add: Prepayment	3 591 000
Balance restated (Refer to statement of changes in net assets)	372 600 233

35. Contingent asset

As at year-end, the entity had a matter in dispute with a service provider that is in litigation. The amount of the entity's claim is R 3,591,000. The timing for receipt cannot be reliably determined. (Refer note 4 - prepayment and error note 35).

36. Contingent liability

As at year-end, the entity had a matter in dispute with a service provider that is in litigation. The service provider has a counterclaim in the amount of R8,500,000. The timing for the payment (if any) cannot be reliably determined.

37. Irregular expenditure

During the year, the Trust incurred irregular expenditure of R1,785,552 (not condoned) for not inviting competitive bids in the appointment of service providers. The condonation for this expenditure is in process.



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Detailed Income statement

Figures in Rand	Note(s)	2018	2017
Revenue			
Deferred income	8	184 703 302	343 976 297
Interest received from banks	14	44 473 022	48 646 070
Other income		11 740 553	19 476 119
Interest received from investments		100 295 835	76 882 017
Total revenue		341 212 712	488 980 503
Expenditure			
Employee related expenses	21	(47 802 515)	(36 651 113)
Depreciation and amortisation		(1 664 023)	(1 285 591)
Scrapping of fixed assets	6	(2 609)	(37 387)
Finance costs	19	(21 402)	(66 283)
Lease rentals on operating lease		(4 629 894)	(3 274 429)
Provision for doubtful debts	30	(14 709 759)	(5 615 636)
Repairs and maintenance		(1 676 779)	(2 575 531)
General Expenses	20	(25 620 460)	(20 116 557)
Total expenditure		(96 127 441)	(69 622 527)
Operating surplus	16	245 085 271	419 357 976
Gain loss on disposal of assets		34 739	143 383
Fair value adjustments	17	(18 710 151)	(42 758 500)
Impairment loss of loan and receivables from exchange transactions	17	(4 456 722)	(4 142 626)
		(23 132 134)	(46 757 743)
Surplus for the year		221 953 137	372 600 233





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**GAUTENG
PARTNERSHIP
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Catalyst for delivering sustainable human settlements