



Annual Report 2019/20



GPF
GAUTENG
PARTNERSHIP
FUND

Catalyst for delivering sustainable human settlements

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PART A:

GENERAL INFORMATION

1. GENERAL INFORMATION

REGISTERED NAME:	Gauteng Partnership Trust T/A Gauteng Partnership Fund
REGISTRATION NUMBER:	IT2422/02
PHYSICAL ADDRESS:	82 Grayston Drive Sandton, Johannesburg 2196
POSTAL ADDRESS:	PO Box 652247 Benmore 2010
TELEPHONE NUMBER:	+27 11 685 6600
EMAIL ADDRESS:	info@gpf.org.za
WEBSITE ADDRESS:	www.gpf.org.za
EXTERNAL AUDITORS:	Auditor-General South Africa Registered Auditors Waverley Office Park, 39 Scott Street, Waverley, Johannesburg
BANKERS:	ABSA Bank First National Bank South African Reserve Bank
COMPANY SECRETARY:	Thanduxolo Mendrew

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
BNG	Breaking New Ground
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COGTA	Corporate Governance and Traditional Affairs
CSI	Corporate Social Investment
EEPF	Entrepreneur Empowerment Property Fund
FICA	Financial Intelligence Centre Act
Futuregrowth	Futuregrowth Asset Management
GDHS	Gauteng Department of Human Settlements
GDP	Gross Domestic Product
GPF	Gauteng Partnership Trust T/A Gauteng Partnership Fund with registration number IT2422 registered as a Scheduled 3C public Entity under the PFMA
GRAP	South African Generally Recognised Accounting Practice
ICT	Information Communication Technology
M&E	Monitoring and Evaluation
MEC	Member of Executive Council for Human Settlements, Urban Planning and Corporative Governance and Traditional Affairs
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NHBRC	National Housing and Building Regulatory Council
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PPP	Public- Private Partnerships
RHF	Rental Housing Fund
SCM	Supply Chan Management
SHF	Social Housing Fund
SHI	Social Housing Institution
SMME	Small, Medium and Micro Enterprises
Stats SA	Statistics South Africa
TR	Treasury Regulations

3. FOREWORD BY THE MEC



Lebogang Maile
MEC

According to Statistics SA, the fourth quarter of 2019 saw a contraction of 1,4% of the South African economy, following a contraction of 0,8% in the previous quarter. Sadly, the sector of the economy that showed the most stubborn downward spiral, was the construction sector, with the sector last showing positive growth at the beginning of 2017. This sector decline was acute in non-residential construction, which saw approvals for new commercial and retail space construction falling to its lowest point in over a decade. The flicker of hope remained residential property construction which, despite the constraints on the national fiscus, showed some positive signs.

The Gauteng provincial government was a sizable contributor to the performance of the housing construction industry through its implementation of the Mega Human Settlements Programme. This is a programme that is designed to transform the spatial trajectory of Gauteng City Region and meet the demands imposed on the province by the rapid rate of urbanisation of people in search of economic opportunities and an improved standard of living.

Whilst the last 10 years have seen improvements in households with formal housing structures, the number of people living in informal settlements and the housing backlog in Gauteng continued to grow astronomically, placing added pressure on government and its ability to meet the housing demand.

This was exacerbated by consistent underperformance on housing delivery, with poor adherence to clean governance, underspending, sub-standard performance by developers and contractors as well as community disturbances and unrest at various construction sites, meaning that we were not responding adequately and appropriately to housing demand in the province. It is for this reason that we are busy implementing a turnaround strategy for the Human Settlements department in the province, with change management and process re-engineering in order turn things around and accelerate housing delivery. The Gauteng Partnership Fund (GPF), as an implementing entity of the provincial government on housing delivery, has a crucial role to play in this regard.

During the period under review, the GPF has performed with consistency in the delivery of social housing and rental accommodation. This was despite the challenging environment within which it operated. We have seen the completion of 3038 housing units and 3217 serviced stands in the year under review. We have also seen the launching of several housing projects and handed over some housing units to beneficiaries during this period.

This period also saw the end of term of office of the Board of Trustees that was appointed in 2016. A new Board was appointed and inaugurated in May 2020. The mandate of the new Board is to assess the capacity of GPF to implement projects; ensure that we have innovative project implementation mechanisms that bring together development finance institutions, municipalities, provincial departments and investors; guide and oversee the change management and organisational redesign process that will best position GPF to play a significant role in accelerated and improved housing delivery in Gauteng and ensure good governance.

The GPF must use its market reputation and accumulated knowledge and experience to redesign the financial instruments at its disposal. In particular, this redesign would entail ensuring its own financial stability within the current legislative and fiscal constraints. The Board shall design a new Implementation Strategy for Mega Projects which will be developer-driven and not dependent on funding from government through milestone payments. The GPF must take a lead in identifying how we can leverage government funding to ensure that developers are able to fund mega projects as opposed to over reliance on government payments.

We have great confidence in the Board, the Executive team and entire workforce at the GPF to help us deliver on our mandate of providing decent shelter to the people of Gauteng. We would like to thank the previous Board members for their sterling service to the GPF and the people of Gauteng. Under their stewardship the GPF commenced its repositioning journey with expanded role and responsibilities, including the addition of being the implementer of choice for mega projects in Gauteng.

The achievement of Unqualified Audits by the GPF is an indication of the Gauteng government's commitment to the principles of good, clean and accountable governance as we seek to meet the housing delivery expectations of the people of Gauteng.



Lebogang Maile MPL,

Gauteng MEC for Human Settlements,
Urban Planning,
Cooperative Governance and Traditional Affairs

4. REPORT BY THE CHAIRPERSON



Lindiwe Mthimunya
Previous GPF Chairperson

Dear valued stakeholders,

On behalf of the Board of Trustees, the management and employees, I take great pleasure in presenting to you the 2019/20 Annual Report of the Gauteng Partnership Fund (GPF). This report provides a summary of our activities including performance against objectives agreed with the Gauteng Department of Human Settlements (GDHS) and audited Financial Statements for the year ended 31 March 2020. I am pleased to report that once again the GPF received an unqualified audit for the 16th consecutive year.

Introduction

The year 2019/20 started with some flicker of positives with South Africa's gross domestic product increasing by 3.1% in the second quarter of 2019. The mining, finance, real estate and business services sectors were the drivers of the positive economic sentiment which boosted the country's economic activity. Although the construction industry contracted by 1.6% in the same period, the sentiment remained positive as this performance was an improvement for an industry that had not seen growth for the longest time. Of interest to us was the increase in investment in residential property construction, both in the private and the public sector.

The positive economic sentiment was short lived with the declaration of the global pandemic in the last quarter of 2019. The COVID-19 pandemic negatively impacted business performance in the last quarter of the financial year, in particular construction progress and numbers of completed units.

Human Capital and People Management

In the year under review we focused on the implementation of the GPF's new organisational design and migration of employees to the new structure. Job matching and placements for positions below the executive and senior management levels were completed in December 2019 and commenced with the recruitment for suitable candidates to constitute the executive team to lead the entity.

Service Delivery and Performance

Despite the organisational challenges and the unprecedented impact of the global COVID-19 Pandemic, the GPF managed to perform relatively well, achieving more than 85% of the targets contained in its Annual Performance

Plan (APP). Our steadfast focus on the execution of the mandate and the repositioning of the GPF as a Partner of Choice to our shareholder and strategic partners in the market, enabled us not to lose sight of our priority programmes.

The support and cooperation that was received from the Executive Authority, the Honourable MEC, Lebogang Maile and the entire leadership core of the GDHS contributed in the development and increase in the general goodwill and positive feel of the GPF as an organisation and implementing agency of the department. This augers well with our mission of increasing accountability and productive engagements with the shareholder. It bolsters our position as preferred Partner of Choice for delivering housing solutions and implementation of Mega-Human Settlements in a manner that will ensure real spatial transformation. Our aim is to continue putting the GPF at the core of Gauteng's urban agenda that prioritises urban densification and creates human settlements where people can live, work and play.

We will strengthen our efforts to seek innovative solutions to enhance investment products that would increase housing opportunities. In the next year, the focus will be to better utilise our status as an agency to engage in the development of alternative funding activities that will ensure our financial stability. We will continue with prudent financial management and to explore alternative capital raising avenues and also optimize our portfolio and improve debt collection.

Board and Governance

The board conducted an independent assessment of its effectiveness, which was deemed adequate.

The period under review also saw the end of the 3-year term of office of the GPF Trustees who were appointed in 2016. I would like to thank all the Trustees who served with me during this period for their sterling work in stewarding the GPF at a time of the extension of its mandate and repositioning as an implementing agent for Mega Projects. The transformation, although it is still work in progress, is beginning to show positive results. The oversight, guidance and the strategic leadership provided by the Trustees was enormous and has placed the GPF on the right track to fulfil its mandate.

I welcome the new Trustees appointed in May 2020 and look forward to a productive working relationship that will advance the performance of the GPF.

Conclusion

The COVID-19 Pandemic has changed the way we do business, how we interact and see the future of business. The demands of the future of work on businesses are enormous and the GPF will continue to assess the realities of this new normal. We not only need to ramp up training and investments in remote working but retrain employees on how they perceive work and productivity. We must do this not only by providing tools, but our organisations must review its strategies and plans to ensure that they are "fit-for-purpose" to respond to this new normal.

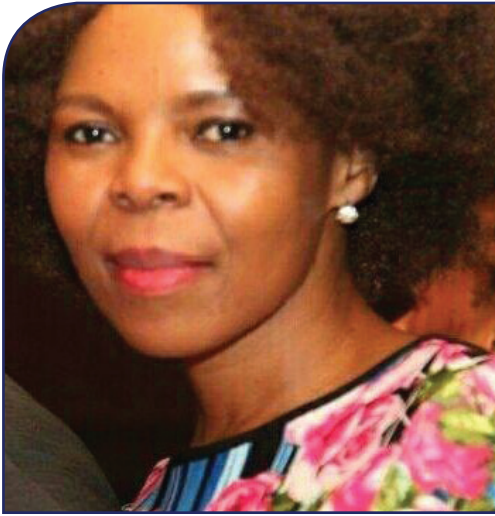
To all our stakeholders and business partners, thank you for your support. I wish you all the best as we chart a new way forward in this period of uncertainty.

I thank you all.



Lindiwe Mthimunya

Support Statement by the new GPF Chairperson,



Hlengiwe Bhengu
New GPF Chairperson

Dear GPF Stakeholders,

I have the honour of taking over the process of submitting this Annual Report to the Executive Authority and the subsequent tabling thereof to the Gauteng Provincial Legislature, from my colleague Lindiwe Mthimunye. Ours is a special function to continue with the government's effort to change the lives of the people of Gauteng by changing the apartheid spatial planning and patterns of settlement that exacerbated social exclusion and class segregation. I accept the responsibility from the Shareholder and I am pleased that we will continue to work together as colleagues in the Board for the next three financial years.

A notable post financial statement event has been the secondment of the CEO of the GPF, Mr. Simphiwe Dzungwa to the Sedibeng Water Board and the appointment of an Acting CEO at the GPF, Mr. Daniel Molokomme. Mr. Molokomme is a DDG: Planning and Property Management at the Gauteng Department of Human Settlements. He will act in the position for a period of six months ending 31 January 2021.

Thank you

A handwritten signature in black ink, appearing to read 'Hlengiwe Bhengu', written in a stylized, cursive script.

Hlengiwe Bhengu

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW



Simphiwe Dzengwa
Chief Executive Officer

The 2019/20 financial year, the Gauteng Partnership Fund (GPF) made good progress in executing the expanded mandate of implementing Mega Human Settlements Projects. The GPF is maturing in its appreciation of the challenges and opportunities provided by its mandate as the preferred partner for the implementation of Mega Projects in Gauteng. At the heart of this mandate is the government's constitutional imperative of ensuring spatial transformation supportive of society based on equality and fair access to urban resources. In Gauteng, this mandate is anchored in the priority for integrated human settlements and land release as articulated by the Premier in his State of the Province Address on 01 July 2019.

In the 2019/20 financial year total allocated budget for operational cost was R 86.3 million, GPF spent 92% of the allocated budget which equates to R79.1 million in monetary value. The variance of 8% is due to the vacancies that were awaiting the approval of the new structure, which is due for approval in April 2020.

The Supply Chain Management 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 has been exceeded by far as the agency achieved 98.63% against a target of 75%. GPF is in the process of implementing Systems, Applications and Products (SAP) which will help to streamline sourcing and contract management on a platform that can keep up with change and adapt to your needs, identify opportunities for savings and efficiently manage the contract lifecycle, tightly integrate sourcing, contract management and payments to ensure that organization operates optimally, effectively and efficiently.

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 2020, the GPF had committed 70% of its available cash to projects. In terms of liquidity, GPF commitments were covered by 1.53 times. The cost to income ratio decreased from 171% to 100% in comparison to the previous year due to the timing of expenses.

During the year under review, the GPF Loan Book reflects difficult operating environment as supported by increasing non-performing loans. We continue to apply proactive risk mitigation approaches upfront to every loan/investment and have a hands-on approach to management of potential project performance risk. For instance, the growth in repayment arrears due to economic pressures experienced by tenants led to the creation of a committee by the landlords to address these specific challenges on a regular basis. We continue to review

our processes, ensuring that we meet our clients' turnaround expectations and future business sustainability requirements. We should note that, at year end some tenants were experiencing rental payment as a result of the COVID-19 lockdown. The GPF is addressing COVID-19 instalment payment by landlord through COVID-19 Debt Relief, and landlords are accessed on a case by case basis.

The lack of co-funding partners remains 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, 82% has been committed while the Futuregrowth facility of R250 million is 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 Gauteng Province meet the strategic objectives and performance targets.

The leveraging of private sector capital is the underlining principle of the GPF business model. In 2019/20, we attracted a total of R97 millions of public and private sector funding, in comparison to R270 million in the previous reporting period. The GPF has not met its 2019/20 housing targets for rental units (target of 800 housing units vs 636 housing units completed) as most the construction projects came to a halt amid final inspections due to COVID-19. The GPF has concluded an Implementation Protocol with the Gauteng Department of Human Settlements (GDHS) to implement identified Mega Projects. We have exceeded the target for serviced stands (target of 500 serviced stands vs 3217 serviced stands completed), however, the target for completed housing units was not met (target of 3172 housing units vs 3038 housing units completed) due to cash flow constraints experienced by some developers as well as intermittent labour unrests on some projects. The total amount of unspent grant towards Mega projects from the Department was R 279 million and this will be deferred into the new financial year for completion for completion of the outstanding units.

The overall progress on site is satisfactory across all mega projects when compared to the previous financial year when we only recorded 420 units at 95% complete. The implementation of Mega Projects has made a significant socio-economic impact within communities where they are established. The Mega Projects are implemented in a manner designed to broaden the black and female-owned enterprises, as well as small, micro and medium enterprises (SMMEs) in the infrastructure development sector. It is against this background that the GPF endeavours to ensure that at least 30% of the capital budget is spent on SMMEs and over time increase the development of women owned enterprises. A total number of 3903 job opportunities has been created thereby contributing towards uplifting of local communities.

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.

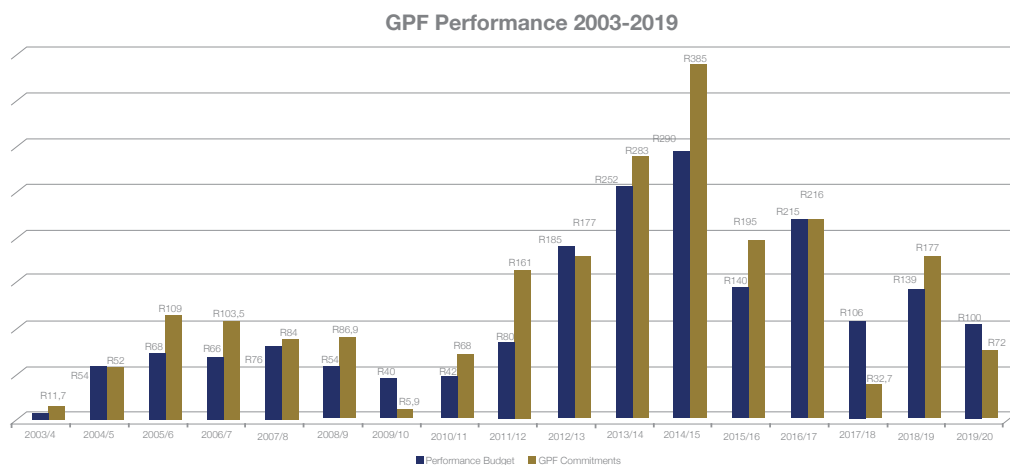


Fig. 1 GPF Budget vs Commitments

We look forward to continue 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 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 Honourable MEC, Mr. Lebogang Maile for his continued leadership and support.

In conclusion, I would like to sincerely thank the Head of Department (HOD) Ms. Phindile Mbanjwa, former Board Chairperson Ms. Lindiwe Bokoro and the Board Chairperson Ms. Hlengiwe Bhengu 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.



Simphiwe Dzengwa

Chief Executive Officer

6. 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 are consistent with the Annual Financial Statements audited by the Auditor General.

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

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

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


The Board is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Board is responsible for establishing and implementing a system of internal control, which 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, performance information, human resources information, and financial affairs of the public entity for the financial year ended 31 March 2020.

Yours faithfully



Chief Executive Officer
Simphiwe Dzengwa



Previous Chairperson of the Board
Lindiwe Mthimunya

7. STRATEGIC OVERVIEW

7.1. Vision

To be a partner of choice in catalysing the funding and development of integrated and sustainable human settlements in Gauteng.

7.2. Mission

GPF exists to facilitate the development of integrated and sustainable human settlements for the people of Gauteng by:

- Raising and managing the capital required for the successful implementation of identified sustainable human settlements;
- Serving as a turnkey property developer on strategic public land and providing management services; and
- Enhancing the lives of people in communities while also providing investors and partners with sound returns.

7.3. Values

Value	What the value means to GPF in practice
Teamwork	<ul style="list-style-type: none"> • We have a culture of excellence in the execution of our common goal. • We work in unison and view our work as a collective effort.
Innovation	<ul style="list-style-type: none"> • We strive towards the continual development of our product and services offering.
Integrity	<ul style="list-style-type: none"> • We execute our work in a transparent, accountable, and ethical manner.
Proactive	<ul style="list-style-type: none"> • We take a proactive approach to identifying and addressing needs and gaps across the entire human settlement delivery value chain.
People/Ubuntu	<ul style="list-style-type: none"> • We recognise the humanity of others and endeavour to establish respectful human relations with the people of Gauteng as part of our commitment to fulfilling our mandate. • We embrace and value our staff's devotion as core to our business.
Environment sustainability	<ul style="list-style-type: none"> • We aim to minimise adverse environmental impacts across all of our projects.

8. LEGISLATIVE AND OTHER MANDATES

The mandate of the GPF 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.

Legislative Mandates

Legislative Framework	Relevance/Implications for GPF
South African Constitution	The rule of law governing every person, every organization or institution as well as all law within the Republic of South Africa.
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 maximize 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; and 4. being fully or substantially funded from sources other than the Provincial Revenue Fund, i.e. GPF needs to become financially self-sustainable.
Trust Property Control Act, Act No. 53 of 1988	<p>To regulate further the control of trust property; and to provide for matters connected therewith.</p> <p>As a trust this Act is the founding legislation of the GPF</p>
Financial Intelligence Centre Act, Act No. 38 of 2001	<p>To establish a Financial Intelligence Centre and a Money Laundering Advisory Council in order to combat money laundering activities and the financing of terrorist and related activities; to impose certain duties on institutions and other persons who might be used for money laundering purposes and the financing of terrorist and related activities; to amend the Prevention of Organized Crime Act, 1998, and the Promotion of Access to Information Act, 2000; and to provide for matters connected therewith.</p> <p>The GPF is an accountable institution in terms of this Act.</p> <p>In its lending operations the GPF has to comply with this Act</p>

Legislative Framework	Relevance/Implications for GPF
Companies Act (No. 71 of 2008), as amended	<p>The Act regulates the incorporation, registration, organization and management of companies, including “State Owned Companies” (SOC).</p> <p>The Act encourages transparency, whilst balancing the rights and obligations of directors and the shareholder in that it specifies the fiduciary and due care duties and responsibilities of directors of a company.</p> <p>The registration of GPF as a SOC in terms of the Company Act is important because this ensures that the GPF is subject to the same company operating and governance rules that its potential funding partners comply with.</p>
Rental Housing Act, Act No. 50 of 1999, as amended	<p>To define the responsibility of Government in respect of rental housing property; to create mechanisms to promote the provision of rental housing property; to promote access to adequate housing through creating mechanisms to ensure the proper functioning of the rental housing market.</p> <p>To make provision for the establishment of Rental Housing Tribunals; to define the functions, powers and duties of such Tribunals; to lay down general principles governing conflict resolution in the rental housing sector; to provide for the facilitation of sound relations between tenants and landlords and for this purpose to lay down general requirements relating to leases; to repeal the Rent Control Act, 1976; .</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>
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>
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>

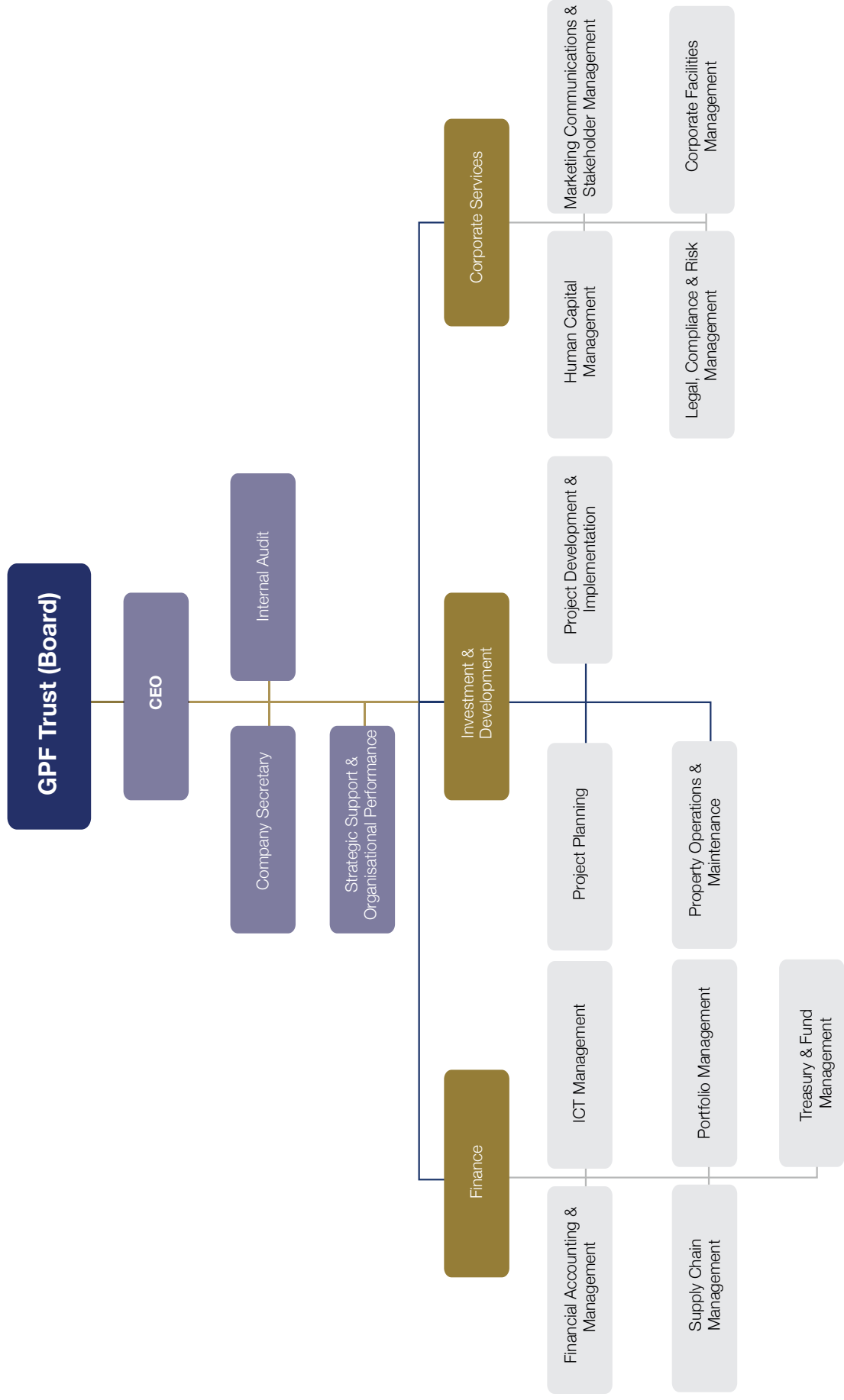
Legislative Framework	Relevance/Implications for GPF
Social Housing Act (No. 16 of 2008)	<p>Promotes the establishment of a sustainable social housing environment through administration of social housing projects.</p> <p>To define the responsibility of Government in respect of rental housing property; to create mechanisms to promote the provision of rental housing property; to promote access to adequate housing through creating mechanisms to ensure the proper functioning of the rental housing market; to make provision for the establishment of Rental Housing Tribunals;</p> <ul style="list-style-type: none"> •To define the functions, powers and duties of such Tribunals; to lay down general principles governing conflict resolution in the rental housing sector; •To provide for the facilitation of sound relations between tenants and landlords and for this purpose to lay down general requirements relating to leases; •To repeal the Rent Control Act, 1976; and to provide for matters connected therewith. <p>The Social Housing Act is further empowered to accredit Social Housing Institutions through the Social Housing Regulatory Authority</p>
Housing Development Agency Act (No. 23 of 2008)	<p>This Act establishes the Housing Development Agency (HDA) with the role of identifying, acquiring and developing suitable land for the creation of sustainable human settlements.</p> <p>The HDA plays a key role in implementing the National Catalytic Projects, many of which overlap with the Gauteng Mega Projects. Realizing the need for mutual cooperation and a shared vision. GPF needs to, as and when necessary, liaise with the HDA to ensure efficient and effective implementation of Mega Projects.</p>
Conflict of Interest policy	Conflicts of Interest Management Policy is primarily to provide mechanisms for the identification and management of Conflict of interest that may arise
Prevention and Combating of Corrupt Activities Act	<p>To provide for the strengthening of measures to prevent and combat corruption and corrupt activities</p> <p>To provide for investigative measures in respect of corruption</p>
Criminal Procedure Act	To make provision for procedures and related matters in criminal proceedings
Companies Act	To provide for the incorporation, registration, organisation and management of companies, the capitalisation of profit companies, and the registration of offices of foreign companies carrying on business within the republic
Prevention of Organized Crime Act no 121 of 1998	<p>To introduce measures to combat organised crime, money laundering and criminal gang activities</p> <p>To prohibit certain activities relating to racketeering activities</p> <p>To provide the prohibition of money laundering and for an obligation to report certain information</p> <p>To criminalize activities associated with gangs</p> <p>To provide for the recovery of the proceeds of unlawful activities and to provide for matters connected therewith</p>
Protection of constitutional Democracy Against terrorism and related Activities Act	<p>To provide for measures to prevent and combat terrorist and related activities, to provide for an offence of terrorist and other offences associated or connected with terrorist activities</p> <p>To provide for convention offences, to give effect to informational instruments dealing with terrorist and related activities</p> <p>To provide for measures to prevent and combat the financing of terrorist and related activities.</p>

Legislative Framework	Relevance/Implications for GPF
King IV Code on Corporate Governance	<p>It is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of the following governance outcomes:</p> <ul style="list-style-type: none"> • Ethical Culture • Good Performance • Effective Control • Legitimacy
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.
Planned new legislation affecting GPF business	<ol style="list-style-type: none"> 1. Human Settlements Act: The consultative process for the Draft White Paper on Human Settlements is currently in progress, as a consolidation of human settlements developments since 1994, as well as a conscious response to the strategic shift espoused in the National Development Plan (NDP), to culminate into the Human Settlements Act. The promulgation of the Human Settlements Act will repeal the Housing Act (No. 107 of 1997), as well as the White Paper on Housing: A New Housing Policy and Strategy for South Africa, 1994. 2. Inclusionary Housing Bill: To allow for affordable housing to become an integral part of commercially-driven private developments aimed at higher income groups and designed to ensure racial and class integration in GCR settlements. Currently undergoing a cost-benefit analysis by GDHS to determine the cost of implementing inclusionary housing and its benefits in Gauteng. Targeted for promulgation in 2017/18. 3. Amendment to the Gauteng Housing Act (No. 6 of 1998): The amendment will incorporate the many new legislative and policy changes that have taken place at national and provincial levels since the commencement of the Act in 1998. The Act will redefine the Housing Advisory Committee (HAC) to take into account the new Programme Management Office (PMO) Steering Committee.

Not listed above, but equally important and contained in the Compliance Universe Framework document of GPF, are the various governance related legislation and regulations informing the compliance regime of the organization.

Treasury conducts quarterly compliance reviews on the GPF to provide quality assurance on compliance.

9. ORGANISATIONAL STRUCTURE





PART B:

PERFORMANCE INFORMATION

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA/auditor currently 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 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 71 of the Report of the Auditors Report, published as Part E: Financial Information.

2. SITUATIONAL ANALYSIS

2.1. Service Delivery Environment

The South African economy grew by 0,2% in 2019, following an increase of 0,8% in the latter half of 2018 driven by increase in economic activity in finance, real estate and business services. The construction sector recorded negative growth of 0.1% for the year under review. The year under review was characterized by uncertainty by amongst others; investor sentiments, job losses in the economy, Eskom's challenges (load shedding), possible downgrades from the rating agencies following the economic recession experienced in the first half of 2018.

The construction industry contracted substantially with many large construction companies going insolvent and/or into debt recovery, this has resulted in a decrease in municipal building plan approvals as reflected in the data from Statistic South Africa (StatsSA 2020; Selected building statistics of the private sector as reported by local government institutions).

Notwithstanding the relatively weak economic growth, in 2018, the highest annual real growth rates was recorded in Gauteng. The Gauteng Province remains the main contributor to the economic growth. However, the population growth far outstrips the economic growth thereby creating an economic infrastructure gap. According to StatsSA, the South African Mid-year population is estimated to have increased to 58,8 million in 2019, with Gauteng continuing to record the largest share with 15,2 million people living in the province. The implementation of Mega projects as well as the provision of affordable rental stock go a long way in contributing towards closing the infrastructure gap that currently exists within the Gauteng province. Mega projects implemented by the GPF gained momentum during the year, plans are underway by most of the developers to respond to the market demand as most first-time buyers are looking for secure environments where they can work, live, play and pray.

For the year under review, the City of Ekurhuleni Metropolitan Municipality (CoE) approved the appointment of the Gauteng Partnership Fund ("GPF") as its Implementing Agent to render engineering and related human settlements services. We concluded an Implementation Protocol (IP) to facilitate the implementation of various Projects within the CoE's area of jurisdiction to ensure the creation of sustainable human settlements. The IP expired at the end of June 2019.

On the 27 March 2020, rating agency Moody's lowered S.A's sovereign credit rating to junk status (sub-investment grade) and kept the S.A's outlook negative. However, the development of sustainable human settlements projects by government in partnership with the private sector and the competitive bank lending conditions will most likely contribute towards creating some stimulus for the economy and property market.

There are some positive factors underpinning the housing market, such as the increase in the young population as indicated by StatsSA in the 2019 mid-year population review. The relatively low interest rate environment will also continue to support the positive developments within the sector.

2.2. Organisational environment

The confluence of both internal and external factors had a significant impact on the organisational environment in the Gauteng Partnership Fund over the past year. The Covid-19 pandemic and the resultant global economic contraction negatively affected the global construction sector and South Africa and the Gauteng Province were not spared in the process.

The term of office of the Board has expired during the financial year. The Board provides effective leadership and strategic direction to the entire organisation and ensures that the principles of good corporate governance and ethical behaviour are maintained.

The delay in the appointment of new Board members have been felt throughout the organisation and especially affected the filling of key vacancies at senior executive level.

The position of Chief Financial Officer became vacant at the end of 2019 and a senior official from the Gauteng Department of Human Settlements was seconded to perform this vital function. Advertisements were placed and applications received to fill this vacancy as well as for other senior positions in the organisation. These processes will be concluded following the appointment of the new Board.

The Covid-19 pandemic caused a measurable slowdown in the construction and engineering sectors. This resulted in delays on projects that are being implemented in partnership with the GPF and negatively affected the collection of project funds.

Within the organisation Covid-19 had influenced all business activities and changed the way in which employees perform their tasks and interact with clients and stakeholders. Management responded to the new working environment following the announcement of lockdown regulations by the Government and took pro-active steps to ensure both the safety of employees and the effective functioning of the organisation.

2.3. Key policy developments and legislative changes

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

2.4. Strategic Outcome-Oriented Goals

Strategic outcome-oriented goals of the GPF

The strategic outcome-oriented goals of the GPF have been revised to reflect the expected outcomes of the core functional areas arising from its revised mandate, as well as from its corporate support and governance functions.

The four (4) revised outcome-oriented goals are to:

1. raise the capital required for identified mega projects and strategic urban renewal programmes, invest it and manage the investment effectively;
2. develop identified mega projects efficiently and speedily;
3. develop, maintain, manage and/or dispose of identified strategic urban renewal properties and turnkey mega property assets to generate additional revenue for the GPF and the capital required for identified mega projects; and
4. ensure that the GPF is financially sustainable and managed and governed effectively and efficiently

GPF STRATEGIC GOAL	GPF STRATEGIC OBJECTIVE	2018 Outcome / Measurable Objective	Performance Measure / Indicator	Reported on by which Unit	Revised Targets Mid-term 2019/20	Q1 Actual Performance 01 April 2019 – 30 June 2019	Q2 Actual Performance 01 July 2019 – 30 September 2019	Q3 Actual performance 01 October 2019 – 30 December 2019	Q4 Actual performance 1 January 2020 – 31 March 2020	Actual Annual Performance	Reasons for variances
1. Capital Raising and Fund Management	1.1 Rand value of funding raised or facilitated for project lending and investment activities.	Rand value of capital raised each financial year, for identified Mega Projects and strategic urban renewal (bad buildings) projects	Rand value of funding raised or facilitated for project lending and investment activities.	Capital Raising	R200m	--	--	--	--	R0	Target was not met due to failure to identify suitable projects to meet certain tender requirements (e.g. size). Although the feedback from the investor roadshow was positive this did not yield any results. In the new financial year, we follow up on the leads from the previous year to ensure financial closure and at other alternatives.
	1.2 Rand value of bulk infrastructure funding facilitated	Rand value of funding facilitated for Bulk infrastructure development	Rand value of bulk infrastructure funding facilitated.	Capital Raising	R100m	--	--	--	--	R0	Target was not met due to factors outside GPF control. The target was dependent on a new SPV being established by the lender and all regulatory requirements being met. All these processes were not met concluded during the year under review.
	1.3 Rand value of bridging finance facilitated for Mega project developers	Rand value of bridging finance facilitated for Mega project developers	Rand value of bridging finance facilitated.	Capital Raising	R100m	--	--	--	--	R0	Target not met due to delays in lenders approval processes. The product requires an anchor funder to be implemented.
	1.4 Rand value of loans approved each financial year.	Rand value of loans approved, each financial year, i.r.o: Rental Housing	Rand value of loans approved, each financial year, for in respect of: Rental Housing	Projects	R70m	R0	R20 704 859 Epitome Property Investments (Pty) Ltd – R5 117 176 Stormstrong (Pty) Ltd – R571 373 Lekotu Enterprise (Pty) Ltd – R15 018 310	R11 338 898.00 Nelisa Properties (Pty) Ltd – R1 657 840.00 Izakhiwo Properties (Pty) Ltd – R9 681 058.00	R 5 947 297.00 Tarioblox (Pty) Ltd – R5947 297.00	R 37 981 054.00	Target not met. Projects could not be submitted for consideration for approval due to delays in the appointment of service providers to conduct independent DDR on projects.
		Rand value of loans approved, each financial year, i.r.o: Student Accommodation	Rand value of loans approved, each financial year, i.r.o: Student Accommodation	Projects	R30m	R1 645 656 Begin All Investments (Pty) Ltd R04 512 Lavender Tree (Pty) Ltd – R805 144	R20 210 334 Bono Property Investments (Pty) Ltd – R20 210 334	R12 588 141.00 Capensis Investments (Pty) Ltd – R5 976 120.00 K2019165164 (South Africa) (Pty) Ltd - R6 612 021.00	--	R34 444131.00	There were no approvals for this quarter due to projects that did not meet the necessary requirements for submission, however the overall annual target has been exceeded.

GPF STRATEGIC GOAL	GPF STRATEGIC OBJECTIVE	2018 Outcome / Measurable Objective	Performance Measure / Indicator	Reported on by which Unit	Revised Targets Mid-term 2019/20	Q1 01 April 2019 – 30 June 2019 Actual Performance	Q2 01 July 2019 – 30 September 2019 Actual performance	Q3 01 October 2019 – 30 December 2019 Actual performance	Q4 1 January 2020 – 31 March 2020 Actual performance	Actual Annual Performance	Reasons for variances
2. Mega Project Implementation and Development	2.1. Provide project management services to developers implementing identified number of Mega Projects, each financial year.	Provided Management services to developers implementing identified number of Mega Projects, each financial year.	Number of Mega Projects managed and overseen by the GPF each financial year.	Projects	7	--	--	--	7	7	Target met.
			Number of jobs created through projects funded or managed by GPF.	Projects	500	--	--	--	3903	3903	Target exceeded, jobs created from Mega projects contributed 2882 and jobs created from rental projects funded contributed 1011
			Number of housing units built, each financial year, across housing programmes of Mega Projects.	Projects	3172	--	--	--	3038	3038	Target not met due to cash flow constraints experienced by some contractors as well as community unrest in some of the projects.
			Number of serviced stands completed, each financial year, across housing programmes of Mega Projects.	Projects	500	--	--	--	3217	3217	The target has been exceeded due to the unplanned increase in the scope of work from Montrose, Elijah Barayi and Dan Tloome projects.
3. Property Development, Management and Maintenance	3.1. Develop the number of identified strategic properties to provide affordable student, rental and social housing, each financial year.	Property Management & Maintenance	Rand value of GDHS subsidies disbursed, each financial year, for top structure across all Mega Projects.	Projects	R550m	--	--	--	R683m	R683m	The target has been exceeded due to an unplanned increase in the scope of work for Dan Tloome and Affri Village.
			Rand value of budgeted GDHS subsidies disbursed, each financial year, for serviced sites across all Mega Projects.	Projects	R60m	--	--	--	R165,7m	R165,7m	The target has been exceeded due to the unplanned increase in the scope of work from Montrose, Elijah Barayi and Dan Tloome projects.
			Number of units completed each financial year on strategic properties developed to provide student, rental and social housing	Projects	800	106	262	170	98	636	Target not met. There were 4 projects with a total number of 184 units that could not be completed due to: • Delayed final inspections due to nationwide lock-down (COVID-19 Pandemic) • Cash flow constraints due to late payments to contractors as GPF introduced new payment system.
						Korema Property Group – 18 units Property Best – 36 units Eable Properties (Pty) Ltd – 52 units	Eable Properties (Pty) Ltd – 48 units Devland Gardens – 180 units Hectofield (Pty) Ltd – 34 units	Devland Gardens – 120 units Simelane Business Solution (Pty) Ltd – 50 units	Bridge City (Pty) Ltd – 44 units Devland Gardens (Pty) Ltd – 30 units Comu Properties (Pty) Ltd – 24 units		
4. Administration	4.1 Strategic Management and Good Governance, each financial year	Strategic Management and Good Governance	Number of Quarterly Performance Reports submitted to the Board of Trustees and GDHS	CEO's Office	4	1	1	1	1	4	Target met.
			Percentage Implementation of Board and sub-committees' resolutions, per annum	CEO's Office	100%	100%	100%	100%	100%	100%	Target met.

GPF STRATEGIC GOAL	GPF STRATEGIC OBJECTIVE	2018 Outcome / Measurable Objective	Performance Measure / Indicator	Reported on by which Unit	Revised Targets Mid-term 2019/20	Q1 01 April 2019 – 30 June 2019 Actual Performance	Q2 01 July 2019 – 30 September 2019 Actual performance	Q3 01 October 2019 – 30 December 2019 Actual performance	Q4 1 January 2020 – 31 March 2020 Actual performance	Actual Annual Performance	Reasons for variances
	4.2. Human Capital Management, each financial year	Human Capital and Payroll Management, each financial year	Percentage of identified, funded vacancies filled, as per the revised organisational structure	HR	100%	--	--	--	100%	100%	Target met.
			Percentage spend of the training budget against the workplace skills plan	HR	100%	--	--	--	74%	74%	The changes in the organisational structure and the resultant migration of staff to new positions made it necessary to review the training requirements which would be in line with the new positions in the new structure. This will be rectified as the migration is 88% complete. The budget for the next financial year will be aligned to the progress made against confirmed functional requirements.
			Percentage of Performance Agreements signed per total number of staff, per annum	HR	100%	--	--	--	100%	100%	Target met.
			Number of Employee Wellbeing programmes per HR Plan, implemented per annum	HR	4	--	--	2	2	4	Target met GPF had planned 4 activities. Three were executed as per plan, however the last planned activity which was being organised for towards the end of March was replaced by Covid-19 Risk Management activities, where staff were evacuated from the building to do deep cleaning, fumigation and sanitisation.
			Percentage achievement of targets as per the corporate Employment Equity plan.	HR	60%	--	--	45% End of employment contracts by 2 female senior managers. Process of recruitment underway and will focus on gender representation to meet the target.	35%	35%	Target not met. The target pertained to 60% appointment of women in senior positions and 2% appointment of people with disabilities. The 25% deficit of women in senior positions is as a result of termination of employment due to expiry of contracts at the end of the third quarter. The process for filling vacancies in these positions is underway. GPF will target women to remedy the deficit. The HR and EE Plan will reflect this. The 2% deficit in employment of people with disabilities: GPF will consider partnerships with various stakeholders including the SETAs and placement agencies to assist with the identification and attraction of people with disabilities in recruitment.

GPF STRATEGIC GOAL	GPF STRATEGIC OBJECTIVE	2018 Outcome / Measurable Objective	Performance Measure / Indicator	Reported on by which Unit	Revised Targets Mid-term 2019/20	Q1 01 April 2019 – 30 June 2019 Actual Performance	Q2 01 July 2019 – 30 September 2019 Actual performance	Q3 01 October 2019 – 30 December 2019 Actual performance	Q4 1 January 2020 – 31 March 2020 Actual performance	Actual Annual Performance	Reasons for variances
4.3. Sound financial accounting, supply chain, portfolio, ICT and Facilities management services, each financial year	Improvement in GPF performance rating Ensure effective training Maintain staff satisfaction	Percentage variance between total budget and actual expenditure for the year to date. CFO to report, all Executives to manage their own budgets.	CFO/Finance	<5%	--	--	--	--	8.6%	8.6%	Target not met. The underspent is due to consulting vacancies and capex.
			CFO/Finance	100%	--	--	--	--	67%	67%	Target not met due to: 1)BBEE query being finalized 2) Arkein litigation is ongoing
			CFO/Finance	100%	100%	100%	98.53%	98.53%	92%	97.26%	Target not met.
			CFO/Finance	R87m	--	--	--	--	R79m	R79m	Target not met. The loans in litigation have increased.
			CFO/Finance	R400k	--	--	--	--	R885k	R885k	Target exceeded. Second admin fee from Futuregrowth received.
			CFO/SCM	75%	--	--	--	--	98.63%	98.63%	Target exceeded.
			CFO/ICT	98%	98%	98%	98%	100%	99.93%	98.98%	Target exceeded.
			CFO/ICT	P2 85% P3 75%	P2 85% P3 75%	P2 85% P3 75%	P2 90% P3 90%	P2 100% P3 100%	P2 85% P3 75%	P2 90% P3 85%	Target exceeded.
			CFO/Facilities	100%	33.3%	75%	75%	75%	75%	75%	Target not met. Some planned activities were postponed to the next financial year. (Lease/Furniture to be done in new financial year
			CFO/Portfolio Management	<5%	0%	0%	0%	0%	0%	0%	Target met.

GPF STRATEGIC GOAL	GPF STRATEGIC OBJECTIVE	2018 Outcome / Measurable Objective	Performance Measure / Indicator	Reported on by which Unit	Revised Targets Mid-term 2019/20	Q1 01 April 2019 – 30 June 2019 Actual Performance	Q2 01 July 2019 – 30 September 2019 Actual performance	Q3 01 October 2019 – 30 December 2019 Actual performance	Q4 1 January 2020 – 31 March 2020 Actual performance	Actual Annual Performance	Reasons for variances
4.4 Legal compliance and risk management, each financial year.			Percentage of instalment monies received (collection rate) as a percentage of loan book, per annum	CFO/Portfolio Management	>90%	30.64%	39.95% Loan book is being assessed to get a clear understanding of problem areas and implement corrective measures. 4.49%	40.39% Recovery plan is being put together to deal with poor performance.	91.72%	91.72%	Target met
			Percentage of non-performing loans (as percentage of loan book), per annum (excludes loans referred for legal action)	CFO/Portfolio Management	<5%	3.37%	4.49%	3.03%	4.90%	4.90%	Target met.
			Percentage of arrears on loans (as percentage of loan book), per annum	CFO/Portfolio Management	<2%	0.95%	0.51%	0.84%	0.40%	0.40%	Target met.
			Percentage of requested legal documents and opinions reviewed and/or drafted each year.	Legal, Compliance and Risk Management	80%	95% Of the 19 instructions received 2 were not completed.	100%	94.5%	80%	80%	Target met.
			Percentage of instituted litigation matters successfully concluded each year	Legal, Compliance & Risk Management	70%	--	--	--	100%	100%	Target exceeded. All litigation matters concluded were in favour of the GPF and therefore concluded successfully.
			Percentage of identified strategic risks managed and reduced each year, for the purpose of achieving organisational objectives	Legal, Compliance & Risk Management	100%	--	--	--	100%	100%	Target met.
			Percentage of registered mortgage bonds in place as sufficient security for loans, within four months of signature of agreement and/or addenda thereto	Legal, Compliance & Risk Management	80%	--	--	--	80%	80%	Target met.

GPF STRATEGIC GOAL	GPF STRATEGIC OBJECTIVE	2018 Outcome / Measurable Objective	Performance Measure / Indicator	Reported on by which Unit	Revised Targets Mid-term 2019/20	Q1 01 April 2019 – 30 June 2019 Actual Performance	Q2 01 July 2019 – 30 September 2019 Actual performance	Q3 01 October 2019 – 30 December 2019 Actual performance	Q4 1 January 2020 – 31 March 2020 Actual performance	Actual Annual Performance	Reasons for variances
4.5. Effective and timely communication, public relations and marketing, each financial year.		Provide effective and timely communication, public relations and marketing services, each financial year.	Number of planned stakeholder management initiatives achieved	Marketing & Communications	4	--	--	2	0	2	Target not met.
			Number of project site tours/launches organised (Mega Projects)	Marketing & Communications	3	2	--	1	0	3	Target met
			Number of workshops with developers organised	Marketing & Communications	1	0	--	--	0	0	Target not met. The planned workshop with developers was postponed to the next financial year.
			Number of partnerships/sponsorships (co-branding platforms, exhibitions secured	Marketing & Communications	3	2	--	1	--	3	Target met
			Design layout, collate information and print Annual Report on time	Marketing & Communications	1	--	1	--	--	1	Target met
			Number of adverts, editorials placed on media	Marketing & Communications	6	--	1	2	6	9	Target exceeded
			Number of living the brand campaigns organised	Marketing & Communications	1	--	1	--	--	1	Target met
			Implement public awareness initiatives on GPF's brand, programmes and services	Marketing and Communications	2	--	--	--	--	2	Target met
			Number of secure speaker slots/panel slots secured	Marketing & Communications	2	1	--	1	--	2	Target met
			Number of media releases, speeches, editorials drafted	Marketing & Communications	2	2	--	--	--	2	Target met
			Management of website – Provide and quality assure the content to be uploaded onto the site and ensure uptime of no less than 95%	Marketing & Communications	95% uptime	99%	99,84%	99,4%	98%	98%	Target exceeded
			Number of internal newsletters organised and drafted	Marketing & Communications	1	--	--	--	1	1	Target met.

3. Performance Overview

3.1. Affordable Rental Housing Projects

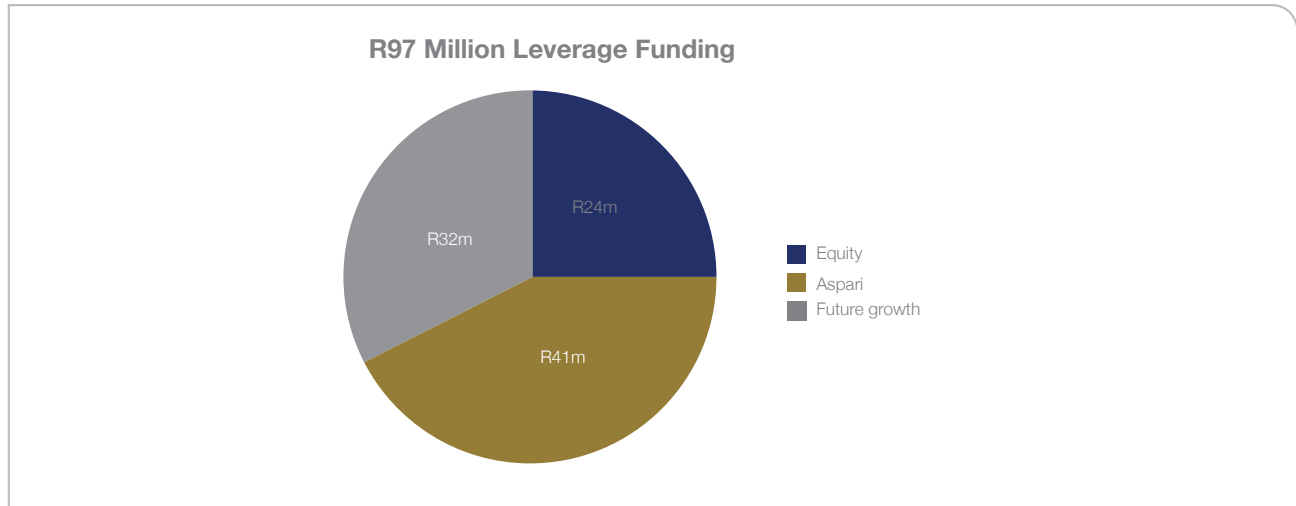
Table 1- Summary of performance for affordable Rental Programmes

Measure	Actual (FY 19/20)	Annual Target (FY 19/20)	Comments
Rental Housing Fund (RHF) & Entrepreneur Empowerment Property Fund (EPPF) programme	R38m	R70m	The performance was negatively affected by the sluggish economic growth and some uncertainties regarding the investor sentiments.
Student Accommodation Fund (SAF) programme	R34m	R30m	The increased deal flow continues to be driven by demand for student accommodation which far exceeds supply, as well as government's commitment to supporting the affordable student accommodation market through National Student Financial Aid Scheme (NSFAS).
Total rand value of loans approved	R72m	R100m	
Number of units completed	636	800	

The GPF's performance for the rental portfolio was affected by the negative economic growth sentiments following a recession. The number of units completed were also negatively affected by the COVID-19 Pandemic which became more visible in SA during the last quarter of the financial year as most construction projects came to a halt amid final inspections. The student accommodation portfolio continued to outperform other rental programmes, majority of the applications received were from the student accommodation property developers. Excess demand for decent, quality student residences, and higher investment yields continue to drive the desire by most property developers to focus on the supply of such accommodation.

From the R72 million committed towards new projects, an amount of R97 million was leveraged from the private sector, with Future growth accounting for 42% of the leveraged funds.

Graph A: Leveraged Funding



3.1.1. Entrepreneur Empowerment Property Fund programme (EPPF)

The EPPF is an incubator-type programme designed to promote participation by Historically Disadvantaged Individuals (HDI) owned companies in the affordable rental property market. The programme was previously limited to prospective participants invited through a public tender process annually. The GPF has taken a decision to open the programme to allow applications from any entry level black owned company that would like to participate in the property market. Participation in the programme is no longer subjected to an annual public tender invitation. For the year under review all new loan approvals under the rental portfolio were towards black owned companies, bringing the total funding towards the programme to approximately R573 million. From the previous financial year's approvals, we have restructured two projects.

Table 2: List of Approved Funding for Projects

Name of Company	Project Name	No. of units	GPF Funding commitment inclusive of Capitalised Interest
Epitome Property Investments (Pty) Ltd	Erf 77 Kempton Park	26	R 5 117 176,00
Stormstrong (Pty) Ltd	Erf 299 Windsor West	-	R 571 373,00
Lekotu Enterprise (Pty) Ltd	Erf 1680 Benoni	72	R 15 016 310,00
Nelisa Properties (Pty) Ltd	Erf 388 Windsor, Randburg	-	R 1 657 840,00
Izakhiwo Properties (Pty) Ltd	Portion 1 of Erf 1484, Pretoria West	40	R 9 681 058,00
Tarioblox (Pty) Ltd	Erf 7414, Olievenhoutbosch	31	R 5 947 297,00
Total		169	R 37 991 054,00

3.1.2. Rental Housing Fund programme

The Rental Housing Fund enhances the debt to equity ratio for companies in projects in order to leverage commercial funding. The programme is targeted at relatively established companies. There were no projects approved under this programme for the year under review.

3.1.3. The Student Accommodation Fund

The Student Accommodation Fund enhances the debt to equity ratio for companies in projects in order to provide affordable and good quality of living to the students. There is a growing interest by the private sector to provide affordable student accommodation in Gauteng than the traditional affordable rental accommodation. This is supported by amongst others; Government initiatives in making land available to the private sector for the purpose of student accommodation developments, for instance the City of Johannesburg has made available several parcels of land and/or buildings to the private sector within the inner City for the purpose of development; higher investment yields and secured market up-take through the NSFAS. We have received funding applications to the value of R1,4 billion under the fund of which R418 million was for GPF funding, however due to funding constraints we were unable to express interest to consider funding all applications received.

Table 3: List of approved funding for projects

Name of Company	Project Name	No of Beds	GPF Funding commitment inclusive of Capitalised Interest
Begin All Investments (Pty) Ltd	Erf 114, 116 and 188 Bertrams	114	R840 512,00
Lavender Tree (Pty) Ltd	Erf 93, 94 & 95 Bertrams	114	R805 144,00
Bono Property Investment (Pty) Ltd	Erf 496 Naturena	376	R20 210 334,00
Capensis Investments 492 (Pty) Ltd	Baruch Estate Student Project	120	R5 976 120,00
K2019165164 (South Africa) (Pty) Ltd	Ptn 50 of Erf 429	144	R6 612 021,00
Total		868	R34 444 131,00

3.1.4. Completed Urban Renewal projects

The number of completed units totalled 636 against a target of 800 units as most of our construction projects came to a halt amid final inspections.

Table 4: List of completed Projects

Name of Institution	Project Name	Location	Product	No of Units	Comments
Property Best Investment (Pty) Ltd	Erf 3834 Eersterust Ext 6	Tshwane	Rental	36	Occupation certificate
Korema Property Group (Pty) Ltd	Erven 436 & 437 Bellevue East	City of Johannesburg	EEPF	18	Occupation certificate
Eable Properties (Pty) Ltd	Erf 8186 Olievenhoutbosch	Tshwane	Rental	100	Occupational certificate
Devland Gardens (Pty) Ltd	Erven 8341 & 8342 Devland Ext 36	City of Johannesburg	Social Housing	330	300 temporary occupation and 30 Practical completion certificates
Hectofield (Pty)Ltd	Erf 644 Pretoria North	Tshwane	EEPF	34	Occupation certificate
Simelane Business Solution (Pty) Ltd	Erf 2682 Kempton Park	Ekurhuleni	EEPF	50	Practical completion certificate
Bridge City (Pty) Ltd	Chiawelo	City of Johannesburg	Rental	44	Practical completion certificate
Comu Properties (Pty) Ltd	Glen Marius	Ekurhuleni	EEPF	24	Practical completion certificate
				636	

3.1.5. Projects under construction

As at the 31st March 2020, there were 9 projects under construction with an expected yield of 1340 units. Number of job opportunities created from these projects amount to 1011.

Table 5: Projects under construction

Name of Institution	Project Name	Location	Product	No of Units
Bravo Enterprise and Projects (Pty) Ltd	Erf 231 Kempton Park	Ekurhuleni	EEPF	36
Stormstrong (Pty) Ltd	Erf 299 Windsor West	City of Johannesburg	EEPF	22
Cicima Property Management (Pty) Ltd	Erf 1686 Benoni	Ekurhuleni	EEPF	66
Bixowize (Pty) Ltd	Erf 278 Primrose Hill	Ekurhuleni	EEPF	30
125 Village Hub	Village hub	City of Tshwane	EEPF	210
Bridge City (Pty) Ltd	Erf 7305 Chiawelo Ext 2	City of Johannesburg	Rental	88
Fanaye Business Enterprises (Pty) Ltd	Erf 102 Erasmus, Bronkhorstspuit	City of Tshwane	Rental	36

Name of Institution	Project Name	Location	Product	No of Units
Devland Gardens (Pty) Ltd	Erven 8341 & 8342 Devland Ext 36	City of Johannesburg	Social Housing	540
Watershed Properties (Pty) Ltd	Erf 1445 Ruimsig Ext 102, Roodepoort	City of Johannesburg	Student Accommodation	312 (544 beds)
Total				1 340

3.1.6. Urban Renewable Programme Challenges experienced for the year under review

Despite the increase in the number of applications received within the student accommodation fund for the period under review, the GPF experienced some challenges which included the following:

Challenges	Proposed solution
Limited funding available for projects.	The GPF has dedicated resources to seek alternative off balance sheet funding structures that will assist in delivering projects within the urban renewal programme.
Higher equity contribution requirements for projects.	The GPF is continually seeking ways to reduce the equity requirements on projects by adopting structured finance models that will assist project's cash flows in the first five years of operations.

3.2. Mega Projects Performance Overview

Mega Human Settlements Projects refers to the development of integrated housing – which is inclusive of Build New Ground (BNG) housing, Gap market housing, Social, Rental and Open market bonded housing, along with social amenities and local economics.

The GPF has concluded the 8th deed to the Implementation Protocol (IP) with the Gauteng Department of Human Settlement (GDHS) wherein the GPF will implement identified Mega Projects on behalf of the GDHS.

Table 6: Summary of performance for Mega Projects

Measure	Actual (FY 19/20)	Annual Target (FY 19/20)	Comments
Number of projects managed and overseen by the GPF	7	7	There were 7 projects under implementation stage; Elijah Barayi, Montrose, Affri-Village, Dan Tloome, Westonaria Borwa, Savanna City and Kwazenzele.
Number of housing units built, each financial year, across housing programmes of Mega Projects	3038	3172	Target not met due to cash flow constraints experienced by some contractors as well as community unrest in some of the projects.
Number of serviced stands completed, each financial year, across housing programmes of Mega Projects	3217	500	Target has been exceeded due to the unplanned increase in the scope of work from Montrosse, Elijah Barayi and Dan Tloome projects.

Measure	Actual (FY 19/20)	Annual Target (FY 19/20)	Comments
Rand Value of GDHS subsidies disbursed each financial year, for top structures across all Mega Projects	R 683 044 336	R550m	Target has been exceeded due to the an unplanned increase in the scope of work for Dan Tloome and Affri Village.
Rand value of budgeted GDHS subsidies disbursed, each financial year, for sites across all Mega Projects	R 165 749 490	R60m	Target has been exceeded due to the unplanned increase in the scope of work from Montrose, Elijah Barayi and Dan Tloome projects

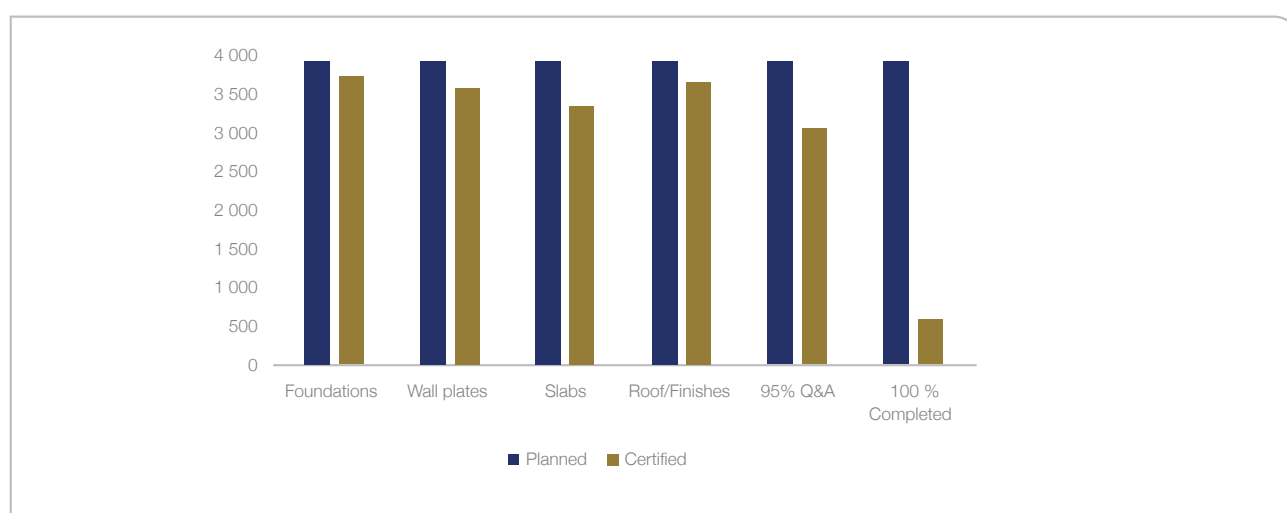
The following projects delivered additional serviced stands that were originally not included in the implementation protocol;

Table 7: List of Mega Projects with additional scope of work

Project Name	Planned no of stands	Unplanned no of stands
Montrose	0	913
Dan Tloome	500	718
Elijah Barayi	0	1086
Total	500	2717

The targeted number of completed units was not achieved due to cash flow constraints experienced by some developers as well as intermittent labour unrests on some projects. Other mega projects such as Dan Tloome only commenced construction of top structures in January 2020 and where unable to complete the houses before the end of the financial year. The overall progress on site is satisfactory across all mega projects when compared to the previous financial year when we only redorded 420 units at 95% complete.

Graph B: Mega Projects Milestone Performance Summary



The progress indicated above is further detailed below per project:

Table 8: Detailed milestone Mega Projects performance summary

Project Name	Foundations	Wall Plates	Slabs	95% Completions	100% Completions
Afri Village	1172	1004	1132	720	
Elijah Barayi	818	1116	1019	2318	587
Montrose	105	749	798		
Dan Tloome	1050	434	350		
Westonaria Borwa	522	256	34		
Kwazenzele	48				
Total	3715	3559	3333	3038	587

Mega projects are implemented in a manner designed to broaden the base within the infrastructure development sector, of black and female-owned enterprises, as well as small, medium and micro enterprises (SMME's), it is against this background that the GPF endeavours to ensure that at least 30% of the capital budget is spent on the SMMEs and over time increase the development of women owned enterprises. For instance, from the five projects located in the West Rand, a total of 2892 job opportunities have been created thereby contributing towards uplifting the local communities. From a total amount of R839 million disbursed towards Mega Projects, a total of R356 million has been spent towards small businesses across the construction value chain, representing 43% of the amount disbursed.

While there is some improvement in the implementation of Mega projects, there has been on-going challenges that we are working together with other stakeholders to address; such as;

- ✓ Lack of adequate cash flows by the developers to fast-track the development of Mega Projects
- ✓ Lack of co-ordinated planning with Eskom which may result in houses being completed without electricity (95% complete)
- ✓ Lack of coordinated planning with the municipalities (unavailability of funding towards bulk infrastructure; Sewer, water, stormwater, as well as overall bulk funding for the project).

3.3. Projects implemented on behalf of Ekurhuleni Metropolitan Municipality

The City of Ekurhuleni Metropolitan Municipality appointment the Gauteng Partnership Fund ("GPF") as its Implementing Agent to render engineering and related human settlements services; wherein the roles and responsibilities of the GPF included amongst others the following;

- Procure from its Panel of Resources the necessary services of professional service providers and contractors required for the implementation and construction of projects, in accordance with applicable legal requirements.
- Conclude contracts with suitable contractors and service providers in relation to the Projects and in compliance with the Municipality and the Implementing Agent's Supply Chain Management Policies.
- Implement a quality control system linked to payment certification and make payments to all appointed Contractors in terms of authorized invoices.

We concluded five contracts with the service providers for the delivery of housing units, planning and installation of infrastructure for human settlements projects.

Table 9: Summary of performance for projects implemented on behalf of CoE

Project Name	Scope of work	Output	Reasons for variance
John Dube	Installation of bulk infrastructure (Phase 1 for 1533 units)	Project was in Progress: Water reticulations 66%, Sewer Network 86%; Road 56% and Storm Water 85%.	Contract expired prior to completion of the work.
Daggafontein	Professional Resource Team (Stage 1 to 4) Daggafontein (Phase 1 for 1779 units)	Designs were completed and submitted to CoE	None
Moleleki Ext 1 & 2	Construction of 74 BNG Houses	n/a	Contract expired prior to commencement of construction
Mayfield Ext 32 & 34	Construction of 132 BNG Houses	n/a	Contract expired prior to commencement of construction
Payneville Ext 1	Construction of 174 BNG Houses	n/a	Contract expired prior to commencement of construction
Alliance Ext 1	Construction of 1639 BNG Houses	n/a	Contract expired prior to commencement of construction
Vosloorus Ext 9	Construction of 555 BNG Houses	Site Establishment	Contract expired prior to commencement of construction

The contract between GPF and the City of Ekurhuleni expired at the end of June 2019, and by extension the contracts between GPF and the project developers expired. All projects for construction of top structures had not performed by the contract expiry date. The GPF is in discussion with other Metros to assist with the implementation of human settlements projects.

4. Capital Raising Initiatives

The GPF 2019/20 capital raising target of R400m was not achieved due to lengthy and delays in lenders approval processes. There were also factors that were outside GPF's control which contributed to targets not being met. For instance, the target for bulk infrastructure funding was dependent on a new SPV being established and compliance with various regulatory requirements. All these processes were not concluded during the year under review.

In our revised Capital Raising Strategy, we intend to raise funding from multiple sources and instruments including grant funding, debt and equity. During the year under review we embarked on a roadshow to engage with potential funders including development finance institutions, pension funds and asset managers. Although the feedback from the roadshow was positive this did not yield any results in terms of new funding raised. In the new financial year, we follow up on the leads from the previous year to ensure financial closure.

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Project Name	Scope of work	Output	Reasons for variance
John Dube	Installation of bulk infrastructure (Phase 1 for 1533 units)	Project was in Progress: Water reticulations 66%, Sewer Network 86%; Road 56% and Storm Water 85%.	Contract expired prior to completion of the work.
Daggafontein	Professional Resource Team (Stage 1to 4) Daggafontein (Phase 1 for 1779 units)	Designs were completed and submitted to CoE	none
Moleleki Ext 1 & 2	Construction of 74 BNG Houses	n/a	Contract expired prior to commencement of construction
Mayfield Ext 32 & 34	Construction of 132 BNG Houses	n/a	Contract expired prior to commencement of construction
Payneville Ext 1	Construction of 174 BNG Houses	n/a	Contract expired prior to commencement of construction
Alliance Ext 1	Construction of 1639 BNG Houses	n/a	Contract expired prior to commencement of construction
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The contract between GPF and the City of Ekurhuleni expired at the end of June 2019, and by extension the contracts between GPF and the project developers expired as well. All projects for construction of top structures had not performed by the contract expiry date. The GPF is in discussion with other Metros to assist with the implementation of human settlements projects.



PART C:

GOVERNANCE

Board Members



Lindiwe Mthimunye
Chairperson
(until 15 May 2020)



Clifford Motsepe
Deputy Chairperson



Simphiwe Dzegwa
CEO



Geoffrey Makhubo
Non-Executive
(until December 2019)



Enoch Kubeka
Non-Executive
(until 15 May 2020)



Nangamso Maponya
Non-Executive



Rachel Kalidass
Non-Executive
(until 15 May 2020)



Busi Nzo
Non-Executive
(until 15 May 2020)



Maseapo Kganedi
Non-Executive



Pakie Mphahlele
Non-Executive
(until 15 May 2020)



Timothy Sukazi
Non-Executive



Zimbini-Hill
Non-Executive



Hlengiwe Bhengu
Chairperson
(from 15 May 2020)



Leon G. Marincowitz
Non-Executive
(from 15 May 2020)



Sello Morero
Non-Executive
(from 15 May 2020)



Douglas Kutumela
Non-Executive
(from 15 May 2020)

1. INTRODUCTION

The GPF recognises that conducting its affairs with integrity will ensure that the public and its parent department, the Gauteng Department Human Settlements (GDHS), have confidence in its work. To that end, the GPF's Board of Trustees (Board) and executive management team subscribe to the governance principles set out in the PFMA, the Trust Deed, the Code of Conduct of GPF, and the King IV code on corporate Governance.

The Board of Trustees of GPF regard and acknowledge good corporate governance as fundamentally important to the achievement of the GPF's mandate, its financial objectives, and the fulfilment of its corporate and constitutional responsibilities and those of GDHS. It is also accordingly unreservedly committed to applying the principles of good corporate governance, in all of the GPF's business dealings with its stakeholders.

The Board 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 and the Public Finance Management Act.

3. 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 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 the Trustees of the GPF. When making appointments of Trustees 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 capacity and 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.

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 GPF is a benevolent Trust established by a single Founder and the Executive Authority, namely, the MEC responsible for GDHS. The GPF has a unitary board, which comprises both executive and non-executive trustees. The Board consists of 11 (eleven) non-executive trustees and one executive trustee, the Chief Executive Officer. The Board has entrenched sound governance within the GPF. During the period under review, Ms. Lindiwe Mthimunya, a non-executive trustee, was the Chairperson of the Board. The GPF's Founder, the MEC responsible for GDHS, determines and reviews the term of office for non-executive Trustees.

The Board is accountable to the Founder, the GDHS and the citizens of the Gauteng Province, through the Provincial legislature. The non-executive trustees maintain an independent stance to matters under consideration and add to the Board's depth of experience and expertise. The roles of the Board Chairperson and the Chief Executive Officer are separated, with clear accountabilities and responsibilities divided between them. All trustees have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters of corporate governance, compliance with rules and procedures, statutory requirements, regulations, and best corporate governance practices.

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, and fairness and transparency are the defining characters 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. From this process, the Executive Authority and other stakeholders may derive assurance that the entity is being managed ethically and accordance with prudently determined risk parameters in accordance with generally accepted 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 Charters.

The role of the Board is as follows:

The Board is the core of GPF's corporate governance system and is responsible for:

- Providing clear strategic direction to the GPF;
- Ensuring that appropriate management structures are in place for effective day-to-day operation of the organisation;
- Promoting a culture of good governance and ethical behaviour throughout the entity;
- Entrenching sound corporate governance through an integrated governance system; and
- Compliance with all relevant laws, regulations, and codes of practice.

The Board retains full and effective control over the GPF and monitors the implementation of the GPF's strategic programmes and outcomes. It sets the entity's strategic direction, and focuses and monitors overall performance of the entity and its executive management.

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 shareholder policy directives issued by its parent department from time to time.
- Dealing with the GDHS in good faith and communicating openly and promptly on all pertinent matters requiring the attention of its shareholder.
- Determining and developing strategies that set out the organisation's purpose and values in accordance with the shareholder mandate and strategic documents such as the integrated development plan.
- Reviewing and approving financial objectives, including significant capital allocations and expenditure as determined by the GDHS.
- Considering and ensuring that the entity's size, diversity, and skills are sufficient to achieve its strategic objectives.
- Developing clear definitions of the levels of appropriate materiality or sensitivity in order to determine the scope and delegation of its authority and to ensure that it reserves specific powers and authority for itself. All delegated authority shall be in writing and shall be evaluated on a regular basis.
- Managing the potential conflicts of interest of Board members, management, the employees, including the employees and officials of the GDHS, and wider stakeholders.
- Overseeing GPF's values and ethics, and shall ensure that an appropriate corporate code of ethics is in place.
- Approving the annual financial statements of GPF.
- Satisfying itself that the strategy and business plans of GPF do not give rise to risks that have not been thoroughly identified and assessed by management. The Board shall take overall responsibility for the governance of enterprise risk and for information technology governance and risk management

Board Charter

The Board has adopted a Board Charter which regulates its relationship with the GDHS as its sole member and parent department in the interest of good corporate governance and good ethics. The Board Charter is premised on the principles of King IV. The charter sets out the composition and powers of the Board. The Charter includes references to minimum acceptable standards of conduct contained in King IV, in pursuit of the ideals underlying it. Further, the Board reaffirmed its intention to exceed these corporate governance requirements wherever practicable, and having due consideration to recognized standards of best practice locally and internationally.

Fundamentally, the Board Charter provides for every trustee to play a full and constructive role in the affairs of the GPF within the limitations imposed by the Trust Deed of the GPF, all applicable legislation and any Board resolutions specifically regulating the powers and responsibilities of the trustees. The Charter encourages every trustee to be able, where necessary, to express disagreement with colleagues on the Board including the Chairperson and the CEO.

Composition of the Board

The Trustees constituting the Board of the GPF had a wide range of skills, expertise, and experience that they brought to bear for the benefit of the GPF. These included auditing, accounting, banking, finance, business management, public management, marketing, legal, built environment, and construction management. This

ensured an appropriate balance which brought a sense of perspective and adds value and insight for strategic decision making.

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

- Ms Lindiwe Mthimunya (Chairperson);
- Mr Clifford Motsepe (Deputy Chairperson);
- Mr Simphiwe Dzegwa (Chief Executive Officer);
- Mr Geoffrey Makhubo;
- Mr Pakie Mphahlele;
- Ms Nangamso Maponya;
- Ms Rachel Kalidass;
- Mr Timothy Sukazi;
- Ms Busisiwe Nzo;
- Mr Enoch Kubeka;
- Ms Zimbini Hill; and
- Ms Maseapo Kganedi

The Board meets regularly, retains full and effective control over the company, and monitors the implementation of the company's strategic programmes by the executive management through a structured approach to reporting and accountability. It sets the strategic direction of the GPF and monitors overall performance. All the GPF's Board Committees are chaired by independent non-executive trustees. The Board meets no less than four times a year to consider matters reserved for its attention. The constitution, skills, and attendance of the Board is outlined below.

Table 1: Composition of the Board and Board meeting attendance

Board member	Designation	Race	Gender	Date appointed	Date resigned
Lindiwe Mthimunya	Chairperson (Non-Executive)	African	Female	17 October 2016	N/A
Clifford Motsepe	Deputy Chairperson (Non-Executive)	African	Male	19 September 2016	N/A
Simphiwe Dzegwa	CEO (from 1 December 2018)	African	Male	01 November 2018	N/A
Busisiwe Nzo	Non-Executive	African	Female	17 October 2016	13 March 2020
Enoch Kubeka	Non-Executive	African	Male	17 October 2016	18 March 2020
Geoffrey Makhubo	Acting CEO (from 1 April 2018 to 31 December 2018)	African	Male	01 June 2017	05 December 2020
Maseapo Kganedi	Non-Executive	African	Female	01 February 2018	N/A

Board member	Designation	Race	Gender	Date appointed	Date resigned
Nangamso Maponya	Non-Executive	African	Female	01 April 2017	N/A
Pakie Mphahlele	Non-Executive	African	Male	17 October 2016	13 March 2020
Rachel Kalidass	Non-Executive	Indian	Female	17 October 2016	13 March 2020
Timothy Sukazi	Non-Executive	African	Male	17 October 2016	N/A
Zimbini Hill	Non-Executive	African	Female	01 February 2018	N/A

The GPF has 4 (four) Board committees, which execute their duties as set out in specific terms of reference. Matters of ethics, procedure, and the conduct of committee members are set out in the Board charter. A non-executive Trustee chairs each committee. During the reporting period, the Board committees were as follows:

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

Table 2: Board skills complement and committee membership

Board member	Qualifications	Expertise	Board Committee Membership
Lindiwe Mthimunya	CA (SA) MCom Postgraduate Diploma in Tax Law Postgraduate Diploma in Accounting BCom	Leadership Finance Accounting Strategy Business management Governance Housing finance	<ul style="list-style-type: none"> • Funding Committee • Investment Committee
Clifford Motsepe	Advocate of the High Court LLB BProc	Legal Business management Leadership Strategy Governance Compliance	<ul style="list-style-type: none"> • Investment Committee (Chairperson) • Human Resources and Remuneration Committee • Policy Review Committee (<i>ad hoc</i>)

Board member	Qualifications	Expertise	Board Committee Membership
Simpiwe Dzengwa	CEO (from 1 December 2018) MBA Certificate in Development Finance Master of Public Administration (MPA) Honours in Political Science BA in Political Science	Leadership Finance Accounting Strategy Business management Governance	<ul style="list-style-type: none"> • Human Resources and Remuneration Committee • Investment Committee • Funding Committee • Policy Review Committee (<i>ad hoc</i>)
Busisiwe Nzo	PrQS BSc (QS) Hons Property Development Programme BSc	Property development Construction Leadership Strategy Business management	<ul style="list-style-type: none"> • Human Resources and Remuneration Committee • Investment Committee
Enoch Kubeka	BCompt (Hons) BCom	Housing finance Finance Compliance Governance Leadership	N/A
Geoffrey Makhubo	Postgraduate Diploma in Management Advanced Management Diploma BCom	Business management Leadership Strategy Housing finance Finance Compliance Governance	<ul style="list-style-type: none"> • Funding Committee • Investment Committee • Human Resources and Remuneration Committee • Policy Review Committee (<i>ad hoc</i>)
Maseapo Kganedi	LLM LLB Diploma in Legislative Drafting Certificate in Pension Law Certificate in Corporate Governance BProc	Legal Leadership Strategy Governance Compliance	<ul style="list-style-type: none"> • Human Resources and Remuneration Committee
Nangamso Maponya	Master in Finance and Investments MSc in Finance and Investments	Finance Investments Accounting Leadership Strategy Governance Compliance	<ul style="list-style-type: none"> • Audit and Risk Committee • Fundraising Committee • Policy Review Committee (<i>ad hoc</i>)

Board member	Qualifications	Expertise	Board Committee Membership
Pakie Mphahlele	Master in Financial Economics	Microfinance Business management Leadership Strategy Governance Compliance	<ul style="list-style-type: none"> Human Resources and Remuneration Committee Investment Committee
Rachel Kalidass	CA (SA) BCompt CTA BCom (Hons) BCom	Finance Accounting Audit Leadership Strategy Governance Compliance	<ul style="list-style-type: none"> Human Resource and Remuneration Committee (Chairperson) Audit and Risk Committee Policy Review Committee (Chairperson) (<i>ad hoc</i>)
Timothy Sukazi	LLM LLB Certificate in Practical Legal Training BProc	Legal Business management Leadership Strategy Governance Compliance	<ul style="list-style-type: none"> Fundraising Committee (Chairperson) Audit and Risk Committee Policy Review Committee (<i>ad hoc</i>)
Zimbini Hill	MBA Postgraduate Diploma in Accounting BCom	Marketing Accounting Business management Leadership Strategy Governance	<ul style="list-style-type: none"> Audit and Risk Committee

Table 3: Composition of Board Committees and Attendance of Meetings

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	8	5	Nangamso Maponya (Chair) Rachel Kalidass Timothy Mandla Sukazi Zimbini Hill Geoffrey Makhubo
Human Resources and Remuneration Committee	8	7	Rachel Kalidass (Chair) Nkomatane Clifford Motsepe Pakie Mphahlele Geoffrey Makhubo Busisiwe Nzo Maseapo Kganedi Simphiwe Dzengwa (CEO)

Committee	No. of meetings held	No. of members	Name of members
Funding Committee	1	5	Timothy Mandla Sukazi (Chair) Lindiwe Mthimunya Geoffrey Makhubo Nangamso Maponya Simpfiwe Dzungwa (CEO)
Investment Committee	5	5	Nkomatane Clifford Motsepe (Chair) Lindiwe Mthimunya Busisiwe Nzo Pakie Mphahlele Simpfiwe Dzungwa (CEO)

Board Remuneration

The GPF remunerates the non-executive Trustees in accordance with the remuneration provisions contained in the Board Charter. The Charter provides that Board members shall be remunerated for the time that they devote to their duties as Board members, including preparation for Board meetings, attendance at GPF functions and functions organised by the GDHS, on an hourly basis, provided the total time payable per activity shall not exceed 6 (six) hours, exclusive of the 2 (two) hours allowable for preparation for meetings. The rate of payment is determined by the Executive Authority guided by the GPF's skills requirements and National Treasury determinations. For the year under review, the stipend was calculated in accordance with 2017 SAICA rates determined for private audit firms undertaking work on behalf of the Auditor-General.

Non-executive and non-independent trustee, Mr. Enoch Kubeka is a public official representing the GDHS in an ex officio capacity and therefore not entitled to Board remuneration. The CEO is an executive trustee employed by the GPF and is paid a salary and does 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 4: Board Remuneration

Name	Remuneration	Other allowance	Other re-imbursments	Total
Lindiwe Mthimunya	534,201	0	0	534,201
Geoffrey Makhubo	312,046	0	0	312,046
Enoch Kubeka	0	0	0	0
Pakie Mphahlele	361,701	25,984	0	387,685
Nangamso Maponya	501,891	0	0	501,891
Timothy Mandla Sukazi	276,295	0	0	276,295
Nkomatane Clifford Motsepe	240,002	0	0	240,002
Rachel Kalidass	687,025	22,417	0	709,442
Busisiwe Nzo	379,075	79,117	0	458,192
Zimbini Hill	266,607	48,339	0	314,946
Maseapo Kganedi	93,470	0	0	93,470
Simpfiwe Dzungwa	0	0	0	0

5. RISK MANAGEMENT

The GPF Board monitors risks through the Audit & Risk Committee. The Committee is responsible for the total process of risk management, as well as setting the risk management strategy and policies. The Committee recommends to the Board the GPF's risk appetite or risk tolerance levels in pursuit of its business objectives.

Furthermore, and primarily, the Audit & Risk Committee bears overall accountability for ensuring the effective risk management process in the organisation. It recommends to the Board risk strategies and policies that need to be set, implemented, and monitored.

The GPF has identified its risks areas and has developed a risk register in terms of which the identified risks are properly managed. Internal Auditors also assist Management in proper risk identification and management in the organisation.

The GPF maintains a strategic risk register which records risks and threats that could prevent the organisation from achieving its strategic objectives. The strategic risk register also identifies controls to mitigate the identified risks. The control mechanisms in the strategic risk register are weighted to determine whether there is any residual risk exposure. Where available, appropriate actions are identified to rectify shortcomings.

6. INTERNAL CONTROL UNIT

The Trustees acknowledge that they are ultimately responsible for the establishment of systems of internal controls established by the GPF and place considerable importance on the maintenance of a strong control environment. The Trustees set the standards for internal controls meant to manage and reduce the risk of errors and loss in a cost-effective manner. During the period under review, the Board had established a Policy Review Committee which was mandated to review and recommend for approval and endorsement by the Board various policies that ensures proper internal control environment, and guides management in the implementation and application of control measures.

The Board has delegated powers and responsibilities to the CEO and the CFO. These delegations of authority are in writing and are continuously monitored by the Board.

Throughout the review period the Board exercised control over the Management to seek to ensure compliance with internal controls. In instances where there were control breakdowns in areas such as supply chain management and the information and communication technology environments, Management was instructed to put in place appropriate, effective and efficient control, and mitigation measures. The Board, acting through its various sub-committees, continued to monitor the implementation of those mitigation measures.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit

The GPF internal audit function has been outsourced to an independent internal audit service provider A2A Kopano. In compliance with section 51 of the PFMA, GPF appointed A2A Kopano in November 2017 to perform internal audit function for a period of 3 (three) years.

Internal audits are conducted based on an Audit Plan that is risk based and the audit program as prescribed by the PFMA.

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 a GPF's operations. It helps an organisation to achieve its objectives by bringing a systematic and 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, considering 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 2020. The internal audit plan was approved by the Audit and Risk Committee on 23 May 2019. 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 7.3 and related recommended practices of King IV, the internal audit function provided quarterly 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.

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

- Quarterly Performance Information and Audit of Pre-determined Objectives
- Review of the 1st, 2nd and 4th 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:

- Ad-hoc Review
- Review of the Appointment of Service Providers for the City of Ekurhuleni Project
- Review of Policies.

Audit and Risk Committee

The Audit and Risk Committee, which consists of 5 (five) non-executive directors, meets not less than four times a year. The majority of members of this committee are financially literate. It has specific responsibility for ensuring that all activities of the GPF are subject to independent and objective review and audit, and for monitoring – on behalf of the Board and other stakeholders – the GPF 's relationship with its auditors. The GPF Audit and Risk Committee has a Charter with clear terms of reference.

The Committee has the following responsibilities, among others:

- Reviewing GPF's internal controls and published financial reports for statutory compliance and against standards of best practice and recommending appropriate disclosure to the Board. The external and internal auditors attend these meetings, and have direct access to the Chairperson of the Committee and Chairperson of the board;
- Reviewing reports from management and the internal and external auditors,
- Provide reasonable assurance that control procedures are in place and being followed;
- Considering the appointment of both the internal and external auditor, the audit fee and any questions of resignation or dismissal of auditors; and
- Reviewing the half-yearly and annual financial statements before submission to the Board, focussing particularly on any changes in accounting policies and practices;

The table below discloses relevant information on the audit and risk committee members

Table 5: Audit and risk committee members

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 and Masters: Finance and Investments	External	N/A	01 April 2017	N/A	8
Rachel Kalidass	CA (SA) BCompt, CTA BCom (Hons)	External	N/A	17 October 2016	13 March 2020	6
Timothy Mandla Sukazi	LLM LLB BProc	External	N/A	17 October 2016	N/A	5
Zimbini Hill	MBA Postgraduate Diploma in Accounting BCom	External	N/A	01 February 2018	N/A	7
Geoffrey Makhubo	Postgraduate Diploma in Management Advanced Management Diploma BCom	External	N/A	01 June 2017	05 December 2019	5

8. COMPLIANCE WITH LAWS AND REGULATIONS

The mandate of the GPF 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.

Legislative Mandates

Table 6: Applicable Legislation

Legislative Framework	Relevance/Implications for GPF
South African Constitution	The rule of law governing every person, every organization or institution, as well as all law within the Republic of South Africa.
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 maximize 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, inter alia:</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; and 4. being fully or substantially funded from sources other than the Provincial Revenue Fund, i.e. GPF needs to become financially self-sustainable.
Trust Property Control Act, Act No. 53 of 1988	<p>To regulate further the control of trust property; and to provide for matters connected therewith.</p> <p>As a trust this Act is the founding legislation of the GPF</p>
Financial Intelligence Centre Act, Act No. 38 of 2001	<p>To establish a Financial Intelligence Centre and a Money Laundering Advisory Council in order to combat money laundering activities and the financing of terrorist and related activities; to impose certain duties on institutions and other persons who might be used for money laundering purposes and the financing of terrorist and related activities; to amend the Prevention of Organized Crime Act, 1998, and the Promotion of Access to Information Act, 2000; and to provide for matters connected therewith.</p> <p>The GPF is an accountable institution in terms of this Act.</p> <p>In its lending operations the GPF has to comply with this Act</p>

Legislative Framework	Relevance/Implications for GPF
Companies Act (No. 71 of 2008), as amended	<p>The Act regulates the incorporation, registration, organisation, and management of companies, including “State Owned Companies” (SOC).</p> <p>The Act encourages transparency, whilst balancing the rights and obligations of directors and the shareholder in that it specifies the fiduciary and due care duties and responsibilities of directors of a company.</p> <p>The registration of GPF as a SOC in terms of the Company Act is important because this ensures that the GPF is subject to the same company operating and governance rules that its potential funding partners comply with.</p>
Rental Housing Act, Act No. 50 of 1999, as amended	<p>To define the responsibility of Government in respect of rental housing property; to create mechanisms to promote the provision of rental housing property; to promote access to adequate housing through creating mechanisms to ensure the proper functioning of the rental housing market.</p> <p>To make provision for the establishment of Rental Housing Tribunals; to define the functions, powers and duties of such Tribunals; to lay down general principles governing conflict resolution in the rental housing sector; to provide for the facilitation of sound relations between tenants and landlords and for this purpose to lay down general requirements relating to leases; to repeal the Rent Control Act, 1976; .</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>
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 and 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>
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 continued rendering of housing services to the community of Gauteng in collaboration with each other.</p>

Legislative Framework	Relevance/Implications for GPF
Social Housing Act (No. 16 of 2008)	<p>Promotes the establishment of a sustainable social housing environment through administration of social housing projects.</p> <p>To define the responsibility of Government in respect of rental housing property; to create mechanisms to promote the provision of rental housing property; to promote access to adequate housing through creating mechanisms to ensure the proper functioning of the rental housing market; to make provision for the establishment of Rental Housing Tribunals;</p> <ul style="list-style-type: none"> • To define the functions, powers and duties of such Tribunals; to lay down general principles governing conflict resolution in the rental housing sector; • To provide for the facilitation of sound relations between tenants and landlords and for this purpose to lay down general requirements relating to leases; • To repeal the Rent Control Act, 1976; and to provide for matters connected therewith. <p>The Social Housing Act is further empowered to accredit Social Housing Institutions through the Social Housing Regulatory Authority</p>
Housing Development Agency Act (No. 23 of 2008)	<p>This Act establishes the Housing Development Agency (HDA) with the role of identifying, acquiring, and developing suitable land for the creation of sustainable human settlements.</p> <p>The HDA plays a key role in implementing the National Catalytic Projects, many of which overlap with the Gauteng Mega Projects. Realizing the need for mutual cooperation and a shared vision. GPF needs to, as and when necessary, liaise with the HDA to ensure efficient and effective implementation of Mega Projects.</p>
Conflict of Interest policy	Conflicts of Interest Management Policy is primarily to provide mechanisms for the identification and management of Conflict of interest that may arise
Prevention and Combating of Corrupt Activities Act	<p>To provide for the strengthening of measures to prevent and combat corruption and corrupt activities</p> <p>To provide for investigative measures in respect of corruption</p>
Criminal Procedure Act	To make provision for procedures and related matters in criminal proceedings
Companies Act	To provide for the incorporation, registration, organisation, and management of companies, the capitalisation of profit companies, and the registration of offices of foreign companies carrying on business within the republic
Prevention of Organized Crime Act no 121 of 1998	<p>To introduce measures to combat organised crime, money laundering and criminal gang activities</p> <p>To prohibit certain activities relating to racketeering activities</p> <p>To provide the prohibition of money laundering and for an obligation to report certain information</p> <p>To criminalize activities associated with gangs</p> <p>To provide for the recovery of the proceeds of unlawful activities and to provide for matters connected therewith</p>
Protection of constitutional Democracy Against terrorism and related Activities Act	<p>To provide for measures to prevent and combat terrorist and related activities, to provide for an offence of terrorist and other offences associated or connected with terrorist activities</p> <p>To provide for convention offences, to give effect to informational instruments dealing with terrorist and related activities</p> <p>To provide for measures to prevent and combat the financing of terrorist and related activities.</p>

Legislative Framework	Relevance/Implications for GPF
King IV Code on Corporate Governance	<p>It is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of the following governance outcomes:</p> <ul style="list-style-type: none"> • Ethical Culture • Good Performance • Effective Control • Legitimacy
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.
Planned new legislation affecting GPF business	<ol style="list-style-type: none"> 1. Human Settlements Act: The consultative process for the Draft White Paper on Human Settlements is currently in progress, as a consolidation of human settlements developments since 1994, as well as a conscious response to the strategic shift espoused in the National Development Plan (NDP), to culminate into the Human Settlements Act. The promulgation of the Human Settlements Act will repeal the Housing Act (No. 107 of 1997), as well as the White Paper on Housing: A New Housing Policy and Strategy for South Africa, 1994. 2. Inclusionary Housing Bill: To allow for affordable housing to become an integral part of commercially-driven private developments aimed at higher income groups and designed to ensure racial and class integration in GCR settlements. Currently undergoing a cost-benefit analysis by GDHS to determine the cost of implementing inclusionary housing and its benefits in Gauteng. Targeted for promulgation in 2017/18. 3. Amendment to the Gauteng Housing Act (No. 6 of 1998): The amendment will incorporate the many new legislative and policy changes that have taken place at national and provincial levels since the commencement of the Act in 1998. The Act will redefine the Housing Advisory Committee (HAC) to take into account the new Programme Management Office (PMO) Steering Committee.

Not listed above, but equally important and contained in the Compliance Universe Framework document of GPF, are the various governance related legislation and regulations informing the compliance regime of the organization.

Treasury conducts quarterly compliance reviews on the GPF to provide quality assurance on compliance.

9. FRAUD AND CORRUPTION

- Fraud represents a significant potential risk to the GPF's assets, service delivery efficiency and reputation. The GPF has a zero tolerance for fraud, corrupt and unethical activities or transactions, whether internal or external to the GPF, and will vigorously pursue and prosecute any parties, by all legal and administrative means available, which engage in such practices or attempt to do so. Various training sessions were conducted to educate the staff on various forms of fraud. Training remains a vital role in educating staff to identify fraud and how to report it.
- The GPF supports a culture of zero tolerance towards Fraud and Corruption and is committed to the highest possible standards of openness, transparency, integrity, accountability, anti-bribery, and professional ethics. The GPF is committed to support the fight against Corruption, and Fraud in promoting good, effective, accountable, and transparent governance.
- In this regard the GPF has a WhistleBlowing Policy which emphasises that it is the responsibility of every Employee or other parties to disclose criminal or any other irregularities, whilst ensuring the protection of the discloser where disclosures are made in good faith.
- Depending on the official or person **suspected to the offender, cases** can be reported to the Risk & Compliance Manager, the Legal, Risk & Compliance Executive, the Relevant Executive Manager, Internal Audit, the CEO, Internal Audit, Chairperson of the Audit & Risk Committee the Chairperson of the Board and/or Fraud Hotline. The Anti- Corruption Hotline is administered through the Gauteng Provincial Government.
- The action taken will depend on the nature of the allegations.
- To protect the parties involved and GPF, initial inquiries will be made to decide whether an investigation is appropriate and the form it should take. Some allegations may be resolved by agreed upon action with no need for further investigation.
- Possible actions include but are not limited to: Internal investigations; Reporting to SAPS or other law enforcement authorities; and/or Referring to the Audit and Risk Committee.
- In order to create awareness and for the policy to be sustainable, managers ensure that Employees are aware of the Policy and procedures. External Stakeholders are made aware of the hotline and tipoffs by details thereof being clearly visible on correspondence from GPF.
- Record of concerns/allegations, status and outcomes is kept (in a form that does not endanger the confidentiality thereof).

10. MINIMISING CONFLICT OF INTEREST

The GPF has a Conflicts of Interest Policy which provides a guide as to what constitutes a conflict of interest, the processes and procedures that are in place in order to facilitate compliance, and the consequences of non-compliance.

The Conflicts of Interest Policy is aimed with the purpose to-

- identify, avoid, and where avoidance is not possible mitigate and manage the conflicts interests that may arise;
- assist all parties in making the right decisions when confronted with conflict of interests' issues;
- strengthen measures and standards to manage conflict of interest and to implement measures on how to deal with any conflict of interest and receipt of gifts; and ensure that all parties to whom it applies avoid or control any conflict of interests' situations that could negatively affect the business of the GPF.

This policy is applicable to Trustees, employees, clients and service providers.

In accordance with its Conflicts of Interest Policy, the GPF enjoins its Trustees to fill in an annual Declarations of Interests. These Declarations of Interest are updated annually as well as when each Trustee's declared interests have changed.

The GPF ensures that a declaration register is also circulated at every Board and Board Committee meeting for the Trustees to declare any interests in relation to every matter that is to be discussed at a particular meeting.

No declarations of interests or areas of potential conflict of interests were made by members of the Board on any matters that have come before the Board or Board Committee meetings during the year under review. Furthermore, no areas of conflict or potential conflicts of interest by the Trustees were identified during the period under review. The only instance of a perception arising relating an existence of a potential conflict of interest related to the appointment of one of the Trustees as an Executive Mayor of one of the municipalities in whose areas of jurisdiction the GPF operated. This perception was managed when the relevant Trustee submitted his resignation to the Executive Authority within 7 (seven) days of his appointment as the Executive Mayor.

In terms of the Conflict of Interest Policy and Terms and Conditions of Employment, all GPF employees are required to fill in declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the GPF, and any gifts and hospitality received.

All GPF employees made their declarations for the period under review in line with the Conflict of Interest Policy. Any external remunerative work conducted by employees is disclosed and must be approved by the CEO. In the main, the employee declarations indicate that GPF employees do not have outside interests that might pose conflicts of interest with the GPF business.

Furthermore, the declarations indicate that the GPF employees do not use their personal positions or knowledge gained through their employment with the GPF for private or personal advantage, or in such a manner that a conflict or an appearance of a conflict could arise between their private interests and those of the GPF.

In addition, the GPF maintains a monthly gift register for all its employees wherein the employees declare all gifts and hospitality received with the value of R500.00 or below. Any gifts over and above this threshold are politely declined.

All clients and service providers were screened for possible conflicts and none were identified.

In order to create awareness, the Conflicts of Interest Policy is placed on the GPF website.

11. 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;
- Elimination and avoidance of fraud and corruption;
- 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 and employees 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 upon 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 acts as a deterrent.

12. HEALTH, SAFETY, AND ENVIRONMENTAL ISSUES

Occupational Health and Safety Report

GPF complies with the Occupational Health and Safety Act 35 of 1993 by providing a safe and healthy environment for its employees, clients, and service providers. The GPF has an obligation to ensure that it puts in place all precautionary and safety measures and resources in place which are necessary to protect employees against workplace hazards.

The GPF has appointed and trained relevant employees to perform the roles of first-aid officers, fire marshals and evacuation wardens. During the period under review 3 (three) emergency evacuation drills were undertaken followed by debriefing meetings with the relevant health and safety officials.

No reportable health and safety incidents took place within the GPF during the period under review.

Sustainability Report

In all its activities, such as the provisions of loans for construction and actual developments, the GPF is always conscious of its responsibility to the environment and its sustainability. All the GPF's developments are required to comply with all legislation and ordinances applicable in respect of environmental impact assessments. The GPF will not commence or encourage any of its clients to commence construction unless the requisite approvals have been obtained from the relevant environmental management authorities.

13. COMPANY SECRETARY

Although the entity is not enjoined by its founding legislation to appoint a Company Secretary, in its endeavour to ensure compliance with good corporate governance, the Board has appointed a Company Secretary to assist them with the implementation of corporate governance in the GPF.

The Company Secretary manages the processes that ensure the organisation complies with company legislation and regulations, and keeps board members informed of their legal responsibilities.

The Company Secretary is responsible for calling board meetings and ensuring the implementation of their decisions. It is also the responsibility of the Company Secretary to communicate with the shareholder on matters dealing with governance and shareholder reporting.

A Company Secretary's work covers a wide variety of functions and is partly dependent on the company for which they work. Typical work activities include:

- Providing corporate governance and legal advice, and support to the Board and the individual Trustees;
- Guiding Trustees regarding their duties and responsibilities;

- Ensuring submissions to the Master of the High Court in terms of Trust Property Control Act;
- Developing and monitoring of Board and Committee Charters;
- Organising, preparing agendas for meetings, and taking minutes;
- Dealing with correspondence, collating information, writing reports, and ensuring decisions made are communicated to the relevant people;
- Contributing to meeting discussions, as and when required, and advising Board members of the legal, governance, accounting, and tax implications of proposed policies;
- Monitoring changes in relevant legislation and the regulatory environment, and taking appropriate action;
- Liaising with external regulators and advisers, such as lawyers and auditors;
- Developing and overseeing the systems that ensure the company complies with all applicable codes, as well as its legal and statutory requirements; and
- Co-ordinating the production of the annual report.

The Company Secretary ensures that he keeps up to date with the changes in pertinent legislation and corporate governance matters in order to properly advise the Board. During the period under review, the Company Secretary has ensured that all the returns and submissions of the trust have been submitted to relevant authorities and the Master of the High Court.

The Company Secretary confirms that the GPF and its Board have complied with the provisions of the Trust Deed and the applicable provisions of the Trust Property Control Act, 53 of 1988, its Charters, the King IV Code, the PFMA and the Treasury Regulations, as applicable to the governance of provincial government owned entities.

14. SOCIAL RESPONSIBILITY

The GPF is acutely aware of the socio-economic environment in which it carries out its development initiatives. Investing in human capital is not de-linked from physical regeneration initiatives. To that end, the GPF undertook a community project which involved the restoration of a house that was burnt down. GPF organised a Mandela Day activity where GPF staff members were requested to dedicate their time and resources towards a worthy cause. For the 2019 activities, Management identified a family whose home was burnt down in January 2018. As GPF operates in the human settlement space, it was deemed noble by management to contribute towards relieving the family of its plight.

GPF donated R50 000 towards the purchase of short-term beneficial materials including non-perishable food and toiletries, clothing and bedding, a small gas stove, and a heater. GPF also assisted the family in building a bigger shack, while a long-term solution was being arranged. GPF Staff members donated materials they were able to from their own personal resources.

GPF also mobilised developers/builders who could donate their time and resources to assist in restoring the house to a habitable state. GPF received an overwhelming response from the contractors who were willing to sponsor towards the restoration of the house. The house was completed in February.

15. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended, 31 March 2020.

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. The Committee 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, as well as 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 2019/20 financial year.

However, the Audit and Risk Committee has 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 was reviewed and approved by the Committee for implementation.

External Auditors

The Audit and Risk Committee has invited the Auditor-General, who is the external auditor 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, audit plan, and budget for external audit for the period under review.

Furthermore, 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 as well as any changes made.

In-Year Management and Monthly/Quarterly Reporting

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 2020, and the Committee is satisfied 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 GPF's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

We have instructed GPF Management to develop an implementation plan for all the audit issues raised by the Auditor General in the current year. We will monitor its implementation throughout the year 2020/21. Further, we have noted the slight regression of the internal controls and the AG's Report and we will ensure management improves on all areas identified.

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



Nangamso Maponya
Chairperson of the Audit Committee
Gauteng Partnership Fund
(Date)

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013, and as determined by the Department of Trade and Industry.

Table 7: BBBEE Compliance

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The assessment of the entity compliance to the BBBEE will be done effective 1 May 2020.
Developing and implementing a preferential procurement policy?	Yes	The assessment of the entity compliance to the BBBEE will be done effective 1 May 2020.
Determining qualification criteria for the sale of state-owned enterprises?	No	The assessment of the entity compliance to the BBBEE will be done effective 1 May 2020.
Developing criteria for entering into partnerships with the private sector?	No	The assessment of the entity compliance to the BBBEE will be done effective 1 May 2020.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	The assessment of the entity compliance to the BBBEE will be done effective 1 May 2020.



PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

1.1. Overview of HR matters at the public entity

The generic functions of the Human Resources Unit, as a strategic partner within GPF, are geared towards ensuring that the organisation is adequately resourced with appropriate skills in order for the organisation to operate at optimal levels to achieve its mandate.

In this context the primary functions of the HR Unit in the year under review comprised of Recruitment, Selection and Placement, Training and Development, HR Policy and Standard Operating Procedures review, Labour Relations engagement, Remuneration and Rewards Management, Change Management, Performance Management, and the migration of staff to the new organisational structure.

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

The priorities set for the year under review included the finalisation of the migration process, the recruitment and placement of staff in identified and budgeted posts, performance management finalisation, and standard operating procedures, as well as the continuous engagement and consultations with labour.

The impact of the set priorities includes the fact that the positions of ICT Manager, Legal Counsel, PA to the CEO, Quantity Surveyor, Construction Project Manager, and the Specialist HR Service staff were recruited and successfully placed. As a result, certain staff contracts expiring as well as attrition factors for various reasons, other staff that were recruited and placed included two (2) Supply Chain Officers. The position of the CFO became vacant at the end of December as a result of the fact that the contract of the incumbent had expired. In order to ensure continuity, HR ensured that the position is filled by an Acting CFO seconded from the Gauteng Department of Human Settlements.

The filling of the positions of Chief Financial Officer (CFO), the Chief Investment and Development Officer (CIDO), and the Corporate Service Executive (CSE) was in process and was governed by the Board of Trustees. Advertisements were placed and applications were received. The process was pending the appointment of the new Board of Trustees by the MEC.

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

In line with the mandate of the GPF and its strategic focus for the year under review, the workforce that was planned for was the filling of the approved posts of ICT Manager, Quantity Surveyor, the Construction Project Manager, the HR Specialist, and the PA to the CEO, as well as the positions of the direct reports to the CEO namely; the Chief Investment and Development Officer, Chief Financial Officer, and the Corporate Services Executives.

The strategies for the recruitment of these positions included the development of appropriate job profiles, evaluation and grading of these profiles, and placing advertisements in selected media platforms. The HR unit continues to engage with GPF operational units to assess and meet their staff needs and requirements.

1.4. Employee performance management framework

The GPF Performance Management Policy review was finalised and awaited approval by the Board in the year under review. Standard Operating Procedures and Tools were developed to support the implementation thereof. An orientation session was held with unit managers and all staff. The training of unit managers and staff is planned for the year 2020/2021.

1.5. Employee wellness programmes

The HR unit coordinated three wellness programs for the year under review. Two were Health Fitness Tests which checked the employee's vitals such as Blood Pressure, BMI, Diabetes, Eye tests, and the other was Financial Wellness which assisted staff with budgeting and wealth management.

1.6. Policy development

HR Policies in the organisation have been reviewed and an HR manual has been developed. The finalisation of the policies is awaiting approval by the Board. Labour and staff have been consulted and have concurred with the reviewed policies.

1.7. Highlight achievements

The highlights for the year under review is that 80% of the staff have been migrated into the new structure. The Performance Management System has aligned with the strategic objective and plans of the organisation. The recruitment and placement of suitable staff in the identified and planned for positions has also been a key highlight of the HR unit. The HR operating systems and tools have been improved and the recognition awards for performing employees were introduced as part of the performance enhancement system, pending the financial standing of the organisation.

1.8. Challenges faced by the public entity

The challenges faced by the institution include the delay in the appointment of new Board members which has impacted on the recruitment of the direct reports to the CEO, and the finalisation of the reviewed HR policies. Other challenges were the grievances raised by five employees who felt that they were discriminated against in the migration process. A final decision in this regard will be taken by the incoming Board of Trustees. The incidence of the Corona Virus pandemic impacted on other plans of the organisation, particularly a planned wellness initiative involving Women's Health.

1.9. Future HR plans/goals

The future plans for the period 2021 will consist of; the alignment of the HR plan with the strategic objectives and needs of the operational units; the finalisation of the workplace skills plan; the profiling, evaluation, and grading of jobs in the new structure; the finalisation of employment contracts for employees who have been migrated into the new structure; benchmarking of remunerations and rewards; the review of employee benefits; and the recruitment of appropriate staff for the organisation. HR will also be reviewing the wellness programme products and services.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Below is the public entity's key information on human resources. All the financial amounts agree to the amounts disclosed in the annual financial statements.

Table 1: Personnel Cost by Business Division

Business Division	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total ex. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Office of the CEO	5,242,266,52	5,242,266,52	11,2%	5	1,048,453,30
Company Secretariat	2,790,059,16	2,790,059,16	6,0%	2	1,395,029,58
Capital Raising and Special Projects Department	2,034,192,48	2,034,192,48	4,3%	2	1,017,096,24
Finance Department	9,180,644,87	9,180,644,87	19,6%	11	834,604,08
Human Resource Department	4,049,652,12	4,049,652,12	8,7%	5	809,930,42
Legal, Compliance and Risk Department	4,372,552,05	4,372,552,05	9,3%	4	1,093,138,01
Marketing and Communications Department	2,248,245,13	2,248,245,13	4,8%	2	1,124,122,57
Portfolio Management Department	2,688,891,76	2,688,891,76	5,7%	3	896,297,25
Projects Department	14,182,179,03	14,182,179,03	30,3%	11	1,289,289,00
TOTAL	46,788,683,12	46,788,683,12	100%	45	1,039,748,51

Table 2: Personnel cost by Occupational Level

Occupational Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	7,680,532,60	21%	2	3,840,266,30
Senior Management	10,441,517,99	27%	5	2,088,303,60
Middle Management / Professional qualified	16,008,548,94	26%	11	1,455,322,63
Junior Management/ Skilled	11,674,562,71	23%	20	583,728,14
Semi-skilled	932,698,06	3%	5	186,539,61
Unskilled	50,822,82	0%	2	25,411,41
TOTAL	46,788,683,12	100%	45	1,039,748,51

Table 3: Performance Rewards per Occupational Level

Occupational Level	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	379, 429,66	7, 680, 532,60	0.8%
Senior Management	1, 013, 312,36	10, 441, 517,99	2.2%
Professional qualified	1, 196, 029,36	16, 008, 548,94	2.6%
Skilled	855, 544,83	11, 674, 562,71	1.8%
Semi-skilled	71, 718,63	932, 698,06	0.2%
Unskilled	0	50, 822,82	0.1%
TOTAL	3, 516, 034,84	46, 788, 683,12	7.5%

Table 4: Training Costs per Programme

Programme	Training Expenditure (R'000)	No. of employees trained	Avg training cost per employee
Bursaries	420, 925,65	9	46, 769,52
NQF aligned / Skills programs	110 125,00	2	55, 062,50
Non-NQF aligned courses/ skills programmes	140, 416,20	5	28, 083,24
Internships	0,00	0	0,00
AET	0,00	0	0,00
TOTAL	671, 466,85	16	41, 966, 68

Table 5: Employment and Vacancies per Business Division

Business Division	2018/2019 No. of Employees	2017/2018 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Office of the CEO	4	5	3	0	0.00%
Capital Raising and Special Projects Department	1	1	1	0	0.00%
Company Secretariat	0	0	2	0	
Finance Department	11	11	11	2	4.65%
Human Resource Department	4	5	5	0	0.00%
Legal, Compliance and Risk Department	4	4	4	0	0.00%
Marketing and Communications Department	2	2	2	0	0.00%
Portfolio Management Department	2	2	2	0	0.00%
Projects Department	11	11	11	0	0.00%
Internship	2	0	2	0	0.00%
TOTAL	41	41	43	2	4.65%

Table 6: Employment and Vacancies per Occupational Level

Occupational Level	2018/2019 No. of Employees	2018/2019 Approved Posts	2019/2020 No. of Employees	2019/2020 Vacancies	% of vacancies
Top Management	3	0	2	1	2,22%
Senior Management	8	0	5	0	0,00%
Professional qualified	7	0	11	1	2,22%
Skilled	18	1	20	0	0,00%
Semi-skilled	5	0	3	0	0,00%
Unskilled / Interns	0	0	2	0	0,00%
Temporary Employees	0	0	2	0	0,00%
TOTAL	41	1	45	2	4,44%

Table 7: Employment changes per Occupational Level

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	3	0	1	2
Senior Management	6	0	1	5
Professional qualified	9	3	1	11
Skilled	18	4	2	20
Semi-skilled	5	0	2	3
Unskilled / Interns	0	2	0	2
Temporary Employees	0	2	0	2
Total	41	11	7	45

Table 8: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0.00%
Resignation	2	28.57%
Dismissal	1	14.29%
Retirement	0	0.00%
Ill health	0	0.00%
Expiry of contract	4	57.14%
Other	0	0.00%
Total	7	100.00%

Table 9: Labour Relations: Misconduct and disciplinary action

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

Table 10: Equity Target and Employment Equity Status for Male Employees per Occupational Level

Occupational Level	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	3	0	0	0	1	0	0	0
Professional qualified	5	0	2	0	0	0	0	0
Skilled	6	0	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled / Intern	1	0	0	0	0	0	0	0
Temp	1	0	0	0	0	0	0	0
TOTAL	17	0	2	0	1	0	0	0

Table 11: Equity Target and Employment Equity Status for Female Employees per Occupational Level

Occupational Levels	FEMALE							
	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	4	0	0	0	0	0	1	0
Skilled	10	0	2	0	0	0	2	0
Semi-skilled	3	0	0	0	0	0	0	0
Unskilled / Intern	1	0	0	0	0	0	0	0
Temp	1	0	0	0	0	0	0	0
TOTAL	21	0	2	0	0	0	3	0



PART E:

FINANCIAL INFORMATION

Report of the auditor-general to the 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 76 to 170, which comprise the statement of financial position as at 31 March 2020, 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 2020, 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) and the Division of Revenue Act (Act No. 16 of 2019) (Dora).

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 sections 290 and 291 of the International Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board of Accountants (IESBA codes) as well as 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 codes.
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 board of trustees, which constitutes 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 Dora, 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 appropriate governance structure 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 on the usefulness and reliability of the reported performance information against predetermined objectives for the selected strategic goal presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of 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 do not examine whether the actions taken by the public entity enabled service delivery. My procedures also do 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 strategic goal presented in the annual performance report of the public entity for the year ended 31 March 2020:

Strategic goal	Pages in the annual performance report
Strategic goal 2 - Mega project implementation and development	34 – 38

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 following strategic goal:
 - Strategic goal 2 - Mega projects implementation and development

Other matter

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 30 to 38 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

17. 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.
18. The material findings on compliance with specific matters in key legislation are as follows:

Procurement and contract management

19. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A 6.1.

Irregular expenditure

20. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R11 704 448 as disclosed in note 34 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by an employee who committed fraud in the supply chain management unit.

Other information

21. 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 the selected strategic goal presented in the annual performance report that has been specifically reported in this auditor's report.
22. 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.
23. 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 strategic goal presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. 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

25. 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. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
26. Senior management did not always ensure that sufficient monitoring controls on compliance with laws and regulations were adhered to. This resulted in material non-compliance with laws and regulations relating to supply chain management.

Other reports

27. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
28. A service provider was mandated to perform a forensic investigation into fraud perpetrated by an employee in the SCM department. The report was finalised in June 2020. The service provider investigated transactions involving the aforementioned employee from the date that the employee was appointed in April 2017 to the date he was dismissed in April 2019. Management are currently in the process of implementing recommendations made in the report.

Auditor - General

Johannesburg

30 September 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing 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 financial statements, and the procedures performed on reported performance information for selected strategic goal 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 entity'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 determine 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, actions taken to eliminate threats or safeguards applied.

Gauteng Partnership Trust

(Registration number IT2422/02)

Trading as Gauteng Partnership Fund

Financial Statements for the year ended 31 March 2020

Report of the Trustees

The Trustees submit their report for the year ended March 31, 2020.

1. Review of activities

Main business and operations

The GPF's mandate is based on the strategic priorities of the Gauteng Department of Human Settlement (GDHS), to implement the Mega City Projects. The mandate is to serve as the GDHS's capital-raising and implementing agent for identified Mega Projects in the province. It is important to emphasise that the capital-raising element involves raising the funds required for the overall mixed-use development of Mega Projects (i.e. for human settlements as well as for social and economic amenities).

The vision of the organisation, namely "To be a Partner of Choice in Catalysing the Funding and Development of Integrated and sustainable human settlements in Gauteng", encapsulates the mandate.

The mandate encapsulates the following four (4) core functions:

1. Raising and managing the capital required for the successful implementation of identified mega projects and affordable rental and student accommodation properties in Gauteng
2. Providing loans to private sector developers for the development of affordable rental and student accommodation project
3. Providing project management and development services and serving as a developer of successful turnkey projects on strategic government owned land; and
4. Portfolio management which includes the collection of funds

As the GPF's current legal and corporate form is not suited to effectively driving the implementation of its mandate, a process is underway to enable it to operate as a legal persona and juristic person. This will enable it to raise capital by attracting and entering into transactions with funding partners; issuing guarantees, indemnities and securities; and generally entering into transactions that bind it to future financial commitments.

The process entails establishing the GPF as a statutory provincial government business enterprise by means of a Gauteng Provincial Government (GPG) Statute or other enabling legislation. Thereafter, the GPF will simultaneously apply to National Treasury to amend its current PFMA Schedule 3C listing to a Schedule 3D listing, as applicable to provincial government business enterprises, as well as to register as an SOC in terms of the Companies Act (No. 71 of 2008, as amended).

During the year the GPF received management fees from the following stakeholder:

- Future Growth Asset Management (Pty) Ltd as project management fees of R1,036,822 (2019: R487,694);
- Ekurhuleni Metropolitan Municipality fees of R3,750,966 (2019: RNil). (Refer to note 13);
- Aspari (RF) (Pty) Ltd management fees accrued are R719,928 (2019: R1,445,110) and;
- GDHS management fee of R36,796,112 (2019: R55,422,428) from the GDHS. (Refer to note 8).

During the year the GPF received Mega Project Programme Funding grant of R735,922,243 (2019: R1,108,448,938) from the GDHS (Refer to note 2, 10 & 24).

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 annual financial statements fairly present the state of affairs of the GPF as at the end of the financial year 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 annual financial statements.

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

Gauteng Partnership Trust

(Registration number IT2422/02)

Trading as Gauteng Partnership Fund

Financial Statements for the year ended 31 March 2020

Report of the Trustees

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 of 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 annual 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 year under review.

3. Subsequent events

COVID – 19 Pandemic Effects

The World Health Organization declared COVID-19 a pandemic on 11 March 2020. In response, the South African Government classified COVID-19 as a national disaster and issued additional regulations and directions to curtail the disaster. The South African national lockdown that became effective at midnight on 23 March 2020 affected almost all sectors. Government and private sectors took actions by responding to the outbreak however the fund did not completely close business and they continued to be partially operational, however mostly affecting the construction industry.

As at reporting date the effects of the COVID-19 outbreak are generally adjusting events, however there was nothing to adjust as at the 31st March 2020 For GPF, (with the exception of going concern)

The effects of the COVID-19 outbreak did not have a significant impact on GPF until after 30th April 2020. However, some of the key impacts that will affect the fund going forward are but not limited to:

- Inability to raise financing
- Service delivery
- Increase in arrears on loan repayments
- Increased volatility in the value of financial instruments
- Unavailability of personnel
- Supply Chain disruptions

In the subsequent year the fund is likely to see a decline in its revenue as a result of the spread of the virus and the economic impact. Being likely impacted by significant reductions in debts due to customer's experiencing financial or cash flow difficulties. There will be a need to amend terms and conditions of existing loans, such as changing interest rates, borrowing additional funds or modifying other contractual terms.

The fund will look into reviewing its accounting policies to ensure that its still applicable in the current circumstances

Non-adjusting events that would generally be disclosed in the financial statements include breaches of loan covenants (Modification of existing contractual arrangements), significant declines in the fair value of investments held after the reporting period.

The COVID-19 pandemic is a contributing factor in the delayed approval of financial statements which were due for approval on the 31st July 2020 and this being postponed to 30th September 2020.

Management will continually review and update the assessments up to the date the financial statements are issued given the fluid nature of the crisis and uncertainties involved.

Management will regularly consider and reassess the impact of COVID-19 on service delivery, clients, transactions, balances, policies and procedures.

Gauteng Partnership Trust

(Registration number IT2422/02)

Trading as Gauteng Partnership Fund

Financial Statements for the year ended 31 March 2020

Report of the Trustees

Appointment of new Trustees

On the 15 May 2020 the MEC appointed new Trustees. This is a non-adjusting event. (Refer to Trustees Report note 7).

Forensic Investigation conducted

During the year GPF appointed Gobodo Inc to conduct an investigation on alleged fraud within the organisation. A draft report was submitted to GPF on the 10th of June 2020. The contents of the report gave rise to irregular expenditure, which constituted an adjusting event and this has been accounted for under irregular expenditure in note 34.

4. Going concern

The annual financial statements have been prepared on the going concern basis, since the Trustees have every reason to believe that the GPF has sufficient resources for the medium term expenditure period and will continue in operation for the foreseeable future. At reporting date, GPF's assets were sufficient to meet the Trustee's right of indemnity out of the GPF's assets for liabilities incurred on behalf of the GPF.

The Trustees will continue to assess the impact of Covid-19 on the going concern due to the uncertainty of the outbreak including how long restrictions will be in place.

Mitigation factors that the entity will be taking to address any going concern uncertainties include:

- monitor the financial health and quality of assets
- reducing contractual obligations by accessing the organisations needs
- revision of budget estimates
- reducing the reliance on Government assistance and alternative sources of funding

5. Property, plant, equipment and intangibles

During the year, the GPF purchased property, plant and equipment and intangibles assets to the value of R1,303,834 (2019: R1,665,105).

6. Secretary

Although the GPF 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 GPF.

7. Auditors

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

8. Provision for doubtful debts

During the year the provision for doubtful debts decreased to R18,483,553 from R21,610,865 (Refer notes 3).

During the year R1,211,068 (2019: R5,973,681) was written off.

9. Contingencies

During the year, the GPF has overpaid a service provider that is in litigation. The amount of the GPF's claim is R759,223. The timing for receipt cannot be reliably determined. (Refer to note 4 & 27). The matter is on-going.

The GPF had a matter in dispute with a service provider in which the GPF was claiming R3,591,000. This matter is still in litigation. The service provider has a counter-claim in the amount of R8,500,000. The timing for payment (if any) cannot be reliably determined. The matter is on-going. (Refer to note 27).

Gauteng Partnership Trust

(Registration number IT2422/02)

Trading as Gauteng Partnership Fund

Financial Statements for the year ended 31 March 2020

10. Irregular, fruitless & wasteful expenditure

Subsequent to year end, management discovered irregular expenditure of R11,704,448 during the year that was incurred from the 2018 financial year. The irregular expenditure arose as a result of not following a bid process.

Irregular expenditure of R3,484,740 in the previous year was condoned by the board.

Management has thus far discovered expenditure relating to fraudulent payments. The GPF Board is in the process of conducting an investigation to quantify the total fraudulent payments and will be instituting criminal charges. (Refer to note 34)

Management is currently under a process of assessing expenditure incurred to determine if this is not irregular. This expenditure has subsequently not been disclosed in line with the irregular expenditure framework.

Fruitless & wasteful expenditure of R27,321 was incurred during the year for flight arrangements that were cancelled. (Refer to note 33).

The financial statements set out on page 6 to 96, which have been prepared on the going concern basis, were approved by the Board on 30 September 2020 and were signed on its behalf by:



Mr S Dzengwa
Chief Executive Officer



Ms H Bhengu
Chairperson

Gauteng Partnership Trust

(Registration number IT2422/02)

Trading as Gauteng Partnership Fund

Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at March 31, 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Current Assets			
Cash and cash equivalents	2	931,649,310	1,048,328,635
Current-portion loans and receivables from exchange transactions	3	80,232,470	63,679,906
Receivables from exchange transactions	4	11,986,428	34,165,905
Loans and receivables held-for-trade	5	73,832,373	31,853,337
		1,097,700,581	1,178,027,783
Non-Current Assets			
Loans and receivables from exchange transactions	3	871,586,964	788,736,512
Receivables from exchange transactions	4	1,105,858	3,591,000
Property, plant and equipment	6	3,916,270	4,725,461
Intangible assets	7	52,245	131,468
		876,661,337	797,184,441
Total Assets		1,974,361,918	1,975,212,224
Liabilities			
Current Liabilities			
Unutilised grants	8	296,582,784	389,510,785
Finance lease obligation	9	34,730	77,566
Payables from exchange transactions	10	8,743,552	2,796,278
Provisions	11	5,724,167	5,652,405
		311,085,233	398,037,034
Non-Current Liabilities			
Finance lease obligation	9	-	34,730
Total Liabilities		311,085,233	398,071,764
Accumulated surplus		1,663,276,685	1,577,140,460
Total Net Assets		1,974,361,918	1,975,212,224

Gauteng Partnership Trust

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Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019
Revenue from exchange transactions			
Interest received from loans and receivables	13	104,537,112	92,431,656
Management fees received	13	5,507,716	1,932,804
Interest received from banks	13	43,304,964	38,678,038
Other income	14	9,176,129	1,704,402
Management Fees	13	36,796,112	55,422,428
Total revenue		199,322,033	190,169,328
Expenditure			
Employee related expenses	20	(50,310,889)	(49,805,438)
Depreciation and amortisation		(2,202,581)	(2,086,499)
Impairment loss on fixed assets	6	(623)	(285,484)
Finance costs	18	(7,934)	(15,606)
Lease rentals on operating lease		(5,294,994)	(4,968,553)
Increase in provision for doubtful debts	29	(2,299,687)	(9,891,780)
Repairs and maintenance		(2,238,385)	(2,044,245)
General Expenses	19	(17,826,201)	(21,196,442)
Total expenditure		(80,181,294)	(90,294,047)
Operating surplus	15	119,140,739	99,875,281
Gain on disposal of assets	30	1,433	45,960
Fair value adjustments	16	(16,473,811)	(12,170,009)
Impairment loss of loan and receivables from exchange transactions	17	(16,532,136)	(16,033,082)
		(33,004,514)	(28,157,131)
Surplus for the year		86,136,225	71,718,150

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Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at April 1, 2018	1,505,422,310	1,505,422,310
Changes in net assets		
Surplus for the year	71,718,150	71,718,150
Total changes	71,718,150	71,718,150
Balance at April 1, 2019	1,577,140,460	1,577,140,460
Changes in net assets		
Surplus for the year	86,136,225	86,136,225
Total changes	86,136,225	86,136,225
Balance at March 31, 2020	1,663,276,685	1,663,276,685

Note(s)

Gauteng Partnership Trust

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Trading as Gauteng Partnership Fund

Financial Statements for the year ended 31 March 2020

Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Receipts			
Cash receipts - from borrowers		134,667,004	279,783,442
Cash receipts - interest from banks		45,954,076	45,282,542
Management fees received		40,148,849	55,910,122
Government grants received from Gauteng Department of Human Settlements and interest earned		763,355,112	1,116,302,175
		984,125,041	1,497,278,281
Payments			
Employee costs		(46,123,801)	(46,394,188)
Suppliers		(31,720,863)	(33,109,996)
Finance costs		(7,934)	(15,606)
Mega project payments made		(848,796,881)	(854,623,304)
Guarantees paid		-	(27,523,545)
Cash paid to borrowers		(172,766,453)	(136,055,936)
		(1,099,415,932)	(1,097,722,575)
Net cash flows from operating activities	26	(115,290,891)	399,555,706
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,303,834)	(1,662,106)
Proceeds from sale of property, plant and equipment	6	900	49,219
Purchase of other intangible assets	7	-	(3,000)
Net cash flows from investing activities		(1,302,934)	(1,615,887)
Cash flows from financing activities			
Finance lease payments		(85,500)	(85,502)
Net increase/(decrease) in cash and cash equivalents		(116,679,325)	397,854,317
Cash and cash equivalents at the beginning of the year		1,048,328,635	650,474,318
Cash and cash equivalents at the end of the year	2	931,649,310	1,048,328,635

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Shifts and virements	Adjusted 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	(53,148,841)	4,449,000	(48,699,841)	(46,123,801)	2,576,040	Refer to note 29
Repairs and maintenance	(4,941,129)	1,946,079	(2,995,050)	(2,238,385)	756,665	Refer to note 29
General Expenses	(80,244,338)	48,223,068	(32,021,270)	(29,482,478)	2,538,792	Refer to note 29
Total expenses	(138,334,308)	54,618,147	(83,716,161)	(77,844,664)	5,871,497	

Statement of Financial Position

Assets

Non-Current Assets

Property, plant and equipment	12,140,732	(9,600,000)	2,540,732	1,303,834	(1,236,898)	Refer to note 29
Total Assets	12,140,732	(9,600,000)	2,540,732	1,303,834	(1,236,898)	

Liabilities

Current Liabilities

Unutilised grants	-	-	-	296,582,784	296,582,784	
Total Liabilities	-	-	-	296,582,784	296,582,784	
Net Assets	12,140,732	(9,600,000)	2,540,732	(295,278,950)	(297,819,682)	

Cash Flow Statement

Cash flows from operating activities

Payments

Employee costs	53,148,841	(4,449,000)	48,699,841	46,123,801	(2,576,040)	Refer to statement of cashflows
Suppliers	85,185,467	(50,169,147)	35,016,320	31,720,863	(3,295,457)	Refer to statement of cashflows
	138,334,308	(54,618,147)	83,716,161	77,844,664	(5,871,497)	

Cash flows from investing activities

Purchase of property, plant and equipment	12,140,732	(9,600,000)	2,540,732	1,303,834	(1,236,898)	Refer to statement of cashflows
Net decrease in cash and cash equivalents	150,475,040	(64,218,147)	86,256,893	79,148,498	(7,108,395)	Refer to note 29

Gauteng Partnership Trust

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Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Presentation of Financial Statements

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

These 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 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 April 2019)
GRAP 2	Cash Flow Statements (as revised in April 2019)
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors (as revised in April 2019)
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 (as revised in April 2019)
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 April 2019)
GRAP 10	Financial Reporting in Hyperinflationary Economies (as revised in 2019) (Not applicable to GPF)
GRAP 11	Construction Contracts (as revised in 2019) (Not applicable to GPF)
GRAP 12	Inventories (as revised in 2019) (Not applicable to GPF)
GRAP 13	Leases (as revised in April 2019)
GRAP 14	Events after the Reporting Date (as revised in April 2019)
GRAP 16	Investment Property (as revised in 2010) (Not applicable to GPF)
GRAP 17	Property, Plant and Equipment (as revised in April 2019)
GRAP 18	Segment reporting (Not applicable to GPF)
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets (as revised in April 2019)
GRAP 20	Related Party Disclosures (Effective April 2019)
GRAP 21	Impairment of Non-cash-generating Assets (as revised April 2019)
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers) (as revised in April 2019)
GRAP 24	Presentation of Budget Information in Financial Statements (as revised in April 2019)
GRAP 25	Employee Benefits (as revised April 2019)
GRAP 26	Impairment of Cash-generating Assets (as revised in April 2019) (Not applicable to GPF)
GRAP 27	Agriculture (Not applicable to GPF)
GRAP 31	Intangible Assets (as revised in April 2019)
GRAP 32	Service Concession Arrangements: Grantor (Not applicable to GPF)
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 (as revised in April 2019)
GRAP 105	Transfers of functions between entities under common control (as revised in April 2019)
GRAP 106	Transfers of functions between entities not under common control (as revised in April 2019)
GRAP 107	Mergers (as revised April 2019)
GRAP 108	Statutory Receivables (Not applicable to GPF)
GRAP 109	Accounting by Principals and Agents (Effective April 19)
GRAP 34	Separate Financial Statements (Not applicable to GPF)
GRAP 35	Consolidated Financial Statements (Not applicable to GPF)
GRAP 36	Investments in Associates and Joint Ventures (Not applicable to GPF)
GRAP 37	Joint Arrangements (Not applicable to GPF)
GRAP 38	Disclosure of Interests in Other Entities (Not applicable to GPF)
GRAP 110	Living and Non-living Resources (Not applicable to GPF)

2) Directives issued and applied:

Reference	Topic
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Accounting Policies

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)
Directive 11	Changes in the Measurement Bases following the Initial Adoption of the Standards of GRAP (Not applicable to GPF)
Directive 12	Selection of an appropriate reporting framework by Public Entities (Not applicable to GPF)
Directive 13	Transitional Provisions for CET Colleges (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
IGRAP 17	Service Concession Arrangements where a Grantor Controls a significant Residual Interest in an Asset (Not applicable to the GPF)
IGRAP 18	Recognition and Derecognition of Land (Not applicable to GPF)
IGRAP 19	Liabilities and Pay Levies (Not applicable to GPF)

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

Reference	Topic
Guideline 1	Accounting for Arrangements Undertaken in terms of the National Housing Programme (Not applicable to GPF)

5) Effective IFRS and IFRICs that entities may apply, to the extent that they are applicable:

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

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Accounting Policies

IFRIC 20	Stripping costs in the Production Phase of a Surface Mine (Not applicable to GPF)
IFRIC 22	Foreign Currency Transactions and Advance Consideration (Not applicable to GPF)
IFRIC 23	Uncertainty Over Income Tax Treatments (Not applicable to GPF)

6) Standards of GRAP approved which are not yet effective, or for which the Minister of Finance has not yet determined an effective date, that entities may consider in formulating an accounting policy (paragraph .12 of this Directive).

1.1 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the 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 financial statements. Significant judgements include:

Receivables from exchange transactions

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

The impairment for loans and receivables is calculated on a portfolio 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 annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence year.

Financial instruments at fair value

The entity follows the guidance of GRAP 104 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the GPF 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.

Fair value estimation

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

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 year. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

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

Impairment testing

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

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

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Trading as Gauteng Partnership Fund

Financial Statements for the year ended 31 March 2020

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

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. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including exposure per location and supply and demand, together with economic factors such as inflation, interest rate changes and the countries growth.

Provisions

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

Taxation

The Trust was granted tax exemption status by the South African Revenue Services 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 is applicable for the 2019/2020 year. The Trust is not registered for Value Added Tax (VAT) but is in discussions with SARS about being a VAT Vendor. (Refer to note 21).

Effective interest rate

The entity used the prime interest rate to discount future cash flows. The GPF 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 GPF'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 GPF'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 (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

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

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

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

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.

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Financial Statements for the year ended 31 March 2020

Accounting Policies

1.2 Property, plant and equipment (continued)

Property, plant and equipment is 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.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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 depreciable amount of an asset is allocated on a systematic basis over its useful life.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the annual financial statements (Refer to note 6).

1.3 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an GPF and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the GPF 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.

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Financial Statements for the year ended 31 March 2020

Accounting Policies

1.3 Intangible assets (continued)

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

The amortisation year and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated 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	Depreciation method	Average useful life
Computer software	Straight line	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 intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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Accounting Policies

1.4 Financial instruments (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an GPF in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

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

- Its value changes in response to the change in a specified interest rate, financial instrument 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 (sometimes called the 'underlying').
- 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.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter year to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. The obligation will only become due once the pre-specified terms and conditions have been met.

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1.4 Financial instruments (continued)

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets and financial liabilities into the following categories:

Class	Category
Loans and receivables from exchange transactions	Financial asset measured at amortised cost
Financial instruments	Financial asset measured at fair value

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

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

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

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1.4 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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 and uncollectibility of financial assets

At each end of the reporting year the GPF 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 should be impaired.

For amounts due to the GPF, 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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1.4 Financial instruments (continued)

At each end of the reporting year the GPF assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets should be impaired. If 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 years 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 GPF 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.

When a receivable from exchange transaction is in litigation the interest on the loan is suspended.

Assets past due and that have been renegotiated are impaired.

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

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1.4 Financial instruments (continued)

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 interest in surplus or deficit.

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.

Derecognition

Financial instruments are derecognised when the rights to receive cashflows have been fulfilled or the risk and rewards have been transferred. 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 GPF assesses the classification of each element separately.

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.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position 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 financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the prime interest rate at 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 year during the lease term so as to produce a constant year rate of on the remaining balance of the liability.

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1.5 Leases (continued)

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 asset or liability.

1.6 Inventories

Subsequently inventories are measured at the lower of cost and net realisable value.

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

1.7 Impairment of non-cash-generating assets

Cash-generating assets are assets used 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 orientated entity.

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

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

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:

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

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1.8 Unspent conditional grant

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the GPF 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.

Unspent conditional grant represents the amounts of government grants not yet disbursed. (Refer to note 1.13).

1.9 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the year in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting year in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting year in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the GPF during a reporting year, the GPF recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the GPF expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The GPF recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the GPF has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

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1.9 Employee benefits (continued)

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

1.10 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.

Where discounting is used, the carrying amount of a provision increases in each year 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 surplus (deficit).

A constructive obligation to restructure arises only when an GPF:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an 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 assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.11 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.

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1.11 Revenue from exchange transactions (continued)

Revenue comprises of interest received from loans and receivables from exchange transactions, interest received for favourable bank accounts and project management fees for managing projects.

Contract recovery fees, penalty fees, restructure fees and moratorium extension fees are capitalised to the loan and repaid over the loan term.

1.12 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 Trusts 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 GPF has complied with any of the criteria, conditions embodied in the agreement. To the extent that the criteria, conditions or obligations have been met, a liability is recognised.

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

1.13 Accounting by principals and agents

Identification

An agent is an GPF 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).

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 and Ekurhuleni Metropolitan Municipality. 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). The GPF does bridging finance for Aspari(RF) (Pty) Ltd and Future Growth Asset Management. These funds are treated as loans and receivables Held-for-trade as they are expected to be repaid during the year.

Recognition

The GDHS 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.

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1.13 Accounting by principals and agents (continued)

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

1.14 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):

In the prior year, Irregular expenditure that was incurred and identified during the current financial 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 prior 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 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 financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the prior financial year and which was not condoned by the Provincial 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 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 financial statements and updated accordingly in the irregular expenditure register.

1.15 Budget information

The Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by 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 year from 1/4/2019 to 31/03/2020.

The budget for the economic entity includes all the entities approved budgets under its control.

The 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 year that have been included in the Statement of comparison of budget and actual amounts.

1.16 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

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1.16 Related parties (continued)

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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, that management in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements.

1.17 Subsequent events

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 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.

1.18 Going concern assumptions

The Trustees have every reason to believe that the GPF 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 GDHS. The GPF's total assets are valued at R1,974,361,918 (2019: R1,975,212,224). GPF has a liquidity ratio of 1.53 (2019:1.4) and solvency ratio of 66%(2019: 69%) based on current funds available and current commitments.

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2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Petty cash	3,093	12,457
Capital accounts	554,670,654	562,477,081
Call account	-	1,105,858
Gauteng Department of Human Settlements	296,582,784	389,939,808
Current account	80,392,779	94,793,431
	931,649,310	1,048,328,635

The Petty cash amounts represent petty cash bank account and petty cash that is in the petty cash tin.

The GPF holds 3 capital accounts:

- ABSA bank; R17,091,596 (2019: R303,955,863)
- Corporation of Public Deposits, a division of the South African Reserve Bank; R276,975,280 (2019: R258,521,218)
- First Rand Group limited. R260,603,778(2019: RNil)

The balances capital accounts are broken down as follows:

- R198,894,242 (2019: R303,304,041) of the Capital Account has been committed to student accommodation, rental housing and emerging entrepreneur programs. (Refer to note 22);
- R283,579,332 (2019: R259,173,040) to cover the GPF's medium-term expenditure requirements for Opex, Capex and compensation of employees and;
- R72,197,080 (2019: RNil) is the remainder that will be used for Capital Raising

In the prior year the rental deposit was held in a ABSA call account. The call account was ceded to Acucap Investment (Pty) Ltd. During the current year this account was closed and the money was transferred to the current account.

The Gauteng Department of Human Settlements account holds Mega project funding of R296,582,783 inclusive of interest (2019: R389,510,785). This amount is for projects that where not completed in the year under review. Completion of these projects will be in the subsequent year. (Refer to notes 8 & 23).

The current account of R80,392,779 (2019 R:94,793,431) holds the reminder of the budget that was transferred at the beginning of the year. The amount was for Opex, Capex and compensation of employees.

The Gauteng Department of Human Settlements account holds Mega project funding of R296,582,783 inclusive of interest (2019: R389,510,785). This amount is for projects that where not completed in the year under review. Completion of these projects will be in the subsequent year. (Refer to notes 8 & 23).

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 counterparty default rates:

Credit rating

First Rand Group Limited (Baa3)	633,362,061	-
Absa Group Limited (Baa3)	21,311,969	789,807,417
South Africa Reserve Bank	276,975,280	258,521,218

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2. Cash and cash equivalents (continued)**931,649,310 1,048,328,635****3. Loans and receivables from exchange transactions****125 Village Hub (Pty) Ltd**

Advance	27,880,025	-
Interest earned	1,964,474	-
Interest amortised	328,447	-
Social benefit adjustment	(4,449,973)	-
	25,722,973	-

The 20 year loan facility to 125 Village Hub (Pty) Ltd - The Village Hub, 125 Madiba Street comprises of a interest-free loan of R520,000 and interest-bearing loan of R27,273,545. The 10 year interest-free facility is repayable in monthly instalments which commence in May 2024. The 20 year interest-bearing facility bears interest at a staggered JIBAR plus 50 basis points and is repayable in monthly which commence in May 2020. The nominal value of the loan is R29,844,499 (2019: RNil). The loan is secured by a mortgage bond over Erf 267, Pretoria.

Bixowize (Pty) Ltd - Erf 278, Primrose Hill

Loan amount	4,141,914	4,515,174
Advance	6,465,468	157,300
Interest earned	733,667	382,126
Interest amortised	109,298	118,289
Social benefit adjustment	(225,587)	(25,022)
Impairment	(1,664)	(1,005,953)
Loan and receivables transferred to current assets held-for-trade	(5,975,233)	-
Current-term portion transferred to current assets	(26,306)	-
	5,221,557	4,141,914

The loan to Bixowize (Pty) Ltd - Erf 278, Primrose Hill comprises of an interest-free loan of R1,403,545 and an interest-bearing loan of R4,574,300. The interest-free facility is for 17 years and is repayable in monthly instalments commencing in April 2024. The interest-bearing facility is for 27 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in April 2020. The nominal value of the loan is R14,158,547 (2019: R6,706,426). The loan is secured by a mortgage bond over Erf 278 Primrose Hill. The loan was restructured and the moratorium on payments was extended resulting in an impairment. This has resulted in an impairment of the loan. (Refer to note 17). 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).

BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate

Prior years current-term portion reversed	24,400,000	24,400,000
Amount provided for as provision in the prior year	8,436,909	5,547,404
Interest earned	-	2,889,505
Provision for doubtful debts	(8,436,909)	(8,436,909)
Current-term portion transferred to current assets	(24,400,000)	(24,400,000)
	-	-

The 20 year loan facility of R22,305,600 to BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate bears interest at JIBAR plus 1% basis point (rounded to the nearest whole number) and was repayable in monthly instalments which should have commenced. The nominal value of the loan is R32,836,906 (2019: R32,836,906). The loan is secured by a mortgage bond over Erf 6623 Soweto, Johannesburg. Management has provided for a loss of R8,436,909. (Refer to note 29). The project is in the process of sale. The interest on this loan has been suspended as the loan is in litigation.

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

Loan amount	5,096,057	2,600,457
Advance	7,820,472	2,708,101

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3. Loans and receivables from exchange transactions (continued)

Interest earned	625,010	310,944
Social benefit adjustment	(109,263)	(364,852)
Interest amortised using effective interest rate	165,128	139,739
Impairment	(30,880)	(298,332)
Loan and receivables transferred to current assets held-for-trade	(6,997,826)	-
	6,568,698	5,096,057

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 12 year interest-free loan is repayable in monthly instalments commencing in October 2023. The 22 year interest-bearing facility bears interest at JIBAR plus 50 basis points staggered and is repayable in monthly instalments which should have commenced. The project is being sold and the non-payments have resulted in impairment. (Refer to note 16). The nominal value of the loan is R15,073,002 (2019: R6,627,520). The loan is secured by a mortgage bond over Erf 231, Kempton Park. Loan and receivables transferred to current assets held-for-trade (Refer to note 5).

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

Loan amount	10,058,358	9,451,169
Prior years current-term portion reversed	118,221	-
Interest earned	916,549	845,487
Advance	120,000	-
Short-term payments received	(415,719)	(128,000)
Social benefit adjustment	(12,205)	-
Interest amortised using the effective interest rate	195,962	161,808
Impairment	(192,082)	(153,885)
Current-term portion transferred to current assets	(143,392)	(118,221)
	10,645,692	10,058,358

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 50 basis points and the monthly instalment repayments have commenced. The loan was restructured due to delays in construction resulting in an impairment. The nominal value of the loan is R12,264,340 (2019: R11,641,069). The loan is secured by a mortgage bond over Portion 196 of Erf 7305, Chiawelo Extension 2.

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

Loan amount	804,815	722,352
Prior years current-term portion reversed	18,826	15,218
Interest earned	-	86,071
Current-term portion transferred to current assets	-	(18,826)
	823,641	804,815

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 is repayable in monthly instalments which should have commenced. The nominal value of the loan is R823,641 (2019: R823,641). The loan is secured by a mortgage bond over Erven 484, 485, & 487 Ferndale. The interest on this loan has been suspended as the loan is in litigation.

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

Loan amount	45,610,678	45,569,980
Prior years current-term portion reversed	689,570	650,590
Prior years loan and receivables transferred to current assets held-for-trade	-	52,341,830
Advance	-	266,082
Interest earned	5,103,446	4,084,177
Short-term payments received	(4,643,347)	(57,322,650)
Social benefit adjustment	-	(53,790)
Interest amortised using effective interest rate	1,121,196	829,448
Impairment	(55,199)	(65,419)
Current-term portion transferred to current assets	(1,033,729)	(689,570)
	46,792,615	45,610,678

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3. Loans and receivables from exchange transactions (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 10 year interest-free facility is repayable in monthly instalments which commence in January 2021. The 20 year interest-bearing facility bears interest at a staggered JIBAR plus 50 basis points and is repayable in monthly instalments which have commenced. The nominal value of the loan is R54,591,855 (2019: R52,131,756). The loan is secured by a mortgage bond over Erf 2918, Kempton Park. The loan was impaired as a result of late payments. (Refer to note 16). 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	2,710,582	2,764,898
Prior years current-term portion reversed	326,943	234,950
Interest earned	207,606	181,207
Short-term payments received	(399,648)	(267,000)
Interest amortised using effective interest rate	140,413	136,403
Impairment	(36,095)	(12,933)
Current-term portion transferred to current assets	(423,129)	(326,943)
	2,526,672	2,710,582

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 9 year interest-free facility is repayable in monthly instalments which have commenced. The 20 year interest-bearing facility bears interest at a staggered JIBAR and is repayable monthly payments which have commenced. The loan was impaired in the prior year due to late payment. (Refer to note 17). The nominal value of the loan is R3,425,691 (2019: R3,617,742). The loan is secured by a mortgage bond over Erf 42, Kempton Park. The GPF has taken cession of the rental income.

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

Loan amount	2,514,806	2,619,866
Prior years current-term portion reversed	88,292	155,038
Interest earned	215,623	227,088
Short-term payments received	(359,000)	(529,368)
Interest amortised using the effective interest rate	129,173	131,665
Impairment	(11,111)	(1,191)
Current-term portion transferred to current assets	(264,552)	(88,292)
	2,313,231	2,514,806

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 which have commenced. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 0.5% rate and is repayable monthly instalments which have commenced. The loan was impaired in the prior year due to late payment. (Refer to note 17). The nominal value of the loan is R3,513 498 (2019: R3,656,876). 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	8,281,969	8,531,765
Prior years current-term portion reversed	211,300	80,989
Interest earned	659,565	663,807
Short-term payments received	(1,162,540)	(952,500)
Interest amortised using effective interest rate	188,683	201,550
Impairment	(10,464)	(32,342)
Current-term portion transferred to current assets	(342,959)	(211,300)
	7,825,554	8,281,969

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 10 years and is repayable in monthly instalments which have commenced. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 50 basis points rate and is repayable monthly instalments which have commenced. The loan was restructured and the moratorium on payments was extended resulting in an impairment. (Refer to note 17). The interest-bearing facilities repayments have commenced. The nominal value of the loan is R9,277,593 (2019: R9,780,569). The loan is secured by a mortgage bond over Erf 233, Kempton Park.

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3. Loans and receivables from exchange transactions (continued)

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

Loan amount	7,022,971	7,398,761
Prior years current-term portion reversed	384,281	338,196
Interest earned	605,536	630,836
Short-term payments received	(1,137,183)	(1,104,991)
Interest amortised using effective interest rate	130,923	145,506
Impairment	-	(1,056)
Current-term portion transferred to current assets	(451,688)	(384,281)
	6,554,840	7,022,971

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 50 basis points rate and the monthly repayments which have commenced. The nominal value of the loan is R7,665,634 (2019: R8,197,285). The loan is secured by a mortgage bond over Erf 564, Bertrams, Johannesburg. The project was impaired due to short-payment. (Refer to note 17).

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

Loan amount	11,042,233	5,869,027
Prior years current-term portion transferred to current assets reversed	29,188	-
Prior years Loan and receivables transferred to current assets held-for-trade reversed	5,294,078	-
Advance	8,349,617	10,364,699
Interest earned	1,792,314	824,565
Social benefit adjustment	(127,278)	(686,461)
Short-term payments received	(6,277,798)	-
Interest amortised using effective interest rate	224,535	211,759
Impairment	(872,289)	(218,090)
Loan and receivables transferred to current assets held-for-trade	(7,365,898)	(5,294,078)
Current-term portion transferred to current assets	-	(29,188)
	12,088,702	11,042,233

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 14 years and is repayable in monthly instalments commencing in August 2024. The interest-bearing facility is for 23 years bears interest at a staggered JIBAR plus 50 basis points rate which commencing in July 2020. The loan was restructured and the moratorium on payments was extended resulting in an impairment. (Refer to note 17). The nominal value of the loan is R22,544,355 (2019: R18,679,935). The loan is secured by a mortgage bond over Erf 1686, Benoni.

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

Loan amount	3,026,976	5,715,888
Prior years provision for doubtful debts	3,102,765	-
Interest earned	677,426	434,450
Interest amortised using effective interest rate	(54,364)	197,086
Impairment	(27,017)	(217,683)
Provision for doubtful debts	(3,698,811)	(3,102,765)
	3,026,975	3,026,976

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 14 years and is repayable in 5 equal instalments which should have commenced. The interest-bearing facility is for 24 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 R8,396,657 (2019: R7,554,473). The loan is secured by a mortgage bond over Erf 1509, Discovery, Roodepoort. The interest on this loan has been suspended. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17). The GPF has instituted legal proceedings against the borrower. Management has provided for a loss of R3,698,811. (Refer to note 29).

Clidet No. 1024 (Pty) Ltd - 44 Wanderers

Loan amount	6,529,745	6,212,601
Interest earned	-	425,235
Short-term payments received	(7,125,602)	-
Interest amortised using effective interest rate	2,101,202	215,166
Impairment	(294,277)	(323,257)

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3. Loans and receivables from exchange transactions (continued)

Bad debts	(1,211,068)	-
	-	6,529,745

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 for 22 years and the monthly repayments should have commenced. The interest free loan is for 10 years and payment commence in July 2021. The junior loan bears interest at a staggered JIBAR rate and is repayable in monthly instalments which should have commenced in July 2018. The senior loan has not commenced. The nominal value of the loan is R8,336,670 (2019: R8,336,670). The loan is secured by a mortgage bond over Erf 2043, 2044 & 5070, Joubert Park. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17). The interest on the loan has been suspended. The loan was settled with a short-fall of R1,211,068 (Refer to note 31).

Comu Property Developers (Pty) Ltd - 3103, Glen Marais

Loan amount	4,178,359	4,908,109
Prior years current-term portion reversed	498,200	237,597
Interest earned	362,344	304,294
Short-term payments received	(5,827,881)	(910,000)
Interest amortised using effective interest rate	839,930	199,649
Impairment	(50,952)	(63,090)
Current-term portion transferred to current assets	-	(498,200)
	-	4,178,359

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 10 years and is repayable in 5 equal instalments which have commenced. The interest-bearing facility is for 15 years bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R5,098,514 (2019: R5,465,538). The loan is secured by a mortgage bond over Erf 3103, Glen Marais Kempton Park. The loan has been impaired due to short-payment. (Refer to note 17).

Comocap (Pty) Ltd - 88 Relly Street

Loan amount	1,550,122	1,421,937
Prior years provision for doubtful debts reversed	1,550,112	1,421,937
Interest earned	-	390,606
Interest amortised using effective interest rate	77,859	(115,755)
Impairment	-	(18,481)
Provision for doubtful debts	(1,589,046)	(1,550,122)
	1,589,047	1,550,122

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 R3,531,249 (2019: R3,531,249). The loan is secured by a mortgage bond over Erf 1232, Pretoria. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17). 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 loan has been provided for. (Refer to note 29). The interest on the loan has been suspended.

Crimson Clover Trading 11 (Pty) Ltd - Ascot Fashion House

Loan amount	3,315,175	3,437,752
Prior years current-term portion reversed	107,006	97,265
Interest earned	296,663	312,252
Short-term payments received	(486,000)	(486,000)
Interest amortised using effective interest rate	63,380	60,912
Current-term portion transferred to current assets	(123,152)	(107,006)
	3,173,072	3,315,175

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 R3,647,411 (2019: R3,836,749). The loan is secured by a mortgage bond over Erf 947 & 948, Johannesburg.

Devland Gardens (Pty) Ltd - Erf 8341 & 8342, Johannesburg

Loan amount	19,241,735	-
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3. Loans and receivables from exchange transactions (continued)

Advance	45,464,046	22,855,825
Interest earned	2,696,815	604,683
Social benefit adjustment	(6,603,376)	(4,283,622)
Interest amortised using the effective interest rate method	344,556	64,849
Impairment	(243,724)	-
	60,900,052	19,241,735

The 20 year loan facility of R45,000,000 to Devland Gardens (Pty) Ltd - Erf 8341 & 8342, Johannesburg bears interest at a staggered JIBAR rate and is repayable in monthly instalments which commence in December 2020. The nominal value of the loan is R71,621,369 (2019: R23,460,508). The loan was restructured and the moratorium on payments was extended resulting in an impairment. (Refer to note 17). The loan is secured by a mortgage bond over Erf 8341 & 8342, Johannesburg.

DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban

Prior years provision for doubtful debts reversed	4,744,757	3,585,602
Prior years current-term portion reversed	16,200,000	16,200,000
Interest earned	-	1,836,126
Short-term payments received	(340,000)	(460,000)
Interest amortised using effective interest rate	344,050	294,473
Impairment	(2,820,956)	(511,444)
Provision for doubtful debts	(1,927,851)	(4,744,757)
Current-term portion transferred to current assets	(16,200,000)	(16,200,000)
	-	-

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 9 years and is repayable in 5 equal instalments which should have commenced. 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 R22,697,730 (2019: R23,037,730). The loan is secured by a mortgage bond over Erf 517 & 518, City and Suburban. The interest on this loan has been suspended. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17). The GPF has instituted legal proceedings against the borrower. Management has provided for a loss of R1,927,851 (Refer to note 29).

Eable Properties (Pty) Ltd - Erf 8186, Olievenhoutbosch

Loan amount	10,782,862	1,884,449
Prior years current-term portion reversed	125,666	-
Advance	120,000	9,495,546
Interest earned	1,458,157	668,165
Short-term payments received	(415,000)	-
Social benefit adjustment	(12,908)	(1,254,940)
Interest amortised using effective interest rate	137,385	115,308
Impairment	(293,842)	-
Current-term portion transferred to current assets	(159,534)	(125,666)
	11,742,786	10,782,862

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 50 basis points and is repayable monthly instalments which should have commenced. The loan is being restructured resulting in impairment of the loan. (Refer to note 16). The loan is secured by a mortgage bond over Erf 8186, Olievenhoutbosch Johannesburg. The nominal value of the loan is R13,521,843 (2019: R12,358,686).

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

Loan amount	6,457,504	6,969,015
Prior years current-term portion reversed	327,228	23,749
Prior years loans and receivables transferred to current assets held-for-trade	-	4,976,567
Interest earned	442,100	507,738
Short-term payments received	(1,044,000)	(5,885,570)
Social benefit adjustment	-	(2,453)
Interest amortised using effective interest rate	168,216	195,686
Impairment	(3,004)	-

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3. Loans and receivables from exchange transactions (continued)

Current-term portion transferred to current assets	(352,060)	(327,228)
	5,995,984	6,457,504

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. The interest-free facility is for 9 years and is repayable in 5 equal instalments which have commenced. The interest-bearing facilities are for 20 years. The junior loan bears interest at a staggered JIBAR rate and repayments have commenced. The loan was impaired due to late payment. (Refer to note 17). The nominal value of the loan is R7,251,307 (2019: R7,807,355). The loan is secured by a mortgage bond over Erf 517 & 518, City and Suburban.

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

Loan amount	6,224,082	6,560,287
Prior year's current-term portion transferred to current assets	98,485	99,021
Prior year's loans and receivables transferred to current held-for-trade reversed	-	5,520,463
Interest earned	488,180	530,016
Short-term payments received	(768,000)	(6,524,348)
Social benefit adjustment	-	(2,357)
Interest amortised using effective interest rate	141,698	139,485
Impairment	(10,362)	-
Current-term portion transferred to current assets	(208,033)	(98,485)
	5,966,050	6,224,082

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. The interest-free facility is for 9 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 is repayments have commenced. The loan was impaired due to late payment. (Refer to note 16). The nominal value of the loan is R7,241,833 (2019: R7,521,653). 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).

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

Loan amount	-	5,739,835
Interest earned	-	392,578
Interest amortised using effective interest rate	-	102,883
Impairment	-	(261,615)
Bad debts written off	-	(5,973,681)
	-	-

The 15 year loan facility to Echo Canyon Trading (Pty) Ltd - 463 and 465 Hanny Street comprised of an interest-bearing loan of R5,500,000. The loan bore interest at JIBAR plus 100 basis points and was repayable monthly instalments which should have commenced. The loan was secured by a mortgage bond over Erf 274 and portion 1 of Erf 815, Pretoria Gardens. The nominal value of the loan is RNil (2019: RNil). The project was in litigation and non-payments have resulted in impairment. (Refer to note 17). The loan was written off due to the business rescue practitioner accepting and offer which was lesser than the amount owed to the NHFC and the GPF. (Refer to note 29 & 31).

EGC Properties (Pty) Ltd - Browning Street

Loan amount	7,206,198	7,492,980
Prior years current-term portion reversed	295,613	273,385
Interest earned	1,335,447	779,442
Short-term payments	(496,000)	(1,066,000)
Interest amortised using effective interest rate	(28,013)	123,037
Impairment	(46,832)	(101,033)
Current-term portion transferred to current assets	(383,589)	(295,613)
	7,882,824	7,206,198

The 15 year loan facility to EGC Properties (Pty) Ltd - Browning Street comprises of an interest-bearing loan of R9,104,207. The loan bears interest at a staggered JIBAR plus 50 basis points rate and is repayable in monthly instalments which have commenced. The loan was impaired as a result of non-payment. (Refer to note 17). The loan is secured by a mortgage bond over Erf 103, 104 and 106, Browning Street. The nominal value of the loan is R9,366,421 (2019: R8,526,974).

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3. Loans and receivables from exchange transactions (continued)

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

Loan amount	5,289,629	4,776,785
Interest earned	711,426	509,908
Interest amortised using effective interest rate	(57,661)	2,936
Impairment	(2,877)	-
Current-term portion transferred to current assets	(129,469)	-
	5,811,048	5,289,629

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 300 basis points. The loan was impaired as a result of non-payment. (Refer to note 17). The loan was secured by a mortgage bond over Erf 101 Wolhuter, Jeppestown. The nominal value of the loan is R6,087,454 (2018: R5,376,028).

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

Loan amount	5,640,572	5,105,572
Interest earned	572,829	535,000
Short-term portion reversed	(535,660)	-
Current-term portion transferred to current assets	(249,595)	-
	5,428,146	5,640,572

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 should have commenced. The loan bears interest at JIBAR plus 300 basis points. The loan was secured by a mortgage bond over Erf 1171, City & Suburban, Johannesburg. The nominal value of the loan is R5,677,741 (2019: R5,640,572).

Erf 273 Parktown Estate CC - Parktown Place Development

Loan amount	5,991,277	6,242,283
Prior years current-term portion reversed	165,428	136,189
Interest earned	551,649	553,662
Short-term payments received	(828,000)	(888,000)
Interest amortised using effective interest rate	92,887	112,571
Current-term portion transferred to current assets	(191,438)	(165,428)
	5,781,803	5,991,277

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 50 basis points and is repayable in monthly instalments which have commenced. The nominal value of the loan is R6,803,324 (2019: R7,106,676). The loan is secured by a mortgage bond over Erf 56 and 57, Parktown Estate, Tshwane.

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

Loan amount	3,096,471	3,094,694
Prior years current-term portion reversed	183,773	175,205
Interest earned	550,355	310,306
Short-term payments received	(157,000)	(264,000)
Interest amortised using effective interest rate	554	20,518
Impairment	(17,966)	(56,479)
Current-term portion transferred to current assets	(234,772)	(183,773)
	3,421,415	3,096,471

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 which should have commenced. The loan was impaired as a result of late payment. (Refer to note 19). The loan is secured by a mortgage bond over Portion 269 of Erf 269, Richmond, Johannesburg. The nominal value of the loan is R3,925,382 (2019: R3,532,028). The loan was due to late payment. (Refer to note 17).

Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North

Loan amount	8,692,216	8,606,403
Prior years current-term portion reversed	545,457	134,231
Interest earned	793,248	636,400

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3. Loans and receivables from exchange transactions (continued)

Interest amortised using effective interest rate	(4,590,882)	309,284
Impairment	(346,184)	(448,645)
Current-term portion transferred to current assets	-	(545,457)
	5,093,855	8,692,216

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 9 years and is repayable in 5 equal instalments which should have commenced. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate. The interest-bearing facilities is repayable in monthly instalments which should have commenced. The nominal value of the loan is R11,920,736 (2019: R11,127,488). The loan is secured by a mortgage bond over portion 14 of Erf 8489, Protea Glen, Ext 11. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17).

FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville

Loan amount	7,850,849	6,682,529
Advance	328,668	1,067,197
Interest earned	1,394,025	770,924
Social benefit adjustment	(50,130)	(159,387)
Interest amortised using effective interest rate method	(95,329)	72,879
Impairment	(82,236)	(583,293)
	9,345,847	7,850,849

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 November 2022. The interest-bearing facility is for 23 years and bears interest at a staggered JIBAR rate plus 50 basis points and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R11,695,326 (2019: R9,972,633). The loan is secured by a mortgage bond over Erf 193, Duncanville. The loan is being restructured resulting in an impairment of the loan. (Refer to note 17).

GNI Real Estate - Erf 113, Pretoria North

Loan amount	5,611,757	5,491,314
Prior years loan and receivable transferred to current assets held-for-trade	-	6,711,315
Advance	-	37,262
Interest earned	363,826	394,775
Short-term payments received	(534,150)	(7,194,487)
Social benefit adjustment	-	(7,630)
Interest amortised using effective interest rate	203,464	186,258
Impairment	(1,025)	(7,050)
Current-term portion transferred to current assets	(2,364)	-
	5,641,508	5,611,757

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 50 basis points and is repayable in monthly instalments which have commenced. The nominal value of the loan is R6,799,943 (2019: R6,970,251). The loan is secured by a mortgage bond over Erf 113, Pretoria North. The loan is in arrears resulting in impairment of the loan. (Refer to note 17).

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

Loan amount	4,574,886	4,139,677
Prior years current-term portion reversed	100,834	80,487
Advance	-	78,849
Interest earned	417,364	467,707
Short-term payments received	(499,000)	(91,000)
Current-term portion transferred to current assets	-	(100,834)
	4,594,084	4,574,886

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 50 basis points rate and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R3,968,531 (2019: R4,675,720). The loan is secured by a mortgage bond over Erf 533 & 534, Germiston.

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3. Loans and receivables from exchange transactions (continued)

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

Loan amount	3,442,299	3,563,682
Prior years current-term portion reversed	74,214	68,701
Interest earned	318,327	327,547
Short-term payments received	(394,500)	(476,500)
Interest amortised using effective interest rate	37,881	33,083
Impairment	(67,376)	-
Current-term portion transferred to current assets	(83,124)	(74,214)
	3,327,721	3,442,299

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 100 basis points and is repayable in monthly instalments which have commenced. The nominal value of the loan is R4,594,084 (2019:R4,044,705). The loan was impaired due to late payments. (Refer to note 17). The loan is secured by a mortgage bond over Erf 72, Kempton Park.

Hectofield (Pty) Ltd - Erf 644, Pretoria North

Loan amount	4,683,845	1,533,194
Prior years loan and receivables transferred to current assets held-for-trade	5,722,099	-
Advance	3,116,787	9,039,253
Interest earned	1,048,053	358,009
Short-term payments received	(7,656,971)	-
Social benefit adjustment	(140,658)	(668,225)
Interest amortised using effective interest rate method	188,622	143,713
Impairment	(6,347)	-
Loan and receivables transferred to current assets held-for-trade	(1,363,417)	(5,722,099)
	5,592,013	4,683,845

The loan facility to Hectofield (Pty) Ltd - Erf 644, Pretoria North comprises of an interest-free loan of R2,000,000, a interest-bearing loan of R3,971,100 and a senior loan of R8,491,400. The interest-free facility is for 10 years and commences in June 2022. The interest-bearing facility is for 20 years, bears interest at a staggered JIBAR rate and is repayable in monthly instalments which commence in September 2019. The senior loan facility is for 20 years, bears interest at prime and is repayable in monthly instalments which have commenced. The nominal value of the loan is R8,564,984 (2019: R12,056,740). The loan is secured by a mortgage bond over Erf 644, Pretoria North. The loan was impaired due to late payments. (Refer to note 17).

Highlands Urban Living (Pty) Ltd - Highlands Lofts

Loan amount	3,857,325	4,162,145
Prior years current-term portion reversed	372,145	401,075
Interest earned	468,828	616,199
Short-term payments received	(1,960,034)	(455,000)
Interest amortised using effective interest rate	199,272	130,218
Impairment	(757,567)	(625,167)
Current-term portion transferred to current assets	-	(372,145)
	2,179,969	3,857,325

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 200 basis points and the is repayable in monthly instalments that have commenced. The nominal value of the loan is R4,053,609 (2019: R5,552,701). The loan is secured by a mortgage bond over Erf 3 & 4 Highlands, Johannesburg. The loan is in litigation and was impaired due to non-payment. (Refer to note 17).

Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Portion 484 (a portion of portion 125) of the farm Hartebeeshoek 303, Gauteng

Loan amount	15,817,908	15,303,365
Prior years current-term portion reversed	260,592	85,771
Interest earned	1,385,335	1,391,511
Short-term payments received	(1,928,219)	(492,000)
Interest amortised using the effective interest rate	258,767	242,160
Impairment	-	(452,307)
Current-term portion transferred to current assets	(307,595)	(260,592)
	15,486,788	15,817,908

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3. Loans and receivables from exchange transactions (continued)

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 50 basis points and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R18,319,543 (2019: R18,862,420). The loan is secured by a mortgage bond over Portion 484 (a portion of portion 125) of the farm Hartebeeshoek 303, Gauteng. The loan was restructured resulted in an impairment. (Refer to note 17).

Ifizo (Pty) Ltd - Erf 733, Pretoria North

Loan amount	15,795	14,333
Interest amortised using effective interest rate	1,615	1,462
	17,410	15,795

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 R273,827 (2018: R273,827). The loan is in litigation.

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

Loan amount	5,554,645	5,410,980
Prior years current-term portion transferred to current assets	410,463	312,429
Interest earned	720,033	463,731
Short-term payments received	(579,810)	(185,626)
Interest amortised using effective interest rate method	189,503	232,482
Impairment	(109,429)	(268,888)
Current-term portion transferred to current assets	(575,179)	(410,463)
	5,610,226	5,554,645

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 9 years and is repayable in 5 equal instalments commencing in July 2019. The interest-bearing facility is for 23 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R7,567 525 (2019: R7,427,302). The loan is secured by a mortgage bond over Erf 953-956, Berea. The loan was impaired as a result of short-payments. (Refer to note 17). The GPF has taken cession of the rental income.

Indigo Kulani Properties (Pty) Ltd - Erf 1676, Benoni

Loan amount	7,784,586	7,866,463
Prior years current-term portion reversed	216,524	165,955
Interest earned	1,107,357	665,076
Short-term payments received	(1,072,026)	(840,000)
Interest amortised using effective interest rate	78,121	168,450
Impairment	(127,540)	(24,834)
Current-term portion transferred to current assets	(250,838)	(216,524)
	7,736,184	7,784,586

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 R9,411,352 (2019: R9,376,021). The loan is secured by a mortgage bond over Erf 1676, Benoni. The loan is being restructured resulting in impairment of the loan. (Refer to note 17).

Johannesburg Housing Company (Pty) Ltd - Hlanganani

Loan amount	6,060,884	7,218,429
Prior years short-term portion reversed	980,175	918,661
Interest earned	238,137	260,184
Short-term payments earned	(1,838,766)	(1,893,541)
Interest amortised using effective interest rate method	481,476	537,326
Current-term portion transferred to current assets	(1,101,820)	(980,175)
	4,820,086	6,060,884

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3. Loans and receivables from exchange transactions (continued)

The 15 year loan facility of R20,000,000 to Johannesburg Housing Company (Pty) Ltd - Hlanganani bears interest at prime less 7% and the monthly instalments have commenced. The nominal value of the loan is R7,364,796 (2019: R8,655,658). The loan is secured by a mortgage bond over Erf 15604, Cosmo City Extension 6.

Johannesburg Housing Company (Pty) Ltd - 117 Pritchard Street

Loan amount	5,810,151	6,516,145
Prior years current-term portion reversed	423,305	399,603
Interest earned	549,162	617,866
Short-term payments received	(1,332,569)	(1,409,371)
Interest amortised using effective interest rate	108,124	109,213
Current-term portion transferred to current assets	(459,780)	(423,305)
	5,098,393	5,810,151

The 15 year loan facility of R11,175,110 to Johannesburg Housing Company (Pty) Ltd - 117 Pritchard Street bears interest at a staggered JIBAR plus 50 basis points rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R6,063,436 (2019: R6,846,807). The loan is secured by a mortgage bond over Erf 4453, City of Johannesburg.

Johannesburg Housing Company (Pty) Ltd - Crest Hotel

Loan amount	7,029,329	8,056,739
Prior period current-term portion reversed	494,592	479,847
Interest earned	637,489	734,643
Short-term payments received	(1,820,785)	(1,923,997)
Interest amortised using effective interest rate	174,345	176,689
Current-term portion to current assets	(519,572)	(494,592)
	5,995,398	7,029,329

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 50 basis points and is repayable in monthly instalments which have commenced. The nominal value of the loan is R7,364,796 (2019: R8,548,092). The loan is secured by a mortgage bond over Erf 212, 214 & 216, City of Johannesburg.

KDM Properties (Pty) Ltd - Erf 403, Johannesburg

Loan amount	3,328,273	3,541,327
Prior years current-term portion reversed	191,859	167,258
Interest earned	293,335	302,725
Short-term payments received	(564,000)	(564,000)
Interest amortised using effective interest	60,516	72,822
Current-term portion transferred to current assets	(221,261)	(191,859)
	3,088,722	3,328,273

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 50 basis points and is repayable in monthly instalments which commenced. The nominal value of the loan is R3,626,233. (2019: R3,896,898). The loan is secured by a mortgage bond over Erf 403, Johannesburg.

Kertrade CC - Erf 564 & 566, Springs

Loan amount	7,130,285	7,173,541
Prior years current-term portion reversed	133,861	127,195
Interest earned	767,598	943,717
Short-term payments received	(995,494)	(885,360)
Interest amortised	106,254	(73,083)
Impairment	(10,983)	(21,864)
Current-term portion transferred to current assets	(181,003)	(133,861)
	6,950,518	7,130,285

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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. The nominal value of the loan is R8,331,118 (2019: R8,559,013). The loan is secured by a mortgage bond over Erf 564 & 566, Springs. The loan was impaired due to late payment in the prior year. (Refer to note 17).

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

Loan amount	16,530,830	14,598,408
Prior period current-term portion reversed	718,644	567,621
Interest earned	315,722	2,770,339
Short-term payments received	-	(250,000)
Interest amortised using effective interest rate	323,083	(334,834)
Current portion transferred to current assets	-	(718,644)
Impairment	-	(102,060)
	17,888,279	16,530,830

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 50 basis points per annum and is repayable in monthly instalments which have commenced. The nominal value of the loan is R20,149,243 (2019: R19,833,521). The loan is secured over Erf 343, 344, 345, 346, 347, 348, 387, 388 and 389, New Doornfontein, Johannesburg. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17). The GPF has taken cession of the rental income.

Khwezi Enhle Investment (Pty) Ltd - Erf 102 Erasmus, Bronkhortspruit

Loan amount	244,288	-
Advance	4,220,672	273,770
Interest earned	230,759	9,092
Social benefit adjustment	(562,356)	(39,838)
Interest amortised using effective interest rate method	40,165	1,264
	4,173,528	244,288

The 20 year loan facility of R4,494,442 to Khwezi Enhle Investment (Pty) Ltd - Erf 102 Erasmus, Bronkhortspruit bears interest at a staggered JIBAR plus 50 basis point rate and is repayable in monthly instalments which commence in December 2020. The nominal value of the loan is R4,734,293 (2019: R282,862). The loan is secured by a mortgage bond over Erf 102, Bronkhortspruit.

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

Loan amount	1,734,394	1,591,550
Interest earned	68,085	58,273
Interest amortised using effective interest rate	114,711	112,927
Impairment	(36,067)	(28,356)
	1,881,123	1,734,394

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 9 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 50 basis points. The junior interest bearing facility should have commenced. The loan is secured by a mortgage bond over - Erf 419 and Erf 420 Cresslawn, Kempton Park. The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer to note 17). The nominal value of the loan is R2,472,484 (2019: R2,404,399). The interest on this has been suspended as the loan is in litigation.

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

Loan amount	3,044,347	2,244,991
Prior years loans and receivables held-for-trade reversed	4,581,260	5,189,840
Interest earned	480,570	382,642
Advance	387,565	-
Short-term payments received	(4,842,725)	-
Social benefit adjustment	(15,669)	(118,504)
Interest amortised using effective interest rate	117,904	109,156
Impairment	(17,978)	(182,518)

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3. Loans and receivables from exchange transactions (continued)

Loan and receivables transferred to current assets held-for-trade	(103,100)	(4,581,260)
Current-term portion transferred to current assets	(25,535)	-
	3,606,639	3,044,347

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 October 2023. The interest-bearing facility is for 21 years, bears interest at a staggered JIBAR plus 50 basis points rate and is repayable in monthly instalments commencing in April 2019. The loan was impaired due to the restructure of the loan facility. (Refer to note 16). The nominal value of the loan is R4,702,805 (2019: R8,677,025). The loan is secured by a mortgage bond over Erf 436 & 437, Bellevue. The loan was restructured due to delays in construction (Refer to note 17).

Lakeside Developments (Pty) Ltd - Erf 1373, Leachville

Loan amount	1,621,670	1,510,766
Interest earned	-	63,717
Interest amortised using effective interest rate	110,457	96,729
Impairment	(61,896)	(49,542)
	1,670,231	1,621,670

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 should have commenced. The senior interest loan bears interest at prime plus 1% and has not yet commenced. The nominal value of the loan is R2,166,997 (2019: R2,166,997). The loan is secured by a mortgage bond over Erf 1373, Leachville. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17). The interest on this has been suspended.

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

Prior years current-term portion reversed	900,000	900,000
Prior years provision for doubtful debts reversed	1,567,447	1,397,986
Interest earned	-	121,459
Interest amortised using effective interest rate	142,511	126,583
Impairment	(598,194)	(78,581)
Provision for doubtful debts	(211,764)	(1,567,447)
Current-term portion transferred to current assets	(1,800,000)	(900,000)
	-	-

The 20 year loan of R11,157,024 to Landpoint (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 9 years and is repayable in annual instalments which should have commenced. The interest-bearing facilities are for 20 years. The junior interest-bearing facility bears interest at a staggered JIBAR plus 50 basis points 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 project is in litigation and non-payments have resulted in impairment (Refer to note 17). Management has provided for a loss of R211,764. (Refer to note 29). The nominal value of the loan is R3,003,723 (2019: R3,003,723). The interest on this has been suspended.

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

Loan amount	3,179,060	3,277,594
Prior period current-term portion reversed	183,068	1,688,585
Interest earned	425,634	355,057
Short-term payments received	(406,100)	(1,959,108)
Interest amortised using effective interest rate method	14,595	-
Current-term portion transferred to current assets	(170,302)	(183,068)
	3,225,955	3,179,060

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3. Loans and receivables from exchange transactions (continued)

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 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 R3,284,539 (2019: R3,362,129). 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	3,516,459	3,357,784
Prior years current-term portion reversed	316,805	228,659
Interest earned	314,292	336,562
Short-term payments received	-	(67,000)
Advance	-	51,720
Social benefit adjusted	-	(6,443)
Interest amortised using effective interest rate method	190,421	150,876
Impairment	(296,344)	(218,894)
Current-term portion transferred to current assets	(489,943)	(316,805)
	3,551,690	3,516,459

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 8 years and is repayable in 5 equal instalments which should have commenced. The interest-bearing facility is for 20 years, bears interest at a staggered JIBAR rate and its monthly payments have commenced. The nominal value of the loan is R5,352,689 (2019: R5,038,397). The loan is secured by a mortgage bond over Erf 1952, Malvern, Johannesburg. The loan was impaired due to non-payment. (Refer to note 17 and 29).

Lukataedi (Pty) Ltd - Erf 739, Pretoria North

Loan amount	10,740,487	10,370,186
Prior years current-term portion reversed	428,370	77,170
Prior years loan and receivables transferred to current assets held-for-trade	4,294,307	4,479,307
Interest earned	1,417,242	1,264,296
Short-term payments received	(4,349,307)	(891,000)
Social benefit adjustment	(48,623)	(48,809)
Interest amortised using effective interest rate	305,480	273,123
Impairment	(538,561)	(61,109)
Loan and receivables transferred to current assets held-for-trade	-	(4,294,307)
Current-term portion transferred to current assets	(588,032)	(428,370)
	11,661,363	10,740,487

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. The interest-free facility is for 9 years and is repayable in 5 equal instalments which should have commenced. The interest bearing facility is for 20 years, bears interest at a staggered JIBAR plus 50 basis points and monthly repayments have commenced. The nominal value of the loan is R14,238,207 (2019: R17,169,969). The loan is secured by a mortgage bond over Erf 739, Pretoria North. The loan was impaired due to late payment. (Refer to note 17).

Madulamoho Housing Association - Allenby House

Loan amount	1,186,623	1,380,737
Prior period current-term portion reversed	183,093	165,914
Interest earned	87,016	103,195
Short-term payments received	(348,000)	(348,000)
Interest amortised using effective interest rate	65,379	67,870
Current-term portion transferred to current assets	(211,039)	(183,093)
	963,072	1,186,623

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 R1,327,801 (2019: R1,588,785). The loan is secured by a mortgage bond over Erf 4880, Hillbrow, Johannesburg Township.

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3. Loans and receivables from exchange transactions (continued)

Madulamoho Housing Association - Fleurhof Views

Loan amount	13,585,086	14,316,995
Prior years current-term portion reversed	1,240,975	1,633,547
Interest earned	1,268,127	1,399,344
Short-term payments received	(2,760,000)	(2,660,000)
Interest amortised using effective interest rate	208,380	214,762
Impairment	-	(78,587)
Current-term portion transferred to current assets	(1,408,726)	(1,240,975)
	12,133,842	13,585,086

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 R14,300,966 (2019: R17,169,969). The was restructured which resulted in an impairment. (Refer to note 17). The loan is secured by a mortgage bond over Erf 691 to 698, Fleurhof Extension two.

Madulamoho Housing Association - Jabulani

Loan amount	15,495,767	16,638,415
Prior year current-term portion reversed	1,136,111	1,022,975
Interest earned	1,382,492	1,487,975
Short-term payments received	(2,866,000)	(2,816,000)
Interest amortised using effective interest rate	296,314	298,513
Current-term portion transferred to current assets	(1,270,132)	(1,136,111)
	14,174,552	15,495,767

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 R16,705,927 (2019: R18,189,426). The loan is secured by a mortgage bond over Erf 2605 Jabulani, Soweto, Johannesburg.

Mahlahla Advanced Dynamics CC - Erf 442, Wolmer, Pretoria

Loan amount	8,284,554	7,643,035
Prior years loan and receivables transferred to current assets held-for-trade	-	8,813,175
Prior years current-term portion transferred to current assets	43,247	-
Advance	-	66,371
Interest earned	438,134	705,416
Short-term payments received	-	(8,831,712)
Social benefit adjustment	-	(11,793)
Interest amortised using effective interest rate	195,741	182,811
Impairment	-	(239,502)
Current-term portion transferred to current assets	-	(43,247)
	8,961,676	8,284,554

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 50 basis points and repayments have commenced. The nominal value of the loan is R10,747,239 (2019: R9,684,803). 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 loan was impaired due to non-payment. (Refer to note 17 and 29). The GPF has taken cession of the rental income.

Makabongwe Property Holding (Pty) Ltd - Erf 983, Johannesburg

Loan amount	8,017,208	8,020,985
Prior years current-term portion transferred to current assets reversed	150,655	145,231
Prior years loans and receivables transferred to current assets held-for-trade	-	8,355,536
Advance	-	46,828
Interest earned	1,332,438	1,141,892
Social benefit adjustment	-	(10,392)
Short-term payments received	(711,229)	(9,518,339)
Interest amortised using effective interest rate	48,058	92,883
Impairment	(35,400)	(106,761)

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3. Loans and receivables from exchange transactions (continued)

Current-term portion transferred to current assets	(208,617)	(150,655)
	8,593,113	8,017,208

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. The junior loan bears interest at a staggered JIBAR rate plus 50 basis points and is repayable in monthly instalments which have commenced. The nominal value of the loan is R10,133,295 (2019: R9,512,228). The loan is secured by a mortgage bond over Erf 983, Johannesburg. The loan was impaired due to late payment. (Refer to note 17). The GPF has taken cession of the rental income.

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

Loan amount	4,322,714	3,556,519
Prior years loans and receivables transferred to current held-for-trade reversed	-	5,613,089
Advance	-	510,655
Interest earned	363,631	678,166
Short-term payments received	-	(6,123,744)
Social benefit adjustment	-	(52,665)
Interest amortised using the effective interest rate method	103,318	140,694
Impairment	(527,793)	-
	4,261,870	4,322,714

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 2022. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 50 basis points and repayments commence in April 2019. The loan was impaired due to late payments. The nominal value of the loan is R6,087,713 (2019: R5,224,082). The loan is secured by a mortgage bond over portion 0 of Erf 2909, Jeppestown.

Meilijian Construction and Development CC - Erf 24, Kempton Park

Loan amount	7,379,403	7,576,455
Prior period current-term portion	201,416	159,349
Interest earned	684,798	666,009
Short-term payments received	(1,004,000)	(883,467)
Interest amortised using effective interest rate	110,470	145,244
Impairment	(10,589)	(82,771)
Current-term portion transferred to current assets	(232,637)	(201,416)
	7,128,861	7,379,403

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 plus 50 basis points rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R8,398,410 (2019: R8,717,084). The loan is secured by a mortgage bond. The loan was impaired as a result of late payment. (Refer to note 17).

Meilijian Construction and Development CC - Erf 1614, Kempton Park

Loan amount	8,285,480	8,422,716
Prior years current-term portion reversed	197,708	181,099
Interest earned	786,937	810,542
Short-term payments	(1,083,000)	(959,022)
Interest amortised using effective interest rate method	68,400	67,157
Impairment	(5,634)	(39,304)
Current-term portion transferred to current assets	(255,792)	(197,708)
	7,994,099	8,285,480

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 50 basis points and is repayable in monthly instalments that have commenced. The senior loan bears interest at prime and is repayable in monthly instalments that have commenced. The nominal value of the loan is R8,781,619 (2019: R9,077,684). The loan is secured by a mortgage bond over Erf 1614, Kempton Park. The loan was impaired due as a result of late payment. (Refer to note 17). The GPF is now funding 100% of the loan.

Meilijian Construction and Development CC - Erf 27, Kempton Park

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3. Loans and receivables from exchange transactions (continued)

Loan amount	8,158,508	8,365,206
Prior years current-term portion reversed	201,244	162,354
Interest earned	749,195	740,218
Short-term payment received	(1,095,000)	(984,511)
Interest amortised using effective interest rate method	137,768	167,192
Impairment	(13,113)	(90,707)
Current-term portion transferred to current assets	(242,612)	(201,244)
	7,895,990	8,158,508

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 plus 50 basis points rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R9,395,353 (2019: R9,741,159). The loan is secured by a mortgage bond over Erf 27, Kempton Park. The loan was impaired as a result of late payment. (Refer to note 17).

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

Loan amount	7,175,624	14,149,499
Prior years current-term portion reversed	90,859	229,484
Interest earned	92,976	1,081,396
Short-term payments received	(2,063,784)	(8,234,026)
Interest amortised using the effective interest rate	150,374	40,130
Impairment	(8,452)	-
Current-term portion transferred to current assets	(74,658)	(90,859)
	5,362,939	7,175,624

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 50 basis points rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R7,365,676 (2019: R9,650,608). 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 loan was impaired due to late payment. (Refer to note 17).

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

Loan amount	1,593,371	1,548,267
Prior years current-term portion reversed	149,126	110,836
Advance	178,200	-
Interest earned	211,060	103,408
Social benefit adjustment	(97,932)	-
Interest amortised using effective interest rate method	126,182	80,214
Impairment	(28,449)	(100,228)
Current-term portion transferred to current assets	-	(149,126)
	2,131,558	1,593,371

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 9 years and is repayable in 5 equal instalments which should have commenced. The interest-bearing facility is for 24 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R2,550,548 (2019: R2,161,287). The loan is secured by a mortgage bond over Erf 658, Troyeville, Johannesburg. The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer to note 17).

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

Loan amount	3,905,558	4,524,444
Prior years current-term portion reversed	169,162	261,140
Short-term payments received	(474,000)	(1,120,000)
Interest earned	317,685	302,505
Interest amortised using effective interest rate method	155,684	172,844
Impairment	(45,861)	(66,213)
Current-term portion transferred to current assets	(235,084)	(169,162)
	3,793,144	3,905,558

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3. Loans and receivables from exchange transactions (continued)

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 10 years and is repayable monthly instalments which have commenced. 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 have commenced. The nominal value of the loan is R4,852,005 (2019: R5,022,416). The loan is secured by a mortgage bond over Erf 1815, Pretoria North. The loan was impaired as a result of late payment. (Refer to note 17).

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

Loan amount	8,619,405	9,144,527
Prior years current-term portion reversed	425,222	398,948
Prior years receivables transferred to current assets held-for-trade reversed	-	9,135,593
Advance	-	56,881
Interest earned	834,446	767,393
Short-term payments received	(1,271,978)	(10,643,619)
Social benefit adjustment	-	(12,612)
Impairment	(179,521)	(60,911)
Interest amortised using effective interest rate method	236,268	258,427
Current-term portion transferred to current assets	(458,088)	(425,222)
	8,205,754	8,619,405

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. The interest-free facility is for 9 years and is repayable in 5 equal instalments which have commenced. The interest-bearing facility is for 20 years. The junior interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R10,217,290 (2019: R10,566,306). The loan is secured by a mortgage bond over Erf 978, Pretoria North. The loan was impaired as a result of late payment. (Refer to note 17). The GPF has taken cession of the rental income.

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

Loan amount	12,151,940	11,485,108
Prior years current-term portion reversed	61,662	55,921
Prior years receivables transferred to current assets held-for-trade	-	13,086,217
Advance	-	75,971
Interest earned	941,409	924,998
Short-term payments received	-	(13,488,347)
Social benefit adjustment	-	(17,992)
Interest amortised using effective interest rate method	367,844	327,539
Impairment	(400,201)	(235,813)
Current-term portion transferred to current assets	-	(61,662)
	13,122,654	12,151,940

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 which have commenced. The nominal value of the loan is R16,038,758 (2019: R15,097,346). The loan is secured by a mortgage bond over Erf 2551, 2552 & 2553, Fleurhof Ext 20. The loan was impaired as a result of non-payment. (Refer to note 17). In the prior year, 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	1,721,559	1,690,798
Prior years current-term portion reversed	231,183	168,563
Interest earned	93,469	81,779
Interest amortised using effective interest rate	124,912	119,873
Impairment	(119,657)	(108,271)
Current-term portion transferred to current assets	(333,409)	(231,183)
	1,718,057	1,721,559

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3. Loans and receivables from exchange transactions (continued)

The 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 9 years and is repayable in 5 equal instalments which should have commenced. The interest-bearing facility is for 20 years and bears interest at a JIBAR plus 50 basis points and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R2,531,484 (2019: R2,461,244). 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 17).

Ninarich Trading 3 (Pty) Ltd - Betty Street Precinct

Loan amount	15,824,121	16,005,284
Prior years current-term portion reversed	427,767	330,827
Interest earned	2,680,153	1,392,637
Short-term payments received	-	(1,516,500)
Interest amortised using effective interest rate	(366,928)	302,497
Impairment	(3,133,697)	(262,857)
Current-term portion transferred to current assets	-	(427,767)
	15,431,416	15,824,121

The 20 year loan facility of R17,766,740 to Ninarich Trading 3 (Pty) Ltd - Betty Street Precinct is interest-bearing at JIBAR plus 50 basis points and is repayable in monthly instalments which have commenced. The nominal value of the loan is R21,363,485 (2019: R18,683,333). The loan is in litigation and was impaired due to non-payment. (Refer to note 18). 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.

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

Loan amount	6,638,166	6,268,129
Prior years current-term portion reversed	31,939	24,050
Interest earned	537,463	499,121
Interest amortised using effective interest rate method	281,847	236,405
Impairment	(412,193)	(357,600)
Current-term portion transferred to current assets	(49,972)	(31,939)
	7,027,250	6,638,166

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 14 year and is repayable in monthly instalments commencing in October 2021. The interest-bearing facility is for 24 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 R9,339,382 (2019: R8,801,909). The loan is secured by a mortgage bond over Erf 10 & 11, Hunter Street. The loan needs to be restructured due to delays in construction resulting in impairment on the loan. (Refer to note 17).

Norvena Property Consortium

Loan amount	16,948,077	18,002,797
Prior years current-term portion reversed	821,738	751,362
Interest earned	1,397,568	1,489,088
Short-term payments received	(2,796,000)	(2,892,683)
Interest amortised using effective interest rate	429,094	449,101
Impairment	(27,957)	(29,850)
Current-term portion transferred to current assets	(985,173)	(821,738)
	15,787,347	16,948,077

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 R19,208,865 (2019: R20,607,297). 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 a result of late payment. (Refer to note 17). Norvena Property Consortium - Norvena Court and Norvena Property Consortium - O' Reilly Street and amalgamated into one loan during the year.

Ordicode (Pty) Ltd - Erf 2242, 2243, 2248 and 2249, Johannesburg

Loan amount	16,654,139	3,308,908
Prior years current-term portion transferred to current assets	136,473	-

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3. Loans and receivables from exchange transactions (continued)

Advance	249,500	15,206,035
Interest earned	2,116,651	1,035,518
Social benefit adjustment	(26,052)	(2,576,882)
Short-term payments received	(820,000)	-
Interest amortised using effective interest rate	396,717	358,897
Impairment	(286)	(541,864)
Current-term portion transferred to current assets	(125,827)	(136,473)
	18,581,315	16,654,139

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 which have commenced. The nominal value of the loan is R21,672,120(2019: R20,710,604). The loan is secured by a mortgage bond over Erf 2242, 2243 and 2249, Johannesburg. The loan was restructured which resulted in an impairment. (Refer to note 17).

Phahamo Resources (Pty) Ltd - Erf 8993 Olievenhoutbosch Ext 36, Centurion

Loan amount	14,031,552	13,451,306
Prior years receivables transferred to current assets held-for-trade reversed	89,500	17,626,700
Advance	-	86,831
Short-term payments received	(1,581,729)	(18,465,700)
Interest earned	1,080,387	1,168,618
Social benefit adjustment	-	(19,099)
Interest amortised using effective interest rate	336,611	306,670
Impairment	(15,726)	(34,274)
Current-term portion transferred to current assets	(111,821)	(89,500)
	13,828,774	14,031,552

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. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in July 2021. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 50 basis points rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R16,342,160 (2019: R16,832,501). The loan is secured by a mortgage bond over Erf 8993 Olievenhoutbosch Ext 36, Centurion. The loan was impaired as a result of non-payment.(Refer to 17). The GPF has taken cession of the rental income.

Property Best Investment (Pty) Ltd - Erf 3834 ,Eersterus, Ext 6

Loan amount	23,220,662	21,204,763
Prior years current-term portion reversed	444,323	411,283
Prior years receivables transferred to current assets held-for-trade	1,685,693	6,561,518
Advance	1,189,002	19,514,080
Interest earned	4,469,844	2,322,806
Short-term payment received	(230,000)	(24,139,904)
Social benefit	(28,137)	(69,431)
Interest amortised using effective interest rate method	200,565	411,219
Loan and receivables transferred to current assets held-for-trade	(2,874,696)	(1,685,693)
Impairment	(214,713)	(865,656)
Current-term portion transferred to current assets	(1,413,198)	(444,323)
	26,449,345	23,220,662

The loan 20 year loan facility to Property Best Investment (Pty) Ltd - Erf 3834, Eersterus, Ext 6 comprises of a junior interest-bearing facility of R22,918,251 and a senior interest-bearing facility of R34,627,466. The junior interest-bearing facility bears interest at a staggered JIBAR plus 50 basis points and is repayable in monthly instalments which should have commenced. The senior interest-bearing facility bears interest at JIBAR plus 550 basis points and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R33,956,192 (2019: R28,508,779). 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). The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 17).

Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871, Albertville, Randburg

Loan amount	2,706,668	2,608,331
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3. Loans and receivables from exchange transactions (continued)

Prior years receivables transferred to current assets held-for-trade reversed	366,814	3,415,447
Advance	-	385,865
Interest earned	332,562	196,343
Short-term payment received	(207,803)	(3,605,947)
Social benefit adjustment	(5,104)	(5,994)
Interest amortised using effective interest rate	85,965	92,808
Impairment	(6,577)	(13,371)
Loan and receivables transferred to current assets held-for-trade	(366,814)	(366,814)
Current-portion transferred to current assets	(56,231)	-
	2,849,480	2,706,668

The 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 R3,756,276. The interest-free facility is for 10 years and is repayable in monthly instalments which commence in November 2020. The junior interest-bearing facility bears interest at a staggered JIBAR rate and the monthly instalments repayments have commenced. The senior interest-bearing facility bears interest at prime and has not yet commenced. The nominal value of the loan is R3,881,062 (2019:R3,787,836). 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 was impaired as a result of non-payment. (Refer to note 17).

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

Loan amount	8,921,035	9,332,391
Prior years current-term portion reversed	194,699	183,402
Interest earned	888,918	718,851
Short-term payment received	(1,110,067)	(1,137,237)
Interest amortised using effective interest rate method	32,864	21,804
Impairment	(91,369)	(3,477)
Current-term portion transferred to current assets	(220,070)	(194,699)
	8,616,010	8,921,035

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 have commenced. The nominal value of the loan is R9,272,391 (2019: R9,493,541). The loan is secured by a mortgage bond over Erven 31, 32, 33, 59 & 60, Bertrams. The loan was impaired due to late payment. (Refer to note 16). 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	9,219,816	9,774,139
Prior years current-term portion reversed	921,219	827,486
Interest earned	651,162	942,971
Short-term payments received	(11,417,670)	(1,513,000)
Interest amortised using effective interest rate	894,758	167,049
Impairment	(269,285)	(57,610)
Current-term portion transferred to current assets	-	(921,219)
	-	9,219,816

The 15 year loan facility of R12,672,939 to Rainbow Beach Trading 261 (Pty) Ltd - Sondela Village Daggafontein and Suburban beared interest at a staggered JIBAR rate and was repayable in monthly instalments. The loan was settled in the current year. The nominal value of the loan is RNil (2019: R10,748,078). The loan was secured by a mortgage bond over Erf 101 and Erf 94, City and Suburban. The loan was impaired as a result of late payments. (Refer to note 17).

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

Loan amount	14,231,873	13,514,484
Prior years current- term portion transferred to current assets	74,070	-
Prior years receivables transferred to current assets held-for-trade	4,165,033	16,863,951
Advance	-	3,942,275
Interest earned	2,490,275	1,694,074
Short-term payments received	(4,375,033)	(16,641,193)
Social benefit adjustment	(5,491)	(96,479)
Interest amortised using effective interest rate	(163,205)	353,739

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3. Loans and receivables from exchange transactions (continued)

Impairment	(96,210)	(1,159,875)
Loans and receivables held-for-trade	-	(4,165,033)
Current-term portion transferred to current assets	(126,581)	(74,070)
	16,194,731	14,231,873

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 20 year interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in monthly instalments commencing in April 2019. The nominal value of the loan is R20,482,307 (2019: R22,366,434). The loan is secured by a mortgage bond over Erf 4862, Birch Acres, Ext 32. The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 17). 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).

Rivavect Investments (Pty) Ltd - Erf 2071, Roodepoort

Loan amount	3,799,355	4,046,927
Prior years current-term portion reversed	233,354	182,824
Interest earned	379,843	359,837
Short-term payments received	(658,800)	(631,000)
Interest amortised using effective interest rate method	32,063	76,346
Impairment	-	(2,225)
Current-term portion transferred to current assets	(264,534)	(233,354)
	3,521,281	3,799,355

The 15 year loan facility of R5,150,000 to Rivavect Investments (Pty) Ltd - Erf 2071, Roodepoort bears interest at a staggered JIBAR plus 125 basis points rate and is repayable in monthly instalments which commenced. The loan was impaired due to late payment. (Refer to note 17). The nominal value of the loan is R3,921,464 (2019: R4,200,421). The loan is secured by a mortgage bond over Erf 2071, Roodepoort.

Sabiglo (Pty) Ltd - Erf 301, Windsor West, Randburg

Loan amount	4,711,477	2,643,961
Advance	2,728,273	2,577,440
Interest earned	693,111	287,995
Social benefit adjustment	(390,201)	(349,261)
Interest amortised using effective interest rate	141,664	112,240
Impairment	-	(560,898)
Current-term portion transferred to current assets	(44,015)	-
	7,840,309	4,711,477

The 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 9 years and is repayable in 5 equal instalments commencing in February 2020. The interest-bearing facility is for 25 years and bears interest at a staggered JIBAR plus 50 basis points. The interest-bearing facility should have commenced in October 2016. The nominal value of the loan is R9,317,959 (2019: R6,019,211). The loan is secured by a mortgage bond over Erf 301, Windsor West, Randburg. The loan was impaired as a result of late payment. (Refer to note 17).

Sakhazonke Investment (Pty) Ltd - Erf 252, Kempton Park

Loan amount	790,321	715,204
Interest amortised using effective interest rate	83,195	75,117
	873,516	790,321

The 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 9 years and is repayable in annually instalments commencing in May 2023. The 20 year interest-bearing facility has not yet commenced. The nominal value of the loan is R1,273,839 (2019: R1,273,838). The loan is secured by a mortgage bond over Erf 252, Kempton Park. The loan is in litigation and in the process of being sold. The current years valuation and security on the loan is sufficient for a full recovery of amounts paid out.

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3. Loans and receivables from exchange transactions (continued)

Sam Lubbe Investment CC - Erf 1654, Germiston

Loan amount	9,260,431	8,174,834
Prior years current-term portion transferred to current assets reversed	107,900	93,241
Advance	-	200,000
Interest earned	837,173	1,168,093
Short-term payments received	(300,000)	-
Social benefit adjustment	-	(19,779)
Interest amortised using effective interest rate	221,759	(62,583)
Impairment	(217,499)	(185,475)
Current-term portion to transferred to current assets	(139,610)	(107,900)
	9,770,154	9,260,431

The 23 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 50 basis points and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R11,487,457 (2019: R10,950,647). The loan is secured by a mortgage bond over Erf 1654, Germiston. The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 17).

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

Loan amount	16,478,081	15,194,397
Prior years current-term portion reversed	308,104	-
Interest earned	1,906,122	1,771,788
Short-term payments received	(1,800,000)	(180,000)
Current-term portion transferred to current assets	-	(308,104)
	16,892,307	16,478,081

The 23 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. The interest-bearing loan bears interest at prime plus 1% rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R16,892,307 (2019: R16,478,081). The loan is secured by a mortgage bond over Erven 488, 489, 490, and 491, New Doornfontein. The loan is in litigation as the borrower is in breach.

Sethitho Projects (Pty) Ltd - Erf 1191, Rayton Extension 7

Loan amount	4,489,955	3,832,324
Prior years receivables transferred to current assets held-for-trade	-	5,705,083
Interest earned	653,972	627,170
Short-term payments received	(50,670)	(5,705,083)
Social benefit adjustment	-	(46,376)
Interest amortised using effective interest rate	50,502	140,279
Impairment	(21,152)	(63,442)
	(12,074)	-
	5,110,533	4,489,955

The loan facility to Sethitho Projects (Pty) Ltd - Erf 1191, Rayton Extension 7 comprises of an interest-free loan of R1,500,000, a junior interest-bearing loan of R2,761,300 and a senior loan of R5,791,900. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in February 2021. The 20 year interest-bearing facility bears interest at a staggered JIBAR plus 50 basis point rate and is repayable in monthly instalments which should have commenced. The nominal value of the loan is R6,209,785 (2019: R4,132,467). The loan was restructured due to delays in construction resulting in impairment of loan. (Refer to note 17). The loan is secured by a mortgage bond over Erf 1191 Rayton, Extension 7. The loan is in litigation as the borrower is in breach.

Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lofts

Loan amount	8,005,249	7,165,564
Prior years current-term portion reversed	-	115,075
Prior years loan and receivables transferred to current assets held-for-trade reversed	1,251,726	1,689,899
Advance	359,323	4,683,439
Interest earned	924,844	841,019
Short-term payments received	(172,786)	(5,021,611)

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3. Loans and receivables from exchange transactions (continued)

Social benefit adjustment	(22,123)	(36,521)
Interest amortised using effective interest rate method	137,233	116,812
Impairment	(84,964)	(296,701)
Loans and receivables transferred to current assets held-for-trade	(1,611,049)	(1,251,726)
Current-term portion transferred to current assets	(171,405)	-
	8,616,048	8,005,249

The 20 year 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 50 basis points and is repayable in monthly instalments commencing in January 2018. The nominal value of the loan is R11,796,424 (2019: R10,685,212). 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 loan was restructured due to delays in construction (Refer to note 17).

Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams

Loan amount	-	2,948,951
Prior years current-term portion reversed	900,000	-
Provision for doubtful debts reversed	2,208,866	-
Interest earned	-	148,905
Interest amortised using the effective interest rate	182,833	156,441
Impairment	(226,175)	(145,431)
Provision for doubtful debts	(2,165,524)	(2,208,866)
Current-term portion transferred to current assets	(900,000)	(900,000)
	-	-

The 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 9 years and repayments should have commenced. The 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 nominal value of the loan is R3,644,514 (2019: R3,644,514). The loan is secured by a mortgage bond over Erf 550, Bertrams, Johannesburg. The project is in litigation and non-payments have resulted in impairment (Refer to note 17). Management has provided for a loss of R2,165,524. (Refer to note 29). The interest on this has been suspended.

Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park

Loan amount	8,542,100	9,032,373
Prior years loans and receivables transferred to current assets held-for-trade	38,349	11,234,969
Loan and receivables transferred to current assets held-for-trade	175,000	-
Advance	403,766	2,243,284
Interest earned	749,933	615,956
Short-term payments received	(175,000)	(13,383,590)
Social benefit adjustment	(5,879)	(18,021)
Interest amortised using effective interest rate	207,322	242,340
Impairment	(190,391)	(1,211,862)
Loan and receivables transferred to current assets held-for-trade	(403,766)	(175,000)
Current-term portion transferred to current assets	-	(38,349)
	9,341,434	8,542,100

The loan facility to Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park comprises of a interest-free loan of R1,586,925, a junior interest-bearing loan of R5,482,763 and a senior interest-bearing loan of R10,555,978. The interest-free facility is for 17 years and is repayable in monthly instalments commencing in December 2025. The junior interest-bearing facilities are for 25 years. The junior interest-bearing facility bears interest at a staggered JIBAR rate and is repayable in monthly instalments which should have commenced. The senior interest-bearing loan bears interest at prime and is repayable in monthly instalments. The nominal value of the loan is R12,485,979 (2019: R12,192,485). The loan is secured by a mortgage bond over Erf 2682, Kempton Park. The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 17). 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).

SOA Residential Village (Pty) Ltd - Erf 1532, Selcourt, Springs

Loan amount	6,563,098	5,610,735
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3. Loans and receivables from exchange transactions (continued)

Prior years current-term portion reversed	-	244,720
Interest earned	488,481	879,885
Interest amortised	115,036	(2,179)
Impairment	(57,725)	(170,063)
	7,108,890	6,563,098

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 9 years and is repayable in 5 equal instalments commencing in September 2021. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments should have commenced. The nominal value of the loan is R8,807,242 (2019:R8,318,761). The loan is secured by a mortgage bond over Erf 1532, Selcourt, Springs. The project is in litigation and non-payments have resulted in impairment. (Refer to note 17).

Stormstrong (Pty) Ltd - Erf 299 Windsor, Randburg

Loan amount	3,466,757	1,070,626
Prior years loan and receivable transferred to current assets held-for-trade reversed	4,317,327	-
Advance	1,446,537	6,790,985
Interest earned	479,835	231,527
Short-term payments received	(4,937,380)	-
Social benefit adjustment	(60,212)	(382,757)
Interest amortised using effective interest rate	92,184	88,275
Impairment	(339,099)	(14,572)
Loan and receivable transferred to current assets held-for-trade	(631,084)	(4,317,327)
	3,834,865	3,466,757

The 20 year loan facility to Stormstrong (Pty) Ltd - Erf 299 Windsor, Randburg comprises of a interest-free loan of R900,000, a junior interest-bearing loan of R3,282,500 and a senior interest-bearing loan of R5,753,900. The interest-free facility is for 10 years and is repayable in monthly instalments commencing in April 2021. The interest-bearing facility is for 21 years and bears interest at a staggered JIBAR rate which have commenced. The senior interest-bearing bears interest at prime plus 50 basis points. The was restructured due to delays in construction resulting in impairment of the of the loan. (Refer to note 17).The nominal value of the loan is R5,570,389 (2019: R8,658,014). The loan is secured by a mortgage bond over Erf 299 Windsor, 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).

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

Loan amount	8,580,021	8,954,691
Prior years current-term portion reversed	368,298	42,895
Interest earned	768,072	670,500
Short-term payments received	(1,032,000)	(955,622)
Interest amortised using effective interest rate	247,132	235,855
Impairment	(143,692)	-
Current-term portion transferred to current assets	(484,859)	(368,298)
	8,302,972	8,580,021

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 9 years and is repayable in 5 equal instalments which should have commenced. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR plus 50 basis points rate and repayments have commenced. The nominal value of the loan is R10,873,040 (2019: R10,320,430). The loan was impaired due to late payment. (Refer to note 17).The loan is secured by a mortgage bond over Erf 4519, Johannesburg.

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

Loan amount	7,684,286	7,560,604
Prior years current-term portion reversed	252,338	-
Interest earned	1,338,884	642,820
Short-term payments received	(1,102,000)	(413,000)
Interest amortised using effective interest rate	159,406	158,359
Impairment	(33,833)	(12,159)
Current-term portion transferred to current assets	(316,506)	(252,338)
	7,982,575	7,684,286

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3. Loans and receivables from exchange transactions (continued)

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 instalments which have commenced. The loan is secured over Erf 1335, Pennyville. The nominal value of the loan is R9,424,351 (2019: R9,187,470). The project is in litigation and non-payments have resulted in impairment. (Refer to note 17).

Trust for Urban Housing Finance - Intuthuko (Pty) Ltd

Loan amount	12,307,803	11,131,256
Prior years current-term portion reversed	-	3,612,851
Interest earned	1,052,481	1,152,748
Short-term payments received	-	(4,026,730)
Interest amortised using effective interest rate	238,886	437,678
Current term portion transferred to current assets	(13,599,170)	-
	-	12,307,803

The loan facility of R10,000,000 was made available from our Emerging Entrepreneur Fund to enable the Trust for Urban Housing Finance - Intuthuko (Pty) Ltd. The second tranche of R8,000,000 bears interest at prime less 4.16%. The second tranche's final repayment was received during the year. 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 R13,712,876 (2019: R12,660,395).

Tsebo Consumables Supplies (Pty) Ltd - Erf 256, Kempton

Loan amount	3,593,677	3,366,333
Prior years current-term portion reversed	-	2,899
Interest earned	454,364	401,468
Interest amortised using effective interest rate	40,193	(22,680)
Impairment	(26,590)	(154,343)
	4,061,644	3,593,677

The 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 15 years and is repayable in monthly instalments commencing in September 2021. The interest-bearing facility is for 24 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R5,334,044 (2019: R4,879,680). The loan is secured by a mortgage bond over Erf 256, Kempton Park, Ekurhuleni. The loan was impaired due to non-payment. (Refer to note 17). The GPF has taken cession of the rental income.

Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein

Loan amount	3,164,158	3,043,150
Prior years current-term portion reversed	244,908	179,705
Advance	-	28,962
Interest earned	247,275	220,961
Social benefit adjustment	-	(5,729)
Interest amortised using effective interest rate method	149,558	138,351
Impairment	(223,629)	(196,334)
Current-term portion transferred to current assets	(340,593)	(244,908)
	3,241,677	3,164,158

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 9 years and is repayable in 5 equal instalments which should have commenced. The interest-bearing facility is for 20 years and bears interest at staggered JIBAR rate and is repayable in monthly instalment which should have commenced. The nominal value of the loan is R4,479,543 (2019: R4,232,269). The loan is secured by a mortgage bond over Erf 52 & 53, New Doornfontein. The loan was restructured due to delays in construction. This resulted in an impairment of the loan. (Refer to note 17).

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

Loan amount	7,736,685	7,555,306
Prior years current-term portion reversed	548,939	388,754
Prior years loans and receivables transferred to current assets held-for-trade	-	6,432,036
Interest earned	615,157	579,313
Short-term payments received	(45,000)	(6,685,356)
Social benefit adjustment	-	(2,460)

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3. Loans and receivables from exchange transactions (continued)

Interest amortised using effective interest rate	289,738	265,460
Impairment	(491,660)	(247,429)
Current-term portion transferred to current assets	(764,433)	(548,939)
	7,889,426	7,736,685

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 R4,172,00. The interest-free facility is for 9 years and is repayable in monthly instalments which should have commenced. 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 nominal value of the loan is R10,339,999 (2019: R9,770,308). The loan was impaired due to non-payment. (Refer to note 17).

Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350 Eldorette Ext 34, Pretoria North

Loan amount	3,591,361	3,283,237
Advance	-	75,659
Interest earned	230,108	213,499
Social benefit adjustment	-	(11,830)
Interest amortised	172,937	148,120
Impairment	(156,976)	(117,324)
	3,837,430	3,591,361

The 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 should have commenced. The nominal value of the loan is R5,031,481 (2019: R4,801,373). The loan is secured by a mortgage bond over Erf 347, 348, 349 and 350, Eldorette Ext. The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 17).

Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102

Loan amount	12,805,203	-
Advance	52,527,607	13,123,020
Interest earned	4,776,315	334,311
Social benefit adjustment	(1,376,162)	(655,713)
Interest amortised using effective interest rate	60,226	3,585
Loan and receivable transferred to current assets held-for-trade	(28,496,610)	-
	40,296,579	12,805,203

The 20 year loan facility to Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102 comprises of a interest-bearing loan of R15,807,719. The loan bears interest at JIBAR plus 50% basis points and is repayable monthly instalments commencing in December 2020. The loan is secured by a mortgage bond over Erf 265, Roodepoort, Gauteng. The nominal value of the loan is R70,761,252 (2019: R13,977,331). 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).

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

Loan amount	9,476,715	9,726,829
Prior years current-term portion reversed	236,656	192,139
Interest earned	424,916	840,077
Short-term payments received	(511,000)	(1,215,500)
Interest amortised using effective interest rate	78,760	169,826
Impairment	(12,332)	-
Current-term portion transferred to current assets	(9,693,715)	(236,656)
	-	9,476,715

The 20 year loan facility of R11,593,786 to Xanado Trade or Invest 614 (Pty) Ltd - Erf 324, Princess Ext 49 beared interest at JIBAR plus 50 basis points rate and was repayable in monthly instalments. The nominal value of the loan is RNil (2019: R11,069,205). The loan was impaired due to late payment. (Refer to note 17). The loan was secured by a mortgage bond over Erf 324, Princess Ext 49, Roodepoort.

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3. Loans and receivables from exchange transactions (continued)**Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa unit 2**

Loan amount	1,323,391	1,187,713
Prior years current-term portion reversed	30,258	24,479
Interest earned	-	141,457
Current-term portion transferred to current assets	(900,000)	(30,258)
Provision for doubtful debts	(453,649)	-
	-	1,323,391

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 R1,353,649 (2019: R1,353,649). The loan is in litigation. Management has provided for a loss of R453,649. (Refer to note 29). The interest on this has been suspended.

Yeast City Housing (Pty) Ltd - Thembelihle Village

Loan amount	46,415,656	44,350,262
Prior years current-term portion reversed	675,458	-
Interest earned	3,753,542	3,808,206
Short-term payments received	(5,113,900)	(1,860,000)
Interest amortised using effective interest rate method	940,894	858,336
Impairment	(58,186)	(65,690)
Current-portion transferred to current assets	(808,794)	(675,458)
	45,804,670	46,415,656

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 have commenced. The nominal value of the loan is R53,571,435 (2019: R54,931,793). The loan is secured by a mortgage bond over Erf 3020, Pretoria, Tshwane. The loan was impaired due to late payment. (Refer to note 17).

Yeast City Housing (Pty) Ltd - Salvokop

Loan amount	4,429,861	4,740,155
Prior years current-term portion reversed	127,455	249,304
Interest earned	428,871	433,459
Short-term payments received	(586,000)	(845,163)
Interest amortised using effective interest rate method	64,940	78,562
Impairment	(5,607)	(99,001)
Current-term portion transferred to current assets	(149,182)	(127,455)
	4,310,338	4,429,861

The 20 year loan facility of R7,221,660 to Yeast City Housing (Pty) Ltd - Salvokop bears interest at a staggered JIBAR rate and monthly instalments have commenced. The was loan was restructured which resulted in an impairment. (Refer to note 17). The nominal value of the loan is R5,022,713 (2019: R5,179,843). The loan is secured by a mortgage bond over Erf 4, Salvokop, Pretoria.

Yeast City Housing (Pty) Ltd - Tau Village

Loan amount	3,460,458	3,641,196
Prior year current-term portion transferred to current assets	497,618	489,405
Interest earned	137,503	159,690
Short-term payments received	(837,100)	(459,918)
Interest amortised using effective interest rate	278,225	267,757
Impairment	(12,638)	(140,054)
Current-term portion transferred to current assets	(588,730)	(497,618)
	2,935,336	3,460,458

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 monthly instalments which have commenced. The nominal value of the loan is R4,250,487 (2019: R4,950,084). The loan is secured by a mortgage bond over Erf 112, Pretoria. The was loan was impaired as a result of late payment. (Refer to note 17).

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3. Loans and receivables from exchange transactions (continued)

Yin's Construction and Property Development (Pty) Ltd - Erf 1583 Cloverdene

Extension 21 Township.

Loan amount	345,716	-
Amount	31,189,267	391,983
Interest earned	864,876	9,343
Social benefit adjustment	(2,003,701)	(56,929)
Interest amortised using the effective interest rate method	89,728	1,319
Loan and receivable transferred to current assets held-for-trade	(17,642,880)	-
	12,843,006	345,716

The 20 year loan facility to Yin's Construction and Property Development (Pty) Ltd - Erf 1583 Cloverdene Extension 21 Township comprises of a interest -bearing loan of R13,938,369. The loan bears interest at JIBAR plus 50% basis points and is repayable monthly instalments commencing in June 2021. The loan is secured by a mortgage bond over Erf 1583, Benoni, Gauteng. The nominal value of the loan is R32,459,878 (2019: R401,326). 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).

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

Loan amount	3,061,696	3,210,394
Prior years current-term portion reversed	344,071	261,741
Interest earned	349,319	238,400
Short-term payments received	(232,000)	(351,699)
Interest amortised using effective interest rate	85,084	197,822
Impairment	(111,035)	(150,891)
Current-term portion transferred to current assets	(505,228)	(344,071)
	2,991,907	3,061,696

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 10 years and is repayable in monthly instalments which should have commenced. The interest-bearing facility is for 20 years and bears interest at a staggered JIBAR rate and is repayable in monthly instalments which have commenced. The nominal value of the loan is R4,747,680 (2019: R4,630,395). The loan is secured by a mortgage bond over Erf 257, Ekurhuleni. The was loan was impaired as a result of late payment. (Refer to note 17). The GPF has taken cession of the rental income .

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

Loan amount	25,313,942	21,299,881
Advance	2,389,982	2,801,868
Interest earned	2,644,263	2,111,556
Short term payments received	(700,000)	-
Social benefit adjustment	(38,580)	-
Interest amortised using effective interest rate	234,067	268,932
Impairment	(388,996)	(1,168,295)
	29,454,678	25,313,942

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 15 years and is repayable in monthly instalments commencing in December 2023. The interest- bearing facilities are for 25 years. The junior interest-bearing facility bears interest at a staggered JIBAR rate plus 50 basis points and is repayable in monthly instalments which have commenced. The senior interest-bearing facility bears interest at prime and is repayable in monthly instalments which have commenced. The nominal value of the loan is R32,468,296 (2019: R28,134,052). The loan is secured by a mortgage bond over Erf 424 & 425, Rhodesfield. The loan was restructured which resulted in an impairment. This resulted in an impairment of the loan. (Refer to note 17).

Total non-current loan and receivables from exchange transactions	871,586,964	788,736,512
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Total loans and receivables from exchange including current term portion

Non-current	871,586,964	788,736,512
Current-term	80,232,470	63,679,906
	951,819,434	852,416,418

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3. Loans and receivables from exchange transactions (continued)**Reconciliation of provision for doubtful debts**

Opening balance	21,610,865	17,692,763
Increase in provision - BM Molefi Property 241 (Pty) Ltd - Kgorong Estate	-	2,889,505
Increase in provision - Comocap (Pty) Ltd - 88 Relly Street	38,924	128,185
Increase in provision - Clarewater (Pty) Ltd - Erf 1509, Discovery	596,046	3,102,765
(Decrease)/increase in provision - DNM Estate (Pty) Ltd - 88 Relly Street	(2,816,906)	1,159,155
Decrease in provision - Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street	-	(5,739,835)
(Decrease)/increase in provision - Landopoint (Pty) Ltd - Erf 905,906 and 907, Kenilworth	(1,355,683)	169,461
Decrease/increase in provision - Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams	(43,342)	2,208,866
Increase in provision - Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa unit 2	453,649	-
Closing balance	18,483,553	21,610,865

The movement in the provision is R3,127,312 (2019: R3,918,102). (Refer to note 3).

4. Receivables from exchange transactions

Prepayment non-current	-	3,591,000
Guarantees with attorneys	-	28,085,178
Sundry debtors	5,012,280	2,466,502
Interest accrued	418,289	2,804,426
Lease Deposit	1,105,858	-
Sundry debtors Aspari (RF) (Pty) Ltd	1,529,808	809,779
Sundry debtors Future Growth Asset Management (Pty) Ltd	675,829	-
Other receivables	4,350,223	-
	13,092,287	37,756,885
Non-current assets	1,105,858	3,591,000
Current assets	11,986,428	34,165,905
	13,092,286	37,756,905

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 40 days and 6 years. (Refer to note 11).

Sundry debtors - consists mainly of fees and penalty fees owed by clients. These amounts are non-interest-bearing and are expected to be during the current financial year.

Interest accrued from ABSA Bank. These interest amounts are non-interest-bearing and are generally on 30-day terms.

Lease deposit is the guarantee held by First Rand Bank for the building lease deposit. The guarantee earns interest at 6.45% and will expire in March 2021.

Sundry debtors Aspari (RF) Ltd - consists of management fees owed. These amounts are non-interest-bearing and are expected to be during the current financial year.

Sundry debtors Future Growth Fund Management consists of fees owed. These amounts are non-interest-bearing and are expected to be during the current financial year.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to 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 transactions fair value approximate its carrying value.

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5. Loans and receivables held-for-trade		
Loans and receivables held-for-trade		
Bixowize (Pty) Ltd - Erf 278, Primrose Hill	5,975,233	-
Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park located on 26 Kempton	6,997,826	-
Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni	7,365,898	5,294,078
GNI Real Estate - Erf 113 ,Pretoria North	-	-
Hectofield (Pty) Ltd - Erf 644, Pretoria North	1,363,417	5,722,099
Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB	103,100	4,581,260
Lavigen Lofts (Pty) Ltd - Erf 905, 906 and 907, Kenilworth	-	-
Lukataedi (Pty) Ltd - Erf 739, Pretoria North	-	4,294,307
Property Best Investment (Pty) Ltd - Erf 3834, Eersterus, Ext 6	2,874,696	1,685,693
Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871 Albertville, Randburg	366,814	366,814
Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres ,Ext 32	-	4,165,033
Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lofts	1,611,049	1,251,726
Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park	403,766	175,000
Stormstrong (Pty) Ltd - Erf 299 Windsor, Randburg	631,084	4,317,327
Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102	28,496,610	-
Yin's Construction and Property Development (Pty) Ltd - Erf 1583 Cloverdene	17,642,880	-
	73,832,373	31,853,337

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. R23,207,137 (2019:R28,915,917) is attributable to Aspari (RF) (Pty) Ltd and R50,625,235 (2019:R2,937,420) is attributable to Future Growth Asset Management (Pty) Ltd. During the year the GPF received R32,062,215 (2019:R178,188,152) from Aspari (RF) (Pty) Ltd and RNil (2019:R18,948,712) from Future Growth Asset Management (Pty) Ltd.

6. Property, plant and equipment

	2020			2019		
	Cost	Accumulated depreciation and impairment	Carrying value	Cost	Accumulated depreciation and impairment	Carrying value
Furniture and fixtures	1,660,413	(939,173)	721,240	1,656,083	(765,743)	890,340
Motor vehicles	161,076	(160,252)	824	161,076	(159,840)	1,236
Office equipment	2,301,748	(1,787,999)	513,749	2,171,477	(1,750,947)	420,530
Computer equipment	5,290,544	(3,131,024)	2,159,520	4,605,654	(2,542,132)	2,063,522
Leasehold improvements	5,261,300	(4,740,363)	520,937	5,261,300	(3,911,467)	1,349,833
Total	14,675,081	(10,758,811)	3,916,270	13,855,590	(9,130,129)	4,725,461

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Impairment reversal	Total
Furniture and fixtures	890,340	6,325	-	(175,425)	-	-	721,240
Motor vehicles	1,236	-	-	(412)	-	-	824
Office equipment	420,530	403,305	-	(310,079)	(7)	-	513,749
Computer equipment	2,063,522	905,160	-	(809,162)	-	-	2,159,520
Leasehold improvements	1,349,833	-	-	(828,896)	-	-	520,937
	4,725,461	1,314,790	-	(2,123,974)	(7)	-	3,916,270

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6. Property, plant and equipment (continued)**Reconciliation of property, plant and equipment - 2019**

	Opening balance	Additions	Disposals	Depreciat n	Impairme nt loss	Impairment	Total
Furniture and fixtures	990,803	95,241	-	(177,543)	(18,161)	-	890,340
Motor vehicles	1,648	-	-	(412)	-	-	1,236
Office equipment	483,950	252,538	(3,258)	(302,440)	(10,260)	-	420,530
Computer equipment	1,889,777	1,116,986	-	(686,178)	(674)	(256,389)	2,063,522
Leasehold improvements	1,985,260	197,341	-	(832,768)	-	-	1,349,833
	5,351,438	1,662,106	(3,258)	(1,999,341)	(29,095)	(256,389)	4,725,461

Pledged as security

No assets were pledged as security.

Compensation received for disposal of property, plant and equipment – included in operating surplus.

Office equipment	-	9,100
Computer equipment	1,433	40,119
	1,433	49,219

Assets subject to finance lease (Net carrying amount)

Office equipment	30,557	103,894
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(Refer to note 8).

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

Computer equipment	16	12
Office equipment	-	5
	16	17

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

Repairs and maintenance computer equipment	14,040	29,667
Repairs and maintenance computer equipment	105,704	-
Repairs and maintenance office equipment	105,500	3,603
Repairs and maintenance motor vehicle	75	5,164
	225,319	38,434

7. Intangible assets

	2020			2019		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	232,477	(180,232)	52,245	244,789	(113,321)	131,468

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7. Intangible assets (continued)

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Impairment loss	Total
Computer software, other	131,468	(78,607)	(616)	52,245

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Computer software, other	215,626	3,000	(87,158)	131,468

8. Unutilised grants

Movement during the year

Balance at the beginning of the year	389,510,785	99,128,764
Additions during the year	735,922,243	1,108,448,938
Fund used during the year	(848,793,800)	(834,243,557)
Interest earned during year	19,946,601	16,177,875
Bank charges	(3,045)	(1,235)
	296,582,784	389,510,785

Unutilised government grants from the Gauteng Department of Human Settlements - represents unutilised funding and interest accrued. The unutilised funding is as a result of challenges in the completion of projects that have been deferred to the subsequent year. Grants are held in terms of a memorandum of agreement to assist the department in expediting payments to subsidised and mega projects. The amount has been fully committed for future funding. For terms and conditions relating to related parties. (Refer to note 23).

As a result of the principle agent relationship, there is a risk that the GPF might not receive the required funding for capitalisation.

9. Finance lease obligation

Minimum lease payments due

- within one year	35,625	85,500
- in second to fifth year inclusive	-	35,625
	35,625	121,125
less: future finance charges	(895)	(8,829)
Present value of minimum lease payments	34,730	112,296

Present value of minimum lease payments due

- within one year	34,730	77,566
- in second to fifth year inclusive	-	34,730
	34,730	112,296

Non-current liabilities	-	34,730
Current liabilities	34,730	77,566
	34,730	112,296

This leases are linked to prime lending rate with no escalation and comes to an end in August 2020.

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9. Finance lease obligation (continued)

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

The photocopiers under the finance leases are currently depreciated over the lease term of three years.

10. Payables from exchange transactions

Trade and other payments	608,926	2,754,195
Payable Aspari (RF) (Pty) Ltd	650,933	42,083
Payable Gauteng Department of Human Settlements	7,306,270	-
Accruals salary related	177,423	-
	8,743,552	2,796,278

Trade and other payables - mainly comprise of third-party payments to suppliers. These payables are non-interest-bearing and normally settled on 30-day terms.

Payables Aspari (RF) (Pty) Ltd are payments made to GPF that have been claimed by the senior lender. These are non-interest bearing and full be paid during the year.

Payable Gauteng Department of Human Settlements are for management fees that were overpaid to the GPF during the year. This was a result of the lessor grants transferred to the GPF during the year. These are non-interest bearing and will be paid during the year.

Salary related accruals relate to payments that were not paid at year end. These are non-interest bearing and are normally settled on 30-day terms.

11. Provisions**Reconciliation of provisions - 2020**

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for leave pay	1,048,493	2,257,476	(1,048,493)	-	2,257,476
Provision for performance bonuses	4,603,913	3,466,691	(4,330,985)	(272,928)	3,466,691
	5,652,406	5,724,167	(5,379,478)	(272,928)	5,724,167

Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Total
Provision for leave pay	1,065,967	1,048,493	(1,065,967)	1,048,493
Provisions for bonuses	4,393,288	4,603,913	(4,393,288)	4,603,913
	5,459,255	5,652,406	(5,459,255)	5,652,406

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. The timing and payout of this provision is uncertain.

Provision for performance bonus is based on management's best estimate of expenditure required to settle the present obligation during the next 6 to 12 months.

12. Operating lease liability

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12. Operating lease liability (continued)

Operating lease rentals represents rentals payable by the GPF to Acucap Management Services (Pty) Ltd for office premises. The lease expires in March 2021 and has an escalation of 8% annually. Management is still assessing the renewal of this lease.

Minimum lease payments	2020	2019
within one-year	4,431,560	4,103,297
second to fifth-year	-	4,431,440
	4,431,560	8,534,737

13. Revenue

Revenue from exchange transactions - Mega Project Management fees	36,796,112	55,422,428
Revenue from exchange transactions - Interest received from banks (Refer to note 14)	43,304,964	38,678,038
Revenue from exchange transactions - Interest received from loans and receivables	88,115,079	76,395,905
Revenue from exchange transactions - Other management fees	5,507,716	1,932,804
Revenue from exchange transactions - Interest received using the effective interest rate method	16,422,033	16,035,751
	190,145,904	188,464,926

The amount included in other management fees received is revenue arising from exchange are as follows:

Future Growth Asset Management (Pty) Ltd fees	1,036,822	487,694
Aspari (RF) (Pty) Ltd management fees	719,928	1,445,110
Ekurhuleni Metropolitan Municipality Management fees received	3,750,966	-
	5,507,716	1,932,804

14. Other income

Contract recovery costs	420,000	1,704,402
Decrease in provision for doubtful debts	4,215,929	-
Moratorium extension fee	1,127,300	-
Penalty fees charged	3,412,900	-
	9,176,129	1,704,402

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 from the prior year related to Landopoint (Pty) Ltd, DNM Estates (Pty) Ltd - Erf 517 & 518, City and Suburban and Shukumani Trading Enterprises (Pty) Ltd.

Future Growth Asset Management (Pty) Ltd fees are fees accrued for managing a facility in terms of a management agreement.

Moratorium extension fees are costs charged to borrowers for the extension of the moratoriums of repayments of loans. (Refer to note 3).

Penalty fees charged are exchange transactions that relates to penalties charges to Seraph Investments (Pty) Ltd - Erven 488, 489, 490 and 491, New Doornfontein.

15. Operating surplus

Operating surplus for the year is stated after accounting for the following:

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15. Operating surplus (continued)		
External audit fee	1,220,084	1,457,520
Internal audit fee	708,592	1,316,180
	1,928,676	2,773,700
Operating lease charges		
Premises		
• Contractual amounts	4,096,670	3,463,627
• Utilities	1,185,879	1,487,613
Office equipment		
• Contractual amounts	5,819	17,313
	5,288,368	4,968,553
Profit on sale of assets	1,433	45,960
Scrapping and impairment of fixed assets	623	285,484
Amortisation on intangible assets	78,607	87,158
Depreciation property, plant and equipment	2,123,974	1,999,341
Employee costs	50,310,889	49,805,438
16. Fair value adjustments		
Provisions for bonuses	(53,331)	11,043
Social benefit on loans and receivables	(16,420,480)	(12,181,052)
	(16,473,811)	(12,170,009)
The fair value adjustment on the provision for bonuses relates to the time value of money on the payment. (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).		
17. Impairment (loss)/reversal of loans and receivables from exchange transactions		
Ace Pallets (Pty) Ltd - Portion 26 of Erf 381, Vanderbijlpark, Central West 5, Extension 1	(7,954)	-
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Bixowize (Pty) Ltd - Erf 278 Primrose Hill	(1,664)	(1,005,953)
The loan was restructured and the moratorium on payments was extended resulting in an impairment. (Refer to note 3).		
Impairment loss - Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park, located of 26 Kempton	(30,880)	(298,332)
The project is being sold and non-payments have resulted in impairment. (Refer to note 3).		
Impairment loss - Bridge City Housing Consortium (Pty) Ltd - Portion 196 of Erf 7305, Chiawelo Extension 2, Soweto	(192,082)	(153,885)
The loan needs to be restructured due to delays in construction. (Refer to note 3).		
Impairment loss - BUA Africa (Pty) Ltd - Erf 2918, Kempton Park.	(55,199)	(65,419)
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss- Cape Gannet Properties 175 (Pty) Ltd - Erf 42, Kempton Park	(36,095)	(12,933)
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Castle Crest Properties 80(Pty) Ltd - Erf 504, Kempton Park	(11,111)	(32,342)
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Castle Crest Properties 80(Pty) Ltd - Erf 233, Kempton Park	(10,464)	(1,191)
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Certum Estate 130 (Pty) Ltd - Erf 564, Bertrams, Johannesburg	-	(1,056)
The loan was impaired due to late payment. (Refer to note 3).		

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17. Impairment (loss)/reversal of loans and receivables from exchange transactions (continued)		
Impairment loss - Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni The loan was restructured and the moratorium on payments was extended resulting in an impairment.	(872,289)	(218,090)
Impairment loss- Clare Water (Pty) Ltd - Erf 1509, Discovery, Roodepoort The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).	(27,017)	(217,683)
Impairment loss - Clidet No. 1024 (Pty) Ltd - 44 Wanderers The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).	(294,277)	(323,257)
Impairment loss - Comocap (Pty) Ltd - 88 Relly Street The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).	(50,952)	(18,481)
Impairment loss - Comu Property Developers (Pty) Ltd - 3103, Glen Marais The loan was impaired due to short-payment. (Refer to note 3).	-	(63,090)
Devland Gardens (Pty) Ltd - Erf 8341 & 8342, Johannesburg The loan was restructured and the moratorium on payments was extended resulting in an impairment. (Refer to note 3).	(243,724)	-
Impairment loss - DNM Estate (Pty) Ltd - Erf 517 & 518 ,City and Suburban The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).	(2,820,956)	(511,444)
Impairment loss - Eable Properties (Pty) Ltd - Erf 8186, Olievenhoutbosch The loan is being restructured resulting in impairment of the loan. (Refer to note 3).	(293,842)	-
Impairment loss - Eagle Valley Property 41 (Pty) Ltd Phase 1 - Portion 1 of Erf 1908, Erasmus The loan was impaired due to late payment. (Refer to note 3).	(3,004)	-
Impairment loss - Eagle Valley Property 41 (Pty) Ltd Phase 11 - Portion 1 of Erf 1908, Erasmus The loan was impaired due to late payment. (Refer to note 3).	(10,362)	-
Impairment loss - Echo Canyon Trading (Pty) Ltd - 463 and 465 Hanny Street The project was in litigation and non-payments have resulted in impairment. (Refer to note 3).	-	(261,615)
Impairment loss - EGC Properties (Pty) Ltd - Browning Street The loan was impaired due to non-payment. (Refer to note 3).	(46,832)	(101,033)
Impairment loss - EGC Properties (Pty) Ltd - Erf 101 Wolhuter, Jeppestown The loan was impaired due to non-payment. (Refer to note 3).	(2,877)	-
Impairment loss - Erf 85 Newtown (Pty) Ltd - Erf 269, Richmond The loan was impaired due to late payment.(Refer to note 3).	(17,966)	(56,479)
Impairment loss - Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489 ,Protea North The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).	(346,184)	(448,645)
Impairment loss- FV Trading Enterprises (Pty) Ltd - Erf 193 Duncanville The loan is being restructured resulting in impairment of the loan. (Refer to note 3).	(82,236)	(583,293)
Impairment loss - GNI Real Estate - Erf 113, Pretoria North The loan is in arrears resulting in impairment of the loan.(Refer to note 3).	(1,025)	(7,050)
Impairment loss - Goldburg Property Development (Pty) Ltd - Erf 72, Kempton Park The loan was impaired due to late payment.(Refer to note 3).	(67,376)	-
Impairment loss- Hectofield (Pty) Ltd - Erf 644, Pretoria North The loan was impaired due to late payment.(Refer to note 3).	(6,347)	-
Impairment loss - Highlands Urban Living (Pty) Ltd - Highlands Lofts The loan was impaired due to late payment.(Refer to note 3).	(757,567)	(625,167)
Impairment loss - Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Ervens 1499 & 1450, Karen Park, Ext 52 The loan is being restructured resulting in impairment of the loan. (Refer to note 3).	-	(452,307)
Impairment loss - Ikamelihe Enterprises (Pty) Ltd - Erf 953-956 Berea The loan is being restructured resulting in impairment of the loan. (Refer to note 3).	(109,429)	(268,888)
Impairment loss - Indigo Kulani Properties (Pty) Ltd - Erf 1676, Benoni The loan is being restructured resulting in impairment of the loan. (Refer to note 3).	(127,540)	(24,834)
Impairment loss - Kertrade CC - Erf 564 & 566, Springs The loan was impaired as a result of late payment. (Refer to note 3).	(10,983)	(21,864)
Impairment loss - Kesef Properties (Pty) Ltd - Erf 343, 344, 345, 346, 347, 348, 387, 388 and 389, New Doornfontein, Johannesburg The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).	-	(102,060)
Impairment loss - Kimovax (Pty) Ltd - Erf 419 and Erf 420 Cresslawn, Kempton Park The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).	(36,067)	(28,356)

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Impairment loss - Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB	(17,978)	(182,518)
The loan was restructured due to delays in construction (Refer to note 3).		
Impairment loss - Lakeside Developments (Pty) Ltd - Erf 1373, Leachville	(61,896)	(49,542)
The client was in breach of the contract for non-payment resulting in a provision for doubtful debts. (Refer to note 3).		
Impairment Loss - Landopoint (Pty) Ltd Erf 905,906 and 907 Kenilworth	(598,194)	(78,581)
The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).		
Impairment loss - Lisinfo 282 Property (Pty) Ltd - Erf 1952, Malvern	(296,344)	(218,894)
The loan was impaired as a result of non-payment. (Refer to note 3).		
Impairment loss - Lukataedi (Pty) Ltd - Erf 739 Pretoria North	(538,561)	(61,109)
The loan was impaired as a result of non-payment. (Refer to note 3).		
Impairment loss - Mahlahla Advanced Dynamics CC - Erf 442, Wolmer Pretoria	-	(239,502)
The loan was impaired as a result of non-payment. (Refer to note 3).		
impairment loss - Madulamoho Housing Association - Fleurhof Views	-	(78,587)
The was restructured which resulted in an impairment. (Refer to note 3).		
Impairment loss - Makabongwe Property Holding (Pty) Ltd - Erf 983, Johannesburg	(35,400)	(106,761)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown	(527,793)	-
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 1614, Kempton Park	(5,634)	(39,304)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 24, Kempton Park	(10,589)	(82,771)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 27, Kempton Park	(13,113)	(90,707)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Meilijian Construction and Development CC - Erf 3597 Kempton Park	(8,452)	-
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Michaelson Investments (Pty) Ltd - Erf 658, Troyeville	(28,449)	(100,228)
The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).		
Impairment loss - Multidirect Investments (Pty) Ltd - Erf 658, Troyeville	(45,861)	(66,213)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Muma Properties Investments (Pty) Ltd - Erf 978, Pretoria North	(179,521)	(60,911)
The loan was impaired as a result of non-payment. (Refer to note 3).		
Impairment loss - Nelisa Property (Pty) Ltd - Erf 388, Windsor	(119,657)	(108,271)
The loan was impaired as a result of non-payment. (Refer to note 3).		
Impairment loss - NBLR Properties (Pty) Ltd - Erf 2551, 2552, 2553, Fleurhof Ext 20	(400,201)	(235,813)
The loan was impaired as a result of non-payment. (Refer to note 3).		
Impairment loss - Nonkwelo (Pty) Ltd - Erf 10 & 11, Hunter Street	(412,193)	(357,600)
The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).		
Impairment loss - Ninarich Trading (Pty) Ltd - Betty Street	(3,133,697)	(262,857)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Ordicode (Pty) Ltd - Erf 2242, 2243, 2248 and 2249, Johannesburg	(286)	(541,864)
The was restructured which resulted in an impairment. (Refer to note 3).		
Impairment loss - Norvena Property Consortium - Norvena Court	(27,957)	(29,850)
The loan was impaired as a result of late-payment. (Refer to note 3).		
Impairment loss - Property Best Investments (Pty) Ltd - Erf 3834, Eersterus, Ext 6	(214,713)	(865,656)
The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).		
Impairment loss - Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871, Albertville, Randburg	(6,577)	(13,371)
The loan was impaired as a result of non-payment. (Refer to note 3).		
Impairment loss - Phahamo Resources (Pty) Ltd - Erf 8993 Olievenhoutbosch Ext 36, Centurion	(15,726)	(34,274)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Proxisol (Pty) Ltd - Erven 31,32,33,59 & 60, Bertrams	(91,369)	(3,477)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Rainbow Beach Trading 261 (Pty) Ltd -Sondela Village Daggafontein	(269,285)	(57,610)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres, Ext 32	(96,210)	(1,159,875)
The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).		

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17. Impairment (loss)/reversal of loans and receivables from exchange transactions (continued)		
Impairment loss - Rivavect Investments (Pty) Ltd - Erf 2071, Roodepoort	-	(2,225)
The loan was impaired as a result of late payment. (Refer to note 3).		
Impairment loss - Sabiglo (Pty) Ltd - Erf 301, Windsor West, Randburg	-	(560,898)
The loan needs to be restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).		
Impairment loss - Sam Lubbe Investment CC - Erf 1654, Germiston	(217,499)	(185,475)
The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).		
Impairment loss - Sethitho Projects (Pty) Ltd - Erf 1191, Rayton Extension 7	(21,152)	(63,442)
The loan was restructured due to delays in construction resulting in impairment of the loan. (Refer to note 3).		
Impairment loss - Sheran Investment (Pty) Ltd - Klippoortjie Agricultural Lofts	(84,964)	(296,701)
The loan was restructured due to delays in construction (Refer to note 3).		
Impairment loss - Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams	(226,175)	(145,431)
The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).		
Impairment loss - Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park	(190,391)	(1,211,862)
Due to delays in construction the moratorium on payments was extended resulting in impairment of the loan. (Refer to note 3).		
Impairment loss - SOA Residential Village (Pty) Ltd - Erf 1532, Selcourt Springs	(57,725)	(170,063)
The project is in litigation and non-payments have resulted in impairment. (Refer to note 3).		
Impairment loss - Stormstrong (Pty) Ltd - Erf 299, Windsor, Randburg	(339,099)	(14,572)
The loan was restructured due to delays in construction (Refer to note 3).		
Take Shape Properties 75 (Pty) Ltd - Erf 4510, Johannesburg	(143,692)	-
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Toproot Management (RF) (Pty) Ltd - Erf 1335, Pennyville	(33,833)	(12,159)
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Tsebo Consumable Supplies (Pty) Ltd - Erf 256, Kempton	(26,590)	(154,343)
The loan was impaired due to non- payment. (Refer to note 3).		
Impairment loss - Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein	(223,629)	(196,334)
The loan was restructured due to delays in construction (Refer to note 3).		
Impairment loss - Valotorgue199 (Pty) Ltd - Erf 757, Pretoria North	(491,660)	(247,429)
The loan was impaired due to non- payment. (Refer to note 3).		
Impairment loss - Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34, Pretoria North	(156,976)	(117,324)
The loan was restructured due to delays in construction (Refer to note 3).		
Impairment loss - Yeast City Housing (Pty) Ltd - Tau Village	(12,638)	(140,054)
The was restructured which resulted in an impairment. (Refer to note 3).		
Impairment loss - Yeast City Housing (Pty) Ltd - Thembelihle Village	(58,186)	(65,690)
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Yeast City Housing (Pty) Ltd - Salvokop	(5,607)	(99,001)
The was restructured which resulted in an impairment. (Refer to note 3).		
Xanado Trade or Invest 614 (Pty) Ltd - Erf 324, Princess Ext 49, Roodepoort	(12,332)	-
The loan was impaired due to late payment. (Refer to note 3).		
Impairment loss - Zakhele Investments (Pty) Ltd - Erf 257 Kempton Park	(111,035)	(150,891)
The loan needs to be restructured and has therefore been impaired. (Refer to note 13).		
Impairment loss - Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield	(388,996)	(1,168,295)
The was restructured which resulted in an impairment. (Refer to note 3).		
	(16,532,136)	(16,033,082)

18. Finance costs

Finance lease	7,934	15,606
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Finance cost comprises of interest amortised for the finance lease.

19. General expenses

Auditors remuneration	1,928,677	2,773,700
Bank charges	52,850	57,986
Consulting and professional fees	10,155,452	11,511,318
Entertainment	144,758	176,042

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19. General expenses (continued)		
Insurance	525,538	663,982
Marketing	1,059,746	1,693,102
Magazines, books and subscriptions	231,727	203,672
Fuel and oil	12,851	8,968
Postage and courier	816	4,479
Printing and stationery	307,259	336,440
Corporate Social Investment	31,121	-
Security	1,297,703	1,828,357
Telephone and fax	922,153	955,847
Training	543,135	380,321
Travel	566,057	559,087
Offsite storage	46,358	43,141
	17,826,201	21,196,442
20. Employee related expenses		
Basic	45,583,174	40,603,279
Bonus	3,572,687	4,603,913
Medical aid - company contributions	631,478	1,738,195
Life cover	93,411	306,393
Retirement annuity	430,139	2,553,658
	50,310,889	49,805,438

21. Taxation

No provision has been made for 2020 tax year as the GPF 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 is applicable for the current financial year.

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22. Commitments		
Project Funding Commitments		
125 Village Hub (Pty) Ltd - The Village Hub, 125 Madiba, Pretoria	-	27,523,545
Achriwaan	9,325,294	9,325,294
Azorilex (Pty) Ltd - Erven 8570 to 8574, 8577 to 8584, 8586 to 8591 and 8593 to 8597	-	8,000,000
Mabopane		
Bara Dunes Chalet 31 (Pty) Ltd - Erf 1 of Groblerspark, Ext 101, Princess Park, Roodepoort	14,643,226	14,643,226
Begin All Investments (Pty) Ltd - Erf 89, 90 and 91, Bertrams	6,162,988	5,673,772
Bixowize (Pty) Ltd - Erf 278 Primrose Hill	-	647,535
Bravo Enterprise and Projects (Pty) Ltd - Erf 231 Kempton Park, located 26 Kempton	-	138,711
Bono Property Investment (Pty) Ltd Erf 496 Neturena	16,854,334	-
Capensis Investments 492 (Pty) Ltd - Baruch Estate	5,458,120	-
Comu Property Developers (Pty) Ltd - Erf 3101, Glen Marais	-	4,683,000
Devland Gardens (Pty) Ltd - Erf 564 & 566, Springs	2,066,834	22,144,176
EGC Properties (Pty) Ltd - Browning Street	549,358	549,358
Evening Shade Properties 56 (Pty) Ltd - Erven 636 & 637 Daggafontein Extension 8	13,054,366	13,054,366
Epitome Property Investments (Pty) Ltd - Erf 77 situated on 62 Northrand, Kempton Park	4,903,776	-
Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North	-	14,330,385
FV Trading Enterprises (Pty) Ltd - Erf 193 Duncanville	-	1,416,406
Haolin Construction (Pty) Ltd - Erven 1545 & 1546, Cloverdene, Ext 15, Benoni	23,475,075	23,475,075
Izakhiwo Properties (Pty) Ltd - Portion1 of Erf 1484 Pretoria West	9,731,058	-
K2019165 (South Africa) (Pty) Ltd - Portion 50 of Erf 429 Vanderbijlpark, South East, No 3	6,066,074	-
Kimovax (Pty) Ltd - Erf 419 and Erf 420 Cresslawn, Kempton Park	-	4,812,143
Kwezi Enhle Investment (Pty) Ltd - Erf 102 Erasmus, Bronkhorstspuit	-	4,220,672
Lavender Tree (Pty) Ltd - Erf 93, 94 and 95, Bertrams	7,235,644	6,190,156
Limapong Housing (Pty) Ltd - Erf 96, 121 and 122, Bertrams	-	5,632,629
Lekotu Enterprise (Pty) Ltd - Erf 1680 Benoni	13,779,466	-
Michaelson Investment (Pty) Ltd - Erf 658, Troyeville	5,874,650	3,748,563
Nelisa Properties (Pty) Ltd - Erf 388, Windsor	3,618,323	1,974,423
Nonkwelo (Pty) Ltd - Erf 10 & 11 Hunter Street	15,406,606	15,406,606
Noscocel (Pty) Ltd - Erf 4/2773	-	11,754,000
Ordicode (Pty) Ltd - Erf 2242, 2243, 2248 and 2249, Johannesburg	449,500	449,500
Property Developers & Construction (Pty) Ltd - Erf 2000 & portion 1 of Erf 1999, Bok Street, Doornfontein	13,813,717	13,813,717
Sabiglo (Pty) Ltd - Erf 301 Windsor West, Randburg	918,406	4,234,880
Sagewood Cribs Properties (Pty) Ltd - Erf 1011 Protea Glen, Soweto, Johannesburg	-	5,000,000
Tarioblox (Pty) Ltd	5,681,943	-
Stuident Crib (Pty) Ltd - Erf 141 Hursthill	5,000,000	5,000,000
Tebu Capital (Pty) Ltd - Erf 755 Roodepoort	-	3,282,722
Tshelliane Holding Construction (Pty) Ltd - Erf 1163 Winchester Hills, Extension 3	13,959,194	14,001,779
Toproot Management (RF) (Pty) Ltd - PTN 47 of Erf 2665, Riverlea	-	10,858,719
Tumaini Properties and Real Estate CC - Erf 52 & 53, New Doornfontein	843,503	843,503
Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34, Pretoria North	-	6,435,027
Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102	-	24,030,997
Yin's Construction and Property Development (Pty) Ltd - Erf 1583 Cloverdene Extension 21 Township	-	13,896,386
Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield	22,787	2,112,770
	198,894,242	303,304,041

The commitment to 125 Village Hub (Pty) Ltd - The Village Hub, 125 Madiba, Pretoria was approved by the Board. The borrower has fully drawn down.

The commitment to Achriwaan was approved by the Board.

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22. Commitments (continued)

The commitment to Azorilex (Pty) Ltd - Erven 8570 to 8574, 8577 to 8584, 8586 to 8591 and 8593 to 8597 Mabopane was approved by the Board. The obligation was cancelled during the year.

The commitment to Bara Dunes Chalet 31 (Pty) Ltd - Erf 1 of Groblerspark, Ext 101, Princess Park, Roodepoort was approved by the Board.

The commitment to Begin All Investments (Pty) Ltd - Erf 89,90 and 91, Bertrams was approved by the Board and increased during the year.)

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).

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 fully drawn down. (Refer to note 3).

The commitment to Bono Property Investments Ltd - Erf 231 Kempton Park was approved by the Board.

The commitment to Capensis Investment 492 (Pty) Ltd - Baruch Estate was approved by the Board.

The commitment to Comu Property Developers (Pty) Ltd Erf 3101, Glen Marais was cancelled during the year.

The commitment to Devland Gardens (Pty) Ltd - Erf 564 & 566, Springs was approved by the Board. The obligation has increased during the year. The borrower has started drawing 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 Evening Shade Properties 56 (Pty) Ltd - Erven 636 & 637 Daggafontein Extension 8 was approved by the Board.

The commitment to Epitome Property Investments (Pty) Ltd - Erf 77 situated on 62 Northrand, Kempton Park was approved by the Board.

The commitment to Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North was cancelled during the year. (Refer to note 3).

The commitment to FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville was cancelled during the year. (Refer to note 3).

The commitment to Haolin Construction (Pty) Ltd - Erven 1545 & 1546, Cloverdene, Ext 15, Benoni was approved by the Board. The borrower has started drawing down (Refer to note 3)

The commitment to Izakhiwo Properties (Pty) Ltd - Portion1 of Erf 1484 Pretoria West was approved by the Board.

The commitment to K2019165 (South Africa) (Pty) Ltd - Portion 50 of Erf 429 Vanderbijlpark, South East, No 3 was approved by the Board.

The commitment to Kimovax (Pty) Ltd - Erf 419 and Erf 420, Cresslawn Kempton Park was cancelled during the year. The borrower has started drawing down. The project is being restructured and has been placed on hold. (Refer to note 3).

The commitment to Kwezi Enhle Investment (Pty) Ltd- Erf 102, Erasmus, Bronkhortspruit was cancelled during the year. The borrower has started drawing down. (Refer to note 3).

The commitment to Lavender Tree (Pty) Ltd - Erf 93, 94 and 95, Bertrams was approved by the Board.

The commitment to Limapong Housing (Pty) Ltd - Erf 96, 121 and 122, Bertrams was cancelled during the year.

The obligation to Lekotu Enterprise (Pty) Ltd - Erf 1680 Benoni approved by the Board.

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22. Commitments (continued)

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 Nelisa Properties (Pty) Ltd - Erf 388, Windsor was approved by the Board. The borrower has started drawing down. The project is on hold (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 Noscoel (Pty) Ltd - Erf 4/2773 was cancelled during the year.

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 Developers & Construction (Pty) Ltd - Erf 2000 & portion 1 of Erf 1999, Bok Street, Doornfontein was approved by the Board.

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).

The commitment to Sagewood Crib Properties (Pty) Ltd - Erf 1011 Protea Glen, Soweto, Johannesburg was cancelled during the year.

The commitment to Tarioblox (Pty) Ltd was approved by the Board. 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 Student Crib (Pty) Ltd - Erf 141 Hursthill was approved by the Board.

The commitment to Tebu Capital (Pty) Ltd - Erf 755 Roodepoort was cancelled during the year.

The commitment to Tshelliane Holding Construction (Pty) Ltd - Erf 1163 Winchester Hills, Extension 3 was approved by the Board.

The commitment to Toproot Management (Pty) Ltd - PTN 47 of Erf 2665, Riverlea was cancelled during the year.

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 Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34, Pretoria North was cancelled during the year.

The commitment to Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig Ext 102 was approved by the Board. The borrower has fully drawn down. (Refer to note 3).

The commitment to Yin's Construction and Property Development (Pty) Ltd - Erf 1583 Cloverdene Extension 21 Township was approved by the Board. The borrower fully drawn down. (Refer to note 3).

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).

23. Related parties

The GPF is related to all departments under the Gauteng Department of Human Settlements by virtue of being under control of the same MEC.

Relationships**Government Entities (Provincial)**

Controlling entity

Gauteng Department of Human Settlements

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23. Related parties (continued)

Service in kind - Office space Gauteng Department of Human Settlements

Mega project implementation management fees Ekurhuleni Metropolitan Municipality

Senior finance partners Aspari (RF) (Pty) Ltd
Entities under common control of the Gauteng Department of Human Settlements Gauteng Housing Fund

Related party balances**Gauteng Department of Human Settlements**

Management fees received 36,796,112 55,422,428

The GPF received a management fee of R36,796,112 (2019: 55,422,428. (Refer to note 13).

The year the Gauteng Department of Human Settlement utilised the GPF Offices from April 2019 to May 2019.

Amounts included in payables from exchange transactions regarding related parties

Subsidies programme	9,124,096	8,530,897
Mega Projects programme	287,458,687	380,979,888
Payable fees received in advance for the Mega Projects programme	7,306,270	-

Public sector - management fees received

Aspari (RF) (Pty) Ltd	719,928	487,694
Ekurhuleni Metropolitan Municipality Management fee received	3,750,966	-
	4,470,894	487,694

During the year the Trust received Management fees for the management of senior funding for Aspari (RF) (Pty) Ltd and management fees for Mega projects implementation from Ekurhuleni Metropolitan Municipality.

Amounts included in payables in loans and receivables held-for-trade

Aspari (RF) (Pty) Ltd	23,207,137	28,915,917
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The GPF has concluded agreements with Aspari (RF) (Pty) Ltd wherein the aforementioned provides senior funding for the Emerging Entrepreneur Fund.

Private sector funding partners

Future Growth Asset Management (Pty)Ltd Partner of Rental Housing Fund

Private sector funding - management fees received

Future Growth Asset Management (Pty) Ltd	1,036,822	635,332
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The GPF has concluded agreements with Future Growth Asset Management wherein the aforementioned provides senior funding for the Rental Housing Projects.

The GPF has concluded agreements with Ekurhuleni Metropolitan Municipality wherein the GPF managed the implementation of Mega projects.

Related party transactions**Non-Executive Trustees board fees**

L Mthimunya (Chairperson Fees)	534,201	458,043
Z Hill	266,607	205,484
R Kalidass	687,025	669,707
M Kganedi	93,470	145,088
N Maponya	501,891	457,895

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23. Related parties (continued)				
G Makhubo (Resigned on 5 December 2019)	312,046	23,008		
C Motsepe	240,002	177,902		
P Mphahlele	361,701	199,882		
B Nzo	379,075	219,555		
T Sukazi	276,295	470,442		
	3,652,313	3,027,006		
Other allowances				
	Travel and accommodation 2020	Training 2020	Travel and accommodation 2019	Training 2019
L Mthimunye	-	-	11,424	-
Z Hill	36,092	12,247	124,039	4,654
M Kganedi (Appointed 1 February 2018)	-	-	-	4,654
N Maponya	-	-	-	20,703
C Motsepe	-	-	-	-
B Nzo	66,870	12,247	150,545	9,309
T Sukazi	-	-	-	-
R Kalidass	10,170	12,247	-	-
P Mphahlele	13,737	12,247	-	-
	126,869	48,988	286,008	39,320
The above Board fees and other allowance relate to the previous Board.				
Executive Management - Chief Executive Officer- S Dzengwa				
Basic			2,656,936	1,107,057
Retirement annuity contribution, medical aid and life cover			248,564	99,118
			2,905,500	1,206,175
Executive Management - Acting Chief Executive Officer- G Makhubo from October 2017 until December 2018				
Basic			-	2,161,180
Performance bonus			-	235,323
			-	2,396,503
Executive Management - Chief Financial Officer - K Govender (Resigned December 2019)				
Basic			2,088,910	2,366,444
Performance bonus			311,513	508,175
Retirement annuity contribution, medical aid and life cover			195,151	207,709
			2,595,574	3,082,328
Executive Management - Acting Chief Financial Officer - T Rasalanavho (Appointed January 2020)				
Basic			177,423	-
Executive Management - Chief Investment Officer - V Mashiane				
Basic			2,249,139	2,249,139
Performance bonus			379,430	325,750
Retirement annuity contribution, medical aid and life cover			213,534	205,341
			2,842,103	2,780,230

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23. Related parties (continued)		
Executive Management - Legal, Risk and Compliance Executive - T Khuzwayo		
Basic	1,574,153	1,574,153
Performance bonus	164,656	184,648
Retirement annuity contribution, medical aid and life cover	157,217	151,478
	1,896,026	1,910,279

24. Financial risk management and objectives**Objective**

The GPF'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 GPF. The receivables from exchange transactions, payables from exchange transactions, finance lease and obligations arise directly from the GPF's operations.

The risks arising from the GPF'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 GPF assets whilst still enabling fulfilment of the GPF mandate. The GPF's method of measuring the risks mentioned below involves detailed project feasibility, regular project monitoring and management.

Liquidity Risk

The GPF 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 GPF assets whilst still enabling fulfilment of the GPF mandate. The GPF 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 ended. Liquidity risk is currently 27% (2019:23%). Liquidity risk is calculated by dividing the financial and non-financial liabilities by the financial assets as per the table shown below:

Financial Assets 2020	Due or due no 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	6,121,845	12,198,787	80,066,412	564,117,441	300,731,000	963,235,485
Cash and cash equivalents	931,649,310	-	-	-	-	931,649,310
Receivables from exchange transactions	11,986,428	-	1,105,858	-	-	13,092,286
	949,757,583	12,198,787	81,172,270	564,117,441	300,731,000	1,907,977,081
Financial and Non-financial liabilities	Due or due no 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	(8,743,553)	-	-	-	-	(8,743,553)

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24. Financial risk management and objectives (continued)		
Non-financial liabilities		
Finance lease	(7,125)	(14,250)
Gauteng Department of Human Settlements	(296,582,783)	-
Provisions	(5,724,167)	-
Commitments	(198,894,242)	-
	(509,951,870)	(14,250)
	439,805,713	12,184,537
	80,052,162	565,223,299
	300,731,000	1,397,996,711
Financial Assets 2019		
	Due or due no 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	8,490,735	20,588,557
Cash and cash equivalents	1,048,328,63	-
Receivables from exchange transactions	34,165,905	-
	1,090,985,275	20,588,557
	88,552,846	540,540,315
	1,273,434,672	3,014,101,665
Financial and Non-financial liabilities		
	Due or due no 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	(2,796,278)	-
Non-financial liabilities		
Finance lease	(7,125)	(14,250)
Gauteng Department of Human Settlements	(389,510,785)	-
Provisions	(5,652,405)	-
Commitments	(303,304,041)	-
Subtotal	(701,270,633)	(14,259)
	389,714,642	20,574,307
	(88,488,721)	540,504,690
	1,273,434,672	2,312,717,032

Interest rate risk

The GPF's exposure to the risk of changes in the market interest rate relates primarily to the GPF'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 GPF's exposure to interest rate risk arises from increases in the rate that could give rise to unexpected changes in cash flows.

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 GPF'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 GPF's net assets.

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24. Financial risk management and objectives (continued)		
Year	Effect on surplus (R'000)	Increase/decrease in basis points
2020		
Effect of increase in basis points on surplus	1,314	100
Effect of a decrease in basis points on surplus	(1,314)	(100)
2019		
Effect of increase in basis points on surplus	1,146	100
Effect of a decrease in basis points on surplus	(1,146)	(100)
	-	-

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 GPF 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 is R18,483,553 (2019: R21,610,865 (Refer to note 3), with a maximum exposure of R1,969,287,545 (2019: R1,970,355,295) 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 risk

Class of financial instrument	Credit risk exposure	Collateral	Repayments	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	7,607,559	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/03/2036	Impaired
125 Village Hub (Pty) Ltd - The Village Hub, 125 Madiba, Pretoria	25,722,973	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 31/05/2039	Performing
Bixowize (Pty) Ltd - Erf 278, Primrose Hill	5,247,863	Mortgage bond held by the Gauteng Partnership Fund	82 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 31/03/2020	Provision for doubtful debts

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24. Financial risk management and objectives (continued)

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

6,568,698 Mortgage bond 19 months Impaired
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 31/07/2036

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

10,789,084 Mortgage bond 13 months Impaired
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 31/08/2037

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

823,641 Mortgage bond 13 months Performing
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 30/06/2035

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

47,826,344 Mortgage bond 25 months Impaired
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 31/12/2035

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

2,949,801 Mortgage bond 33 months Impaired
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 30/09/2033

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

2,577,783 Mortgage bond 12 months Impaired
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 31/12/2032

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

8,168,513 Mortgage bond 19 months Impaired
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 30/09/2034

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

7,006,528 Mortgage bond 18 months Performing
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 31/10/2029

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

12,088,702 Mortgage bond 17 months Impaired
held by the from
Gauteng disbursement
Partnership date with a
Fund final repayment
on 31/12/2037

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24. Financial risk management and objectives (continued)			
Clare Water (Pty) Ltd - Erf 1509, Discovery, Roodepoort	3,026,975	Mortgage bond 28 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/07/2036	Impaired and provision for doubtful debts
Clidet No.1024 (Pty) Ltd 44 Wanderers	-	Mortgage bond 62 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/08/2033	Impaired
Comu Property Developers (Pty) Ltd - 3103, Glen Marais	-	Mortgage bond 18 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/07/2028	Performing
Comocap (Pty) Ltd - 88 Relly Street	1,589,047	Mortgage bond 27 months held by the Gauteng Partnership Fund 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	3,296,224	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 30/04/2032	Performing
Devlands Gardens (Pty) Ltd - Erf 8341 & 8342, Johannesburg	60,900,052	Mortgage bond 24 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 30/11/2038	Impaired
DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban	16,200,000	Mortgage bond 31 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/12/2033	Provision for doubtful debts and impaired
Eable Properties (Pty) Ltd - Erf 8186, Olievenhoutbosch	11,902,320	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 28/02/2038	Impaired
Eagle Valley Property 41 (Pty) Ltd Phase 1 - Portion 1 of Erf 1908, Erasmus	6,348,044	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/07/2034	Impaired

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Eagle Valley Property 41 (Pty) Ltd Phase 2 - Portion 1 of Erf 1908 Erasmus	6,174,083	Mortgage bond 13 months Impaired held by the from Gauteng disbursement Partnership date with a Fund final repayment on 31/03/2035
EGC Properties (Pty) Ltd - Browning Street	8,266,413	Mortgage bond 13 months Impaired held by the from Gauteng disbursement Partnership date with a Fund final repayment on 31/05/2031
EGC Properties (Pty) Ltd - Erf 101 Wolhuter, Jeppestown	5,940,517	Mortgage bond 25 months Impaired held by the from Gauteng disbursement Partnership date with a Fund final repayment on 30/09/2037
Egon House (Pty) Ltd - Erf 1171, City & Suburban, Johannesburg	5,677,741	Mortgage bond 25 months Performing held by the from Gauteng disbursement Partnership date with a Fund final repayment on 31/07/2032
Erf 85 Newtown (Pty) Ltd - Erf 269, Richmond	3,656,187	Mortgage bond 19 months Impaired held by the from Gauteng disbursement Partnership date with a Fund final repayment on 30/04/2036
Erf 273 Parktown Estate CC - Parktown Place Development	5,973,241	Mortgage bond 19 months Performing held by the from Gauteng disbursement Partnership date with a Fund final repayment on 31/12/2033
Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea No	5,093,855	Mortgage bond 46 months Impaired held by the from Gauteng disbursement Partnership date with a Fund final repayment in 31/01/2034
FV Trading Enterprises (Pty) Ltd - Erf 193, Duncanville	9,345,847	Mortgage bond 19 months Impaired held by the from Gauteng disbursement Partnership date with a Fund final repayment on 31/09/2038
Golden City Property (Pty) Ltd - Erf 533 & 534	4,594,084	Mortgage bond 13 months Performing held by the from Gauteng disbursement Partnership date with a Fund final repayment on 30/04/2036

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Goldburg Property Development (Pty) Ltd - Erf 72, Kempton Park	3,410,845	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/10/2036	Impaired
GNI Real Estate - Erf 113, Pretoria North	5,643,872	Mortgage bond 19 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 30/09/2036	Impaired
Hectofield (Pty) Ltd - Erf 644, Pretoria North	5,592,013	Mortgage bond 18 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/03/2038	Performing
Hoewe 15 Doreg Landbouhoewes (Pty) Ltd - Portion 484 (a portion of 125) of farm Hartebeeshoek 303, Gauteng	15,794,383	Mortgage bond 17 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/12/2036	Performing
Highlands Urban Living (Pty) Ltd - Highlands Lofts	2,179,969	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/01/2028	Impaired
Indigo Kulani Properties (Pty) Ltd - Erf 1676, Benoni	7,987,022	Mortgage bond 36 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 28/02/2034	Impaired
Ifizo (Pty) Ltd - Erf 733, Pretoria North	17,410	Mortgage bond 61 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/01/2026	Performing
Ikamvelihle Trading Enterprises (Pty) Ltd - Erf 953 - 956 Berea	6,185,405	Mortgage bond 66 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 30/06/2036	Impaired
Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB	3,632,174	Mortgage bond 22 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/10/2038	Impaired

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KDM Properties (Pty) Ltd - Erf 403, Johannesburg	3,309,983	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	7,131,521	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	17,888,278	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	1,881,123	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 31/12/2036	Impaired
Khwezi Enhle Investment (Pty) Ltd - Erf 102 Erasmus, Bronkhorstspuit	4,173,528	Mortgage bond held by the Gauteng Partnership Fund	26 months from disbursement date with a final repayment on 31/10/2038	Performing
Johannesburg Housing Company (Pty) Ltd - 117 Pritchard Street	5,558,173	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	6,514,970	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	5,921,906	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	1,670,231	Mortgage bond held by the Gauteng Partnership Fund	31 months from disbursement date with a final repayment on 31/01/2036	Impaired
Landopoint (Pty) Ltd - Erf 905, 906 and 907 Kenilworth	1,800,000	Mortgage bond held by the Gauteng Partnership Fund	31 months from disbursement date with a final repayment on 30/09/2034	Impaired and provision for doubtful debt

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Lavigen Lofts (Pty) Ltd - Erf 134, Bedworth Park	3,396,257	Mortgage bond 14 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/07/2037	Performing
Lisinfo 282 Property (Pty) Ltd - Erf 1952, Malvern	4,041,633	Mortgage bond 19 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/04/2033	Impaired
Lukataedi (Pty) Ltd - Erf 1952, Malvern	12,249,395	Mortgage bond 19 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/10/2034	Impaired
Madulamoho Housing Association - Allenby	1,174,111	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 30/11/2024	Performing
Madulamoho Housing Association - Fleurhof Views	13,542,568	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 28/02/2027	Performing
Madulamoho Housing Association - Jabulani	15,444,684	Mortgage bond 7 months from held by the Gauteng Partnership Fund disbursement date with a final repayment on 31/03/2028	Performing
Makabongwe Property Holding (Pty) Ltd - Erf 983, Johannesburg	8,801,730	Mortgage bond 16 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 31/10/2035	Impaired
Mahlahla Advancement Dynamics CC - Erf 442, Wolmer Pretoria	8,961,675	Mortgage bond 13 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 28/02/2036	Performing
Masisizane Group (Pty) Ltd - Portion 0 of Erf 2909, Jeppestown	4,261,870	Mortgage bond 19 months held by the Gauteng Partnership Fund from disbursement date with a final repayment on 30/09/2037	Impaired

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Meilijian Construction and Development (Pty) Ltd - Erf 24, Kempton Park	7,361,498	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	8,249,891	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	8,138,602	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	5,437,597	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 30/04/2036	Impaired
Michaelson Investments (Pty) Ltd - Erf 658, Troyeville	2,131,558	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	4,028,228	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	8,663,842	Mortgage bond held by the Gauteng Partnership Fund	28 months from disbursement date with a final repayment on 30/06/2035	Impaired
NBLR Properties (Pty) Ltd - Ext 2551, 2552 & 2553, Fleurhof Ext 20	13,122,654	Mortgage bond held by the Gauteng Partnership Fund	16 months from disbursement date with a final repayment on 31/12/2035	Impaired
Nelisa Properties (Pty) Ltd - Erf 388, Windsor	2,051,466	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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Ninarich Trading 3 (Pty) Ltd - Betty Street Precinct	15,431,416	Mortgage bond held by the Gauteng Partnership Fund 25 months from disbursement date with a final repayment on 31/03/2034 Impaired
Nonkwelo (Pty) Ltd - Erf 10 & 11, Hunter	7,077,222	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 - Norvena Court	16,772,520	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	18,707,142	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	13,940,595	Mortgage bond held by the Gauteng Partnership Fund 25 months from disbursement date with a final repayment on 30/08/2036 Impaired
Property Best Investments (Pty) Ltd - Erf 3834, Eersterus Ext 6	27,862,543	Mortgage bond held by the Gauteng Partnership Fund 13 months from disbursement date with a final repayment on 31/05/2037 Impaired
Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871 Albertville, Randburg	2,905,711	Mortgage bond held by the Gauteng Partnership Fund 20 months from disbursement date with a final repayment on 31/04/2036 Impaired
Proxisol (Pty) Ltd - Erven 31,32,33,59 & 60, Bertrams	8,836,080	Mortgage bond held by the Gauteng Partnership Fund 2 months from disbursement date with a final repayment on 31/09/2036 Impaired
Rainbow Beach Trading 261 (Pty) Ltd - Sondela Village Daggafontein	-	Mortgage bond held by the Gauteng Partnership Fund 13 months from disbursement date with a final repayment on 30/09/2028 Impaired

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Redformationz Holding (Pty) Ltd - Erf 4862, Birch Acres, Ext 321	16,321,312	Mortgage bond held by the Gauteng Partnership Fund	25 months from disbursement date with a final repayment on 30/09/2037	Impaired
Rivavect Investments (Pty) Ltd - Central House	3,785,815	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	873,516	Mortgage bond held by the Gauteng Partnership Fund	61 months from disbursement date with a final repayment on 31/05/2024	Performing
Sabiglo (Pty) Ltd - Erf 301 Windsor West, Randburg	7,884,325	Mortgage bond held by the Gauteng Partnership Fund	53 months from disbursement date with a final repayment on 30/09/2034	Performing
Sam Lubbe Investments CC - Erf 1654, Germiston	9,909,764	Mortgage bond held by the Gauteng Partnership Fund	31 months from disbursement date with a final repayment on 31/01/2039	Impaired
Seraph Investments (Pty) Ltd - Erven 488, 489, 490 and 491, New Doornfontein	16,892,307	Mortgage bond held by the Gauteng Partnership Fund	23 months from disbursement date with a final repayment on 28/02/2037	Performing
Sethitho Projects CC - Erf 1191, Rayton Extension 7	5,122,607	Mortgage bond held by the Gauteng Partnership Fund	19 months from disbursement date with a final repayment on 28/02/2037	Impaired and provision for doubtful debts
Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park	9,341,434	Mortgage bond held by the Gauteng Partnership Fund	64 months from disbursement date with a final repayment on 31/12/2038	Impaired
Sheran Investments (Pty) Ltd - Klippoortjie Agricultural Lots	8,787,453	Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/12/2036	Impaired

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Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams	900,000 Mortgage bond held by the Gauteng Partnership Fund	47 months from disbursement date with a final repayment on 30/06/2033 Impaired and provision for doubtful debt
SOA Residential Village (Pty) Ltd - Erf 1532, Selcourt	7,108,890 Mortgage bond held by the Gauteng Partnership Fund	13 months from disbursement date with a final repayment on 31/07/2037 Impaired
Stormstrong (Pty) Ltd - Erf 299, Windsor, Randburg	3,834,865 Mortgage bond held by the Gauteng Partnership Fund	47 months from disbursement date with a final repayment in 31/10/2038 Impaired
Take Shape Properties 75 (Pty) Ltd - Erf 4510, Johannesburg	8,787,831 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	8,299,081 Mortgage bond held by the Gauteng Partnership Fund	15 months from disbursement date with a final repayment on 31/08/2032 Impaired
Trust for Urban Housing Finance Intuthuko (Pty) Ltd	13,599,170 Mortgage bond held by the Gauteng Partnership Fund	83 months with a final repayment date on 31/08/2020 Performing
Tsebo Consumable Supplies (Pty) Ltd - Erf 256, Kempton	4,061,644 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	3,582,270 Mortgage bond held by the Gauteng Partnership Fund	62 months from disbursement date with a final repayment on 30/11/2033 Impaired
Valotorgue 199 (Pty) Ltd - Erf 757, Pretoria North	8,653,859 Mortgage bond held by the Gauteng Partnership Fund	31 months from disbursement date with a final repayment on 31/10/2033 Impaired

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Vuttomi Group (Pty) Ltd - Erf 347, 348, 349 and 350, Eldorette Ext 34 Pretoria	3,837,430	Mortgage bond held by the Gauteng Partnership Fund 32 months from disbursement date with a final repayment on 30/06/2036 Impaired
Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102	40,296,579	Mortgage bond held by the Gauteng Partnership Fund 25 months from disbursement date with a final repayment on 30/11/2038 Performing
Yeast City Housing (Pty) Ltd - Tau Village	3,524,066	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	46,613,464	Mortgage bond held by the Gauteng Partnership Fund 25 months from disbursement date with a final repayment on 31/10/2036 Impaired
Yeast City Housing (Pty) Ltd - Salvokop	4,459,520	Mortgage bond held by the Gauteng Partnership Fund 13 months from disbursement with a final repayment date on 30/06/2033 Impaired
Yin's Construction and Property Development (Pty) Ltd - Ext 21, Cloverdene	12,843,006	Mortgage bond held by the Gauteng Partnership Fund 30 months from disbursement with a final repayment date on 31/12/2038 Performing
Xanado Trade or Invest 614 (Pty) Ltd - Erf 324 Princess Ext 49, Roodepoort	-	Mortgage bond held by the Gauteng Partnership Fund 13 months from disbursement date with a final repayment on 31/08/2034 Impaired
Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa unit 2	900,000	Mortgage bond held by the Gauteng Partnership Fund 41 months from disbursement date with a final repayment on 31/08/2035 Performing
Zakhele Investment (Pty) Ltd - Erf 257, Kempton Park	3,497,135	Mortgage bond held by the Gauteng Partnership Fund 23 months years from disbursement with a final repayment date on 30/11/2032 Impaired

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Zwide & Dewa Investments (Pty) Ltd - Erf 424 & 425, Rhodesfield	29,454,678	Mortgage bond 54 months held by the Gauteng Partnership Fund from disbursement with a final repayment date 31/04/2037 Impaired
Receivables from exchange transactions	11,986,428	
Cash and cash equivalents	931,649,310	
Loans and receivables held-for-trade	73,832,373	
	1,969,287,545	

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 R963,235,485 (2019: R1,082,077,302) which is the nominal balance of all loans per the metropolitan municipalities listed below:

Metros	2020	2019
Ekurhuleni	210,871,056	267,843,628
Johannesburg	464,934,068	402,122,596
Tshwane	188,318,317	326,724,843
West Rand	90,721,474	76,765,142
Emfuleni	8,390,570	8,621,093
	963,235,485	1,082,077,302

25. Financial and non-financial instruments

2020	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	951,819,434	-	-	-	-	951,819,434
Loans and receivables held-for-trade	73,832,373	-	-	-	-	73,832,373
Receivables from exchange transactions	-	-	13,092,286	-	-	13,092,286
Cash and cash equivalents	-	-	931,649,310	-	-	931,649,310
Non-Financial Assets						
Intangible assets	-	-	-	-	52,245	52,245
Property, plant and equipment	-	-	-	-	3,916,270	3,916,270
Financial Liabilities						
Payables from exchange transactions	-	-	-	(305,326,336)	-	(305,326,336)
Non-Financial Liabilities						
Finance lease	-	-	-	-	(34,730)	(34,730)
Provisions	-	-	-	-	(5,724,167)	(5,724,167)
	1,025,651,807	-	944,741,596	(305,326,336)	(1,790,382)	1,663,276,685

2019	Loans and Receivables	Other assets	Other Liabilities	Non-financial instruments at amortised cost	Total
Financial Assets					

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Loans and Receivables from exchange transactions	852,416,418	852,416,418
Loans and receivables held-for-trade	31,853,337	31,853,337
Receivables from exchange transactions	- 37,756,905	- 37,756,905
Cash and cash equivalents	- 1,048,328,635	- 1,048,328,635
Non-financial Assets		
Intangible assets	-	131,468
Property, plant and equipment	-	4,725,461
Financial Liabilities		
Payables from exchange transactions	- (392,307,063)	- (392,307,063)
Non-Financial Liabilities		
Finance lease	-	(112,296)
Provisions	-	(5,652,405)
	884,269,755	1,577,140,460
	1,086,085,540	(392,307,063)
	(907,772)	1,577,140,460

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	2020	2019	2020	2019
Loans and receivables from exchange transactions	951,819,434	852,416,418	951,819,434	852,416,418
Receivables from exchange transactions	13,092,286	37,756,905	13,092,286	37,756,905
Cash and cash equivalents	931,649,310	1,048,328,635	931,649,310	1,048,328,635
Loans and receivables held-for-trade	73,832,373	31,853,337	73,832,373	31,853,337
	1,970,393,403	1,970,355,295	1,970,393,403	1,970,355,295

Financial Liabilities	Carrying amount 2020	Carrying amount 2019	Fair value 2020	Fair value March 2019
Non-financial liabilities - Finance lease obligation	34,730	112,296	34,730	112,296
Finance liabilities - Payables from exchange transactions	305,148,914	392,207,063	305,148,914	393,307,062
	305,183,644	392,319,359	305,183,644	393,419,358

Fair Value of Financial Instruments	Valuation technique- market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2020	Valuation technique- market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2019
Loans and receivables held-for-trade	-	73,832,373	73,832,373	-	31,853,337	31,853,337
Loans and receivables from exchange transactions	-	951,819,434	951,819,434	-	852,416,418	852,416,418
	-	1,025,651,807	1,025,651,807	-	884,269,755	884,269,755

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Notes to the Annual financial Statements

Figures in Rand				2020		2019	
25. Financial and non-financial instruments (continued)							
Non-Financial Liabilities		Valuation technique-market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2020	Valuation technique-market observable inputs	Valuation technique combination for market and non-market observable inputs	Total 2019
Finance lease		-	34,730	34,730	-	77,566	77,566
		-	34,730	34,730	-	77,566	77,566

The fair value of loans and receivables from exchange transaction has been determined by discounting future cash flows over the year of the loan at the prime rate at date of inception thereof.

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 GRAP fair value hierarchy has the following levels:

- a) Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1);
- b) 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
- c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

As at 31 March 2020, the GPF used level 2 to measures its loans and receivables from exchange transaction at fair value:

Level 2 techniques include:

- all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly such as interest rates. Fair values are determined by discounting the future contractual cashflows of loans and receivables using the market rate (prime interest) rates. The effective interest rate method is used to write back the discounted cashflows. The changes to JIBAR rates effective the effective interest rate.

26. Net cash outflow from operating activities

Surplus	86,136,225	71,718,150
Adjustments for:		
Depreciation and amortisation	2,202,581	2,086,499
Gain on sale of property, plant and equipment	(1,433)	(45,960)
Impairment loss	16,532,136	16,033,082
Fair value adjustments	16,473,811	12,170,009
Finance costs - Finance leases	7,934	15,606
Scrapping and impairment loss on fixed assets	623	285,484
Increase/(decrease) in operating movements in operating lease assets and accruals	-	(225,827)
Increase in provisions	71,762	193,151
Non cash fees earned	5,831,640	108,563
Changes in working capital:		
Receivables from exchange transactions	22,179,476	311,554
Increase in provision for doubtful debts	(2,299,687)	(9,891,780)
Payables from exchange transactions	5,947,274	(151,096,168)
Increase/Decrease in unutilised grants	(92,928,001)	389,510,785
Loans and receivables from exchange transactions	(99,403,016)	(71,584,911)
(Increase)/Decrease in loans and receivables held-for-trade	(41,979,036)	158,397,942

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26. Net cash outflow from operating activities (continued)		
Difference in interest calculated and interest capitalised	(34,063,180)	(18,430,473)
	(115,290,891)	399,555,706

27. Contingencies

Contingent liabilities

The GPF currently has an ongoing litigation with Arkein (Pty) Ltd. This was due to a contract that was cancelled and Arkein (Pty) alleges that the GPF owes them R8,500,000. The timing for payment (if any) cannot be reliably determined. As at the reporting date there had not been a legal outcome.

28. Budget Comparison

Comparison between budget and actual amounts at year-end.

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. At year end, the organisation spent 92% of its overall budget with an under-spending of 8% which equates to R7,108,395. The under-spending was as a result of awaiting the approval and implementation of the new structure.

Refer to Statement of Comparison of Budget and Actual amounts.

29. Increase in provision for doubtful debts

Loans and receivables from exchange transactions

BM Molefi Properties 241 (Pty) Ltd - Kgorong Estate	-	2,889,502
Clarewater (Pty) Ltd - Erf 1509, Discovery, Roodepoort	596,046	3,102,765
Comocap (Pty) Ltd - 88 Relly Street	38,924	169,460
Clidet No. 1024 (Pty) Ltd - 44 Wanderers	1,211,068	-
DNM Estate (Pty) Ltd - Erf 517 & 518, City and Suburban	-	1,159,156
Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street	-	233,846
Landopoint (Pty) Ltd - Erf 905,906 and 907, Kenilworth	-	128,185
Shukumani Trading Enterprises (Pty) Ltd - Erf 550, Bertrams	-	2,208,866
Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa Unit 2	453,649	-
	2,299,687	9,891,780

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 R8,436,909. (Refer to note 3). The company is currently in liquidation. The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

The loan to Clarewater (Pty) Ltd - Erf 1509, Discovery, Roodepoort was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R3,698,811. The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

The loan to Clidet No. 1024 (Pty) Ltd - 44 Wanderers was settled with a short-fall of R1,211,068. (Refer to note 3 & 31)

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 in the prior year. Management has provided for a loss of R1,927,850. The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

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29. Increase in provision for doubtful debts (continued)

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. The loan has subsequently been written off as the senior funder decided to foreclose. (Refer to note 3 & 31).

The loan to Shukumani Trading Enterprise (Pty) Ltd - Erf 550 Bertrams was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R2,090,056. (Refer to note 3). The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

The loan to Xylo Trading 253 (Pty) Ltd - Portion 3 of Erf 2834, Ga-Rankuwa Unit 2 was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R453,649. (Refer to note 3). The GPF has instituted legal proceedings against the borrower. (Refer to note 3).

30. Gain on disposal of assets

Gain on disposal of assets	1,433	45,960
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Gain on disposal of assets relates to computer equipment and office equipment disposed of during the year. (Refer to note 6).

31. Bad debts written off

Clidet No. 1024 (Pty) Ltd - 44 Wanderers	1,211,068	-
Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street	-	5,973,681
	1,211,068	5,973,681

The loan to Clidet No. 1024 (Pty) Ltd - 44 Wanderers was settled with a short-fall of R1,211,068. (Refer to note 3 & 29).

The loan to Echo Canyon Trading (Pty) Ltd - 463 and 465, Hanny Street was written off due to the business rescue practitioner accepting an offer which was lesser than the amount owed to the NHFC and the GPF. (Refer to note 3 & 29).

32. Subsequent events**COVID – 19 Pandemic Effects**

The members are not aware of any matter or circumstance arising since the year ended.

The World Health Organization declared COVID-19 a pandemic on 11 March 2020. In response, the South African Government classified COVID-19 as a national disaster and issued additional regulations and directions to curtail the disaster. The South African national lockdown that became effective at midnight on 23 March 2020 affected almost all sectors. Government and private sectors took actions by responding to the outbreak however the fund did not completely close business and they continued to be partially operational, however mostly affecting the construction industry.

As at reporting date the effects of the COVID-19 outbreak are generally adjusting events, however there was nothing to adjust as at the 31st March 2020 For GPF, (with the exception of going concern). The effects of the COVID-19 outbreak did not have a significant impact on GPF until after 30th April 2020. However, some of the key impacts that will affect the fund going forward are but not limited to:

- Inability to raise financing
- Service delivery
- Increase in arrears on loan repayments
- Increased volatility in the value of financial instruments
- Unavailability of personnel
- Supply Chain disruptions

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32. Subsequent events (continued)

In the subsequent year the fund is likely to see a decline in its revenue as a result of the spread of the virus and the economic impact. Being likely impacted by significant reductions in debts due to customer's experiencing financial or cash flow difficulties. There will be a need to amend terms and conditions of existing loans, such as changing interest rates, borrowing additional funds or modifying other contractual terms.

The fund will look into reviewing its accounting policies to ensure that its still applicable in the current circumstances. Non-adjusting events that would generally be disclosed in the financial statements include breaches of loan covenants (Modification of existing contractual arrangements), significant declines in the fair value of investments held after the reporting period.

The COVID-19 pandemic is a contributing factor in the delayed approval of financial statements which were due for approval on the 31st July 2020 and this being postponed to 30th September 2020.

Management will continually review and update the assessments up to the date the financial statements are issued given the fluid nature of the crisis and uncertainties involved.

Management will regularly consider and reassess the impact of COVID-19 on service delivery, clients, transactions, balances, policies and procedures. As a result of the Covid-19 pandemic, 6 applications were approved for debt relief. Payment holidays were to the applicants subsequent to year end.

Appointment of new Trustees

On the 15 May 2020 the MEC appointed new Trustees. This is a non-adjusting event. (Refer to Trustees Report note 7).

Forensic Investigation conducted

During the year GPF appointed Gobodo Inc to conduct an investigation on alleged fraud within the organisation. A draft report was submitted to GPF on the 10th of June 2020. The contents of the report gave rise to irregular expenditure, which constituted an adjusting event and this has been accounted for under irregular expenditure in note 34.

33. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	27,321	-
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Fruitless & wasteful expenditure was incurred during the year for flight arrangements that were cancelled and the overpayment of a salary related expense for an employee who has resigned.

34. Irregular expenditure

Opening balance	-	1,785,552
Add: Irregular Expenditure discovered in current year relating to prior years	4,664,044	-
Add: Irregular Expenditure - current year	7,040,404	1,699,188
Less: Amounts condoned	-	(3,484,740)
	11,704,448	-

Subsequent to year end, management discovered irregular expenditure of R11,704,448 during the year that was incurred from the 2018 financial year. The irregular expenditure arose as a result of not following a bid process.

Irregular expenditure of R3,484,740 in the previous year was condoned by the board.

Management has thus far discovered expenditure relating to fraudulent payments. The GPF has instituted criminal charges against the employee concerned and will conduct an investigation to quantify the total fraudulent payments.

Management is currently under a process of assessing expenditure incurred to determine if this is not irregular. This expenditure has subsequently not been disclosed in line with the irregular expenditure framework.



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