ANNUAL REPORT 2023/24

GPF
GAUTENG PARTNERSHIP FUND

Catalyst for delivering sustainable human settlements

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PART A // GENERAL INFORMATION

BARRA DUNES – SANDY LANE

1. Public Entity's 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:	P.O. Box 652247 Benmore 2010
Telephone number:	+27 11 685 6600
Email address:	information@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:	Standard Bank South African Reserve Bank
Company secretary:	Thandi Zide

2. List of Abbreviations and Acronyms

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CSI	Corporate Social Investment
DDR	Due Diligence Report
DM	District Municipality
EEPF	Entrepreneur Empowerment Property Fund
ERM	Enterprise-Wide Risk Management
FY	Financial Year
GCR	Gauteng City Region
GDHS	Gauteng Department of Human Settlements
GDP	Gross Domestic Product
GEYODI	Gender, Youth and People Living with Disabilities
GPF	Gauteng Partnership Fund
GPT	Gauteng Provincial Treasury
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HR	Human Resources
ICT	Information and Communications Technology
IGR	Inter-Governmental Relations
IP	Implementation Protocol
JIBAR	Johannesburg Interbank Average Rate
KPI	Key Performance Indicators
MEC	Member of Executive Council
MOU	Memorandum of Understanding
NPL	Non-Performing Loan
PAIA	Promotion of Access to Information
PDC	Property Developers Construction (Pty) Ltd
PFMA	Public Finance Management Act (No. 1 of 1999)
POPI	Protection of Personal Information
PWD	People with Disabilities
RHF	Rental Housing Fund
RLRP	Rapid Land Release Programme
SAF	Student Accommodation Fund
SAHL	South African Home Loans
SAIBPP	South African Institute of Black Property Practitioners
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SMME	Small, Medium and Micro Enterprise
TIDs	Technical Indicator Descriptions
UISP	Upgrading of Informal Settlements Programme

> The entity launched the innovative and transformative Kasi-4-Real product during the year under review. This product is part of our drive to provide affordable financing solutions for township developers, especially in the low-income market, to promote greater inclusivity and transformation.

3. Foreword by the MEC: Gauteng Human Settlements and Infrastructure Development

Tasneem Motara

Over the past thirty years of our democracy, government's successful housing delivery programme has had a positive impact on the residential property market. Industry experts agree that the delivery of quality, liveable human settlements is critical to achieving our socio-economic transformation objectives.

Our human settlements delivery programme, with its spatial and socio-economic transformation focus, has played a significant role in providing housing ownership to those at the lower end of the housing market. This programme bridges the affordability gap for households with a very low income, who would otherwise not be able to afford to purchase a home.

We need to speed up the delivery level of our human settlements projects to meet the aspirations of working-class households, as well as the poorest of the poor in the Gauteng City Region (GCR). The GPF, as an entity of the provincial government under the Gauteng Department of Human Settlements (GDHS), has a crucial role to play.

The GPF must enhance its agility and flexibility, and utilise its agency status to help fast-track human settlements delivery in Gauteng. It should continue to provide other solutions to housing and accommodation challenges within the province, including social housing units, affordable rental housing, and student accommodation. Despite a very difficult economic environment generally, and for the housing sector broadly, the GPF managed to achieve certain targets during the year under review. We took positive steps to enhance and improve our governance and loan book.

The entity launched the innovative and transformative Kasi-4-Real product during the year under review. This product is part of our drive to provide affordable financing solutions for township developers, especially in the low-income market, to promote greater inclusivity and transformation. We are proud of the Memorandum of Understanding (MOU) that we signed with South African Home Loans (SAHL), which will provide access to financing for qualifying beneficiaries for our serviced sites. We look forward to seeing this progressive partnership bearing fruit in the years ahead.

It is important to highlight that the entity suffered much reputational damage during the year under review. Negative press impacted not just the entity's public relations, but also its ability to raise capital and create private-public partnerships, which add value to the Gauteng Provincial Government's human settlements delivery product offering. Going forward, it is important that we refresh the image and identity of the GPF and reposition it as an implementing agent and partner of choice when it comes to housing and financing solutions within our city region's extensive human settlements value chain.

In closing, we would like to thank the Chairperson of the Board, the entire Board, the executive management, and the staff of the GPF for their stellar work and motivation during a very tough period. We would like to reiterate that we have every confidence in the Board and the GPF's executive leadership to not only steer the entity towards achieving its objectives but also reposition it as a centre of excellence for human settlements delivery. This includes enhanced project management and project delivery capacity, as well as innovative funding and financing solutions for the lower end of the housing market.

Tasneem Motara
Member of Executive Council (MEC) Gauteng: Human Settlements and Infrastructure Development

OPAL STUDENT APARTMENTS

The groundwork that was initiated by the GPF team to solicit funding partners on construction projects culminated in the conclusion of more than R450 million worth of partnering commitments.

4. Report by the Chairperson

Craig Cornish

Introduction

I am pleased to present this Annual Report, for what has been a year of countless achievements, lessons learnt and a fair number of challenges. A new Board of Trustees was appointed in Quarter 1 of the 2023/24 financial year (FY). This in itself presented significant advantages and disadvantages. The advantages, which were in the majority, included the coming together of some of the wisest minds in the key areas of the GPF's mandate. These expertise include the built environment, corporate finance investment, legal compliance and governance and human capital management. Most importantly, the Board is once again constituted of individuals that are committed to leading the organisation to the next level, to deliver liveable human settlements, where Gauteng Province residents can live, work and play.

High-level overview of the GPF's performance in the year under review

The Board executed its strategic oversight responsibility on the GPF's delivery of agreed performance deliverables, as articulated in its 2019–2024 strategic plan. While delivering on all strategic facets, it intensified its efforts on:

- Raising and managing the capital required for the successful implementation of its core business.
- Providing project development, implementation and management services to identified Mega Projects, as well as the Upgrading of Informal Settlements and Rapid Land Release programmes.

The organisation lagged behind in one strategic element, namely providing loans to private-sector developers for the development of affordable rental and student accommodation and social housing projects. This can be attributed to the delay in the issuing of the letters of Authority to the new Trustees. Due to the

GPF being a Trust, the ability of Trustees to make investment decisions was severely hampered by the absence of Letters of Authority until the last quarter of the financial year.

In the year under review, the organisation improved its performance from 74.1% in 2022/23 to 81.2%. The Board focused on ensuring a sound corporate governance environment that would not only result in improved performance but also attract strategic funding partners. The following were some of the Board's achievements in respect of the year under review:

- Consistent, timeous and useful quarterly reporting on performance to the Shareholder.
- Review of numerous policies to enable seamless and compliant business processes. These include Anti-Money Laundering, Privacy, Conflict of Interests, Information and Communication Technology and the Human Resources (HR) Policies Manual.
- Various frameworks premised on the implementation of good corporate governance were considered and approved, such as the Combined Assurance, Risk Management, Materiality and Significance Frameworks, inter alia.
- Review of the entity's Trust Deed to align with the evolving GPF mandate and best practice.
- Review of the strategic risks faced by the organisation in the wake of a global economic downturn, identifying emerging risks and devising mitigating strategies.
- Launch of a funding product that caters for township real estate development, Kasi-4-Real.
- Ensuring that the Auditor-General of South Africa (AGSA) post audit action plan was implemented timeously.

The GPF continues to achieve an unqualified audit opinion from the AGSA, bearing testament to the unwavering commitment by the Board, management and staff to ensure that the GPF is managed in a transparent, compliant and performance-driven manner. There was no irregular or fruitless and wasteful expenditure incurred in the year under review. The reported irregular expenditure relates to prior years and awaits condonation by the Gauteng Provincial Treasury (GPT), following the implementation of corrective measures as per the Irregular or Fruitless and Wasteful Expenditure Framework, to prevent recurrence in the future.

Regarding areas of improvement that were identified by the AGSA in the previous year's audit, the Board led the process of reviewing key performance indicators in the GPF's core strategic programmes. This review has ensured qualitative and quantitative reporting that has tangible outcomes.

The Chief Executive Officer (CEO) kept the Board informed throughout the period under review regarding strategic matters that required its intervention. One key matter included a request for recapitalisation of the entity. This recapitalisation will ensure that the delivery of its mandate is not hampered, as this has had an adverse effect on the removal of barriers to the entry construction and development industry, as well as the ultimate beneficiary of the GPF mandate viz: Gauteng residents.

Strategic Relationships

The GDHS, as the sole shareholder, remained the GPF's key strategic partner in the delivery of quality and affordable living spaces. The impact of the delivery of this mandate far outweighs the challenges that were experienced during the process. These challenges include bulk infrastructure service delivery, municipal delays in the issuing of compliance certificates and illegal occupations to mention a few.

The groundwork that was initiated by the GPF team to solicit funding partners on construction projects culminated in the conclusion of more than R450 million worth of partnering commitments. Through stakeholder engagement at a strategic and governance level, the GPF will continue to convert these commitments into actual funding provided to its beneficiaries. This funding will be made possible by the enhancement of the GPFs own balance sheet through recapitalisation and the prudent management of the existing loan book.

With the recent establishment of the Inter-Governmental Relations (IGR) and Social Facilitation Unit, significant strides have been made in resolving bottlenecks in the GPF business value chain. The interventions made by the Unit in the year under review extended from collaboration with municipalities to include the implementation of strategic problem solving initiatives with other spheres of government, including state-owned entities.

Challenges faced by the Board

The implementation of the Asset Disposal Framework remained one of the challenges that the Board had to grapple with. This framework focuses on ensuring that the Non-Performing Loan (NPL) book is managed and disposed of in a manner that minimises losses to the GPF. It also provides an alternative to protracted legal proceedings, but still ensures that decent human settlements are delivered to the people. The implementation of this framework saw collaboration between the GPF and government departments and agencies, where the latter pursued solutions for the provision of human settlements to their targeted beneficiaries, in exchange for monetary value for the GPF. Although none of these initiatives were concluded in the year under review, significant strides were made and it is envisaged that the results will be visible in the following financial year.

Following the previous year's identification of the organisation's financial sustainability as a risk that could threaten its ability to fund future projects, the GPF opted to focus the investment of its available funds on student accommodation. This was based on the yield and the impact of this type of project, in the GPF's quest to provide funding, get repaid and re-invest money to the advantage of its beneficiaries.

Strategic focus over the medium- to long-term period

The Board is committed to providing strategic leadership, guidance and performance oversight in relation to the following key strategic focus areas:

- Financial sustainability;
- Strategic funding partnerships;
- Disposal of the NPL book;
- Contribution to township economy growth;
- Maintain (improve) the performance of the organisation; and
- Maintain (improve) the Audit Outcome of the organisation.

Acknowledgements/appreciation

I would like to take this opportunity to acknowledge the role of the Honourable MEC Lebogang Maile, Member of the Gauteng Executive Council for Human Settlements and Infrastructure Development, and his entire team during the period under review. A special acknowledgement also goes to the Honourable MEC Tasneem Motara, who was appointed as the new MEC for Human Settlements. The GPF Board looks forward to working with the new MEC to deliver the GPF mandate.

My expression of gratitude would be incomplete if I did not extend it to the GPF Board. The Board has consistently and with integrity provided a solid foundation of good governance for the implementation of all strategic initiatives. I'd also like to thank all our stakeholders in the Gauteng Provincial Government, particularly the Office of the Premier, the various departments and entities, for supporting our efforts to deliver on our mandate.

Last but not least, the CEO, Ms Lindiwe Kwele and her capable Executive Team and GPF staff continue to be a beacon of hope that it is possible to bring about much needed spatial transformation in our environment. My appreciation goes out to the entire GPF workforce for the commitment in making the Board's responsibility easier and continuing to 'Live the GPF Way', while ensuring that the execution of the mandate is an achievement that will benefit many generations of South Africans to come.

It is with the utmost honour and pride that I join the MEC in presenting the GPF's Annual Report for the 2023/24 FY.

Mr Craig Johannes Cornish
Chairperson of the Board
Date: 26 August 2024

GNI - ISADOR GROVE

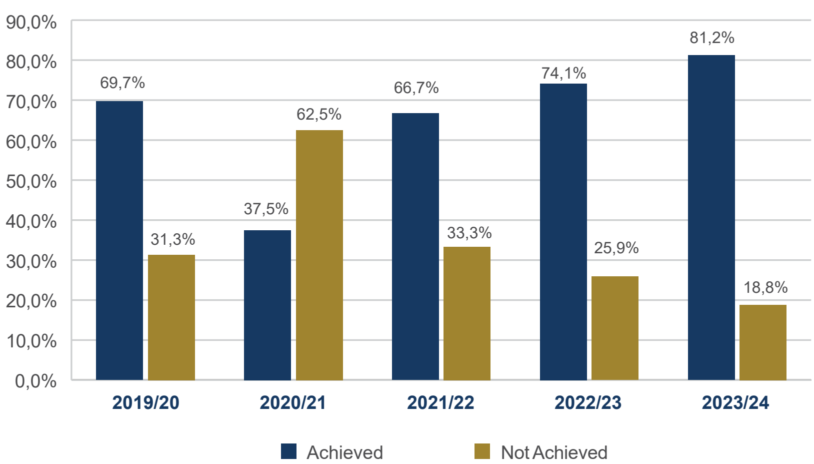
> It is humbling to note the GPF's exceptional performance since its inception in 2002. In the year under review, the GPF achieved a significant number of set targets despite financial and operating environment challenges.

5. Chief Executive Officer Overview

Ms Lindiwe Kwele

The year under review marked the end of the sixth governmental administration and the GPF has been instrumental in accelerating the Gauteng Provincial Government priorities within the realm of integrated and sustainable Human Settlements. The 2023/24 FY marks the end of the 2019/24 term of the GPF's Strategic Plan, and an in-depth impact assessment will be conducted in the 2024/25 FY. As illustrated in Figure 1, this will allow the organisation to take stock of the significant contributions made towards the implementation of the 5-year strategic plan, in line with provincial priorities.

Figure 1: 5-year Annual Performance Comparison



Over the past 5 years the GPF's focus has evolved from the implementation of Social Housing to Affordable Rental Housing including Student Accommodation. The GPF's mandate was further extended to include the implementation of Mega Human Settlements and Turnkey Developments on strategic government-owned land in Gauteng. At the heart of this mandate lies the government's constitutional imperative to ensure spatial transformation that supports liveable communities premised on equality, safety, environmental quality and fair access to urban resources. It is humbling to note the GPF's exceptional performance since its inception in 2002. In the year under review, the GPF achieved a significant number of set targets despite financial and operating environment challenges.

We view this growth as a testament to the Gauteng government's confidence in the GPF's capability to serve as a vehicle in the execution of the tasks we undertake on behalf of the GDHS. The GPF has matured as an organisation through building a firm foundation and making a deliberate investment in people and systems. All of this is underpinned by shared values and a high-performance culture.

During the 2023/24 FY, the GPF management implemented several measures to improve the quality of our loan book. These measures include engaging with borrowers on a continuous basis, taking rental cessions where necessary and implementing automated loan applications and loan management systems. Furthermore, the GPF is embarking on an assets disposal exercise to dispose of NPLs.

As of 31 March 2024, the GPF had committed R125 million of its available cash to capital projects with a loan book balance of R1.1 billion. We continue to strengthen credit controls with a view to reduce NPLs and increase collection rates as a strategic imperative for the GPF. As the preferred partner for the implementation of integrated and sustainable human settlements in Gauteng, the GPF appreciates the challenges and opportunities presented by its mandate and has introduced internal control measures to adequately respond to provincial priorities.

The GPF Cost to Income ratio on an actual cash basis was 78% for the period under review. GPF management continues to drive cost cutting measures including amplifying revenue diversification initiatives. In the year under review, the total approved operations budget was R120 million. This was revised down to R104 million during the final adjustment due to fiscal prudence. The GPF spent 93% of the final adjusted budget which equates to R97 million. The organisation continues to explore other revenue streams to enhance its long-term financial sustainability.

To address findings identified by the external audit, the Supply Chain Management (SCM) Unit has put in place interventions to enhance compliance and build systems to achieve best practice and ensure a governance compliant environment. In dealing with the challenges that affect SCM, the organisation has successfully implemented the SCM turnaround plan. In our quest to respond and contribute to Enterprise Development, we continue to ensure that our payment cycles remain robust and do not negatively affect our service providers' cash flows. The payment of service providers within 15 to 30 days is recorded at 100%.

Over the period under review, the GPF has ensured fair, equitable, competitive and transparent bidding in our projects and as such, no unsolicited bids were concluded in the year under review. Procurement through the targeted group represented by Gender, Youth and People Living with Disabilities (GEYODI) continued to be challenging during the 2023/24 FY. SCM implemented marketing initiatives that resulted in an improvement in performance for Women and Youth. The organisation will continue with these initiatives to ensure that we realise our objectives and contribute to the provincial and national government's transformational objectives.

The GPF continues to apply a proactive risk mitigation approach to every loan approval and investment decision. A more hands-on approach has been adopted in the management of potential project performance risks. Furthermore, we have reviewed our processes and policies, to ensure that we meet our clients' turnaround expectations and future business sustainability requirements.

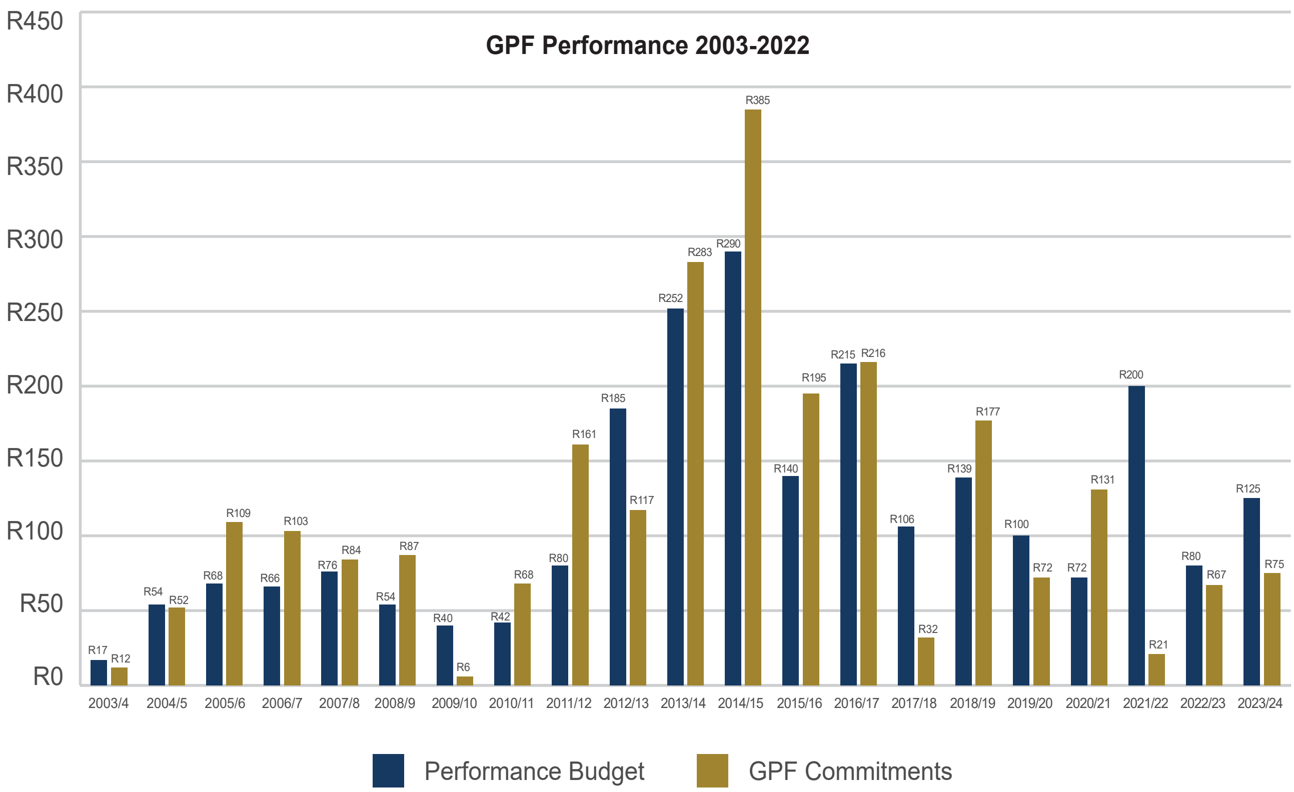
The challenges in housing delivery are too complex to be addressed by any one entity and require collaboration between the public and private sector. To this end, we have partnered with several private, public and non-governmental organisations to find holistic solutions to development challenges in the Gauteng Province. The GPF concluded five strategic partnerships during the year under review. The concluded partnerships will focus on the implementation of the agreed objectives in the next financial year.

The GPF has over-achieved its 2023/24 housing target for rental units (target was 348 for housing units completed vs 360 housing units completed/delivered). An Implementation Protocol (IP) for 2023/24 was concluded with the GDHS, to implement identified Mega Projects. The organisation facilitated the delivery of 400 serviced stands and 1 543 top structures. The total amount of the unspent grant towards Mega Projects from the GDHS amounts to R177 million. This will be deferred to the new financial year for completion of the outstanding units.

The implementation of Mega Projects has made a significant socio-economic impact to the communities in which they are established. These Projects are implemented in a manner that is designed to broaden the involvement of enterprises owned by targeted groups (GEYODI), as well as SMMEs, in the infrastructure development sector. It is against this background that the GPF endeavours to ensure that at least 30% of its capital budget is spent on SMMEs with an increase in the development of Women-owned Enterprises over time.

As illustrated below in Figure 2, the GPF has performed well since inception in 2002. The majority of previous years recorded an overachievement of set targets, despite the financial and operating environment challenges at the time.

Figure 2: GPF budget vs commitments



We look forward to continuing to execute our mandate and positioning the GPF to realise the province's vision of mobilising public and private sector funding for Human Settlements Projects. We will also continue to facilitate development in an integrated manner, through capital investments as an implementing agent. Our priority is to deliver on the mandate while taking the long-term sustainability of GPF into consideration.

In the year under review, we launched Kasi-4-Real, a new product that the GPF is mobilising on behalf of the Department of Human Settlements. It is aimed at providing funding to emerging property developers in the townships for the development of affordable real estate housing to address increasing demand. The GPF will embark on an aggressive joint marketing drive with the GDHS in the coming financial year. There were no projects approved under this programme for the year under review.

We recognise that delivering Mega Human Settlements, the Rapid Land Release Programme (RLRP) and the Upgrading of Informal Settlements Programme (UISP) is more complex than social and affordable rental housing projects. However, having understood the government's collective vision and through planning and the alignment of public and private sector resources, we can turn this vision into reality. The GPF's role is to facilitate, provide effective oversight and implement projects while creating an environment for the private sector to participate in.

Rapid Land Release Programme (RLRP)

The GDHS has appointed the GPF as the implementation agent responsible for facilitating the acquisition of serviced stands on behalf of the Department. The stands are required to be serviced with all municipal engineering services (water reticulation, sewer reticulation, roads, stormwater drainage and electrical reticulation). This servicing allows them to be easily allocated to qualifying beneficiaries who have demonstrated the ability to build for themselves in line with the Department's qualifying criteria.

In 2023/24 FY, the GPF procured 2 078 sited. Furthermore, for the year under review, 1 602 serviced sites were completed. In addition, the GPF procured a service provider to assist the developers in registering potential beneficiaries for the projects. Over 9 900 beneficiaries have been identified against a delivery target of 6 590 serviced sites to be delivered by the GPF.

The GPF successfully concluded an MOU with SAHL who undertook to provide end user finance to qualifying beneficiaries receiving serviced sites. The pilot projects will continue to be implemented in the 2024/2025 FY.

Upgrade of Informal Settlements Programme (UISP)

In the year under review the GPF concluded a Service Level Agreement with a service provider for the provision of an alternative sanitation solution, which included the design, supply, installation and maintenance of alternative sanitation technologies. The objective of this solution is to provide a more permanent sustainable sanitation solution to improve the standard of sanitation for informal settlement communities and restore dignity to our people. The service provider commenced work on two sites where 638 households will benefit from this alternative sanitation technology. Installation is expected to continue in 2024/25. Two sites have been reblocked (a process of spatial reconfiguration in informal settlements) and the GPF will continue to act as the implementing agent for the UISP programme on behalf of the GDHS.

In conclusion, 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 and the GDHS Head of Department for continuing to provide resources to ensure the achievement of the GPF's mandate.

My sincere and warmest appreciation also goes to the Shareholder MEC Tasneem Motara, the Head of Department, Ms Phindile Mbanjwa, Mr Craig Cornish, the Chairperson of the GPF Board and the entire Board of Trustees team for their steadfast leadership, guidance and stewardship throughout the year. I would also like to specifically thank our funding partners, 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.

Ms Lindiwe Kwele
Chief Executive Officer
Gauteng Partnership Fund (GPF)
Date: 26 August 2024

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 (AFS) audited by the Auditor-General.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The AFS (Part F) have been prepared in accordance with the South African Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.
- The Board is responsible for the preparation of the AFS 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 HR information and the AFS.
- The external auditors are engaged to express an independent opinion on the AFS.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the HR information, and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully

Mr Craig Cornish
Chairperson of the Board
Date: 26 August 2024

Ms Lindiwe Kwele
Chief Executive Officer
Date: 26 August 2024

7. Strategic Overview

7.1 Vision

The vision of the GPF is to be a partner of choice in catalysing the funding and development of integrated and sustainable human settlements in Gauteng.

7.2 Misson

The GPF exists to facilitate the development of integrated and sustainable human settlements for communities in 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 financial returns.

7.3 Values

Our core values are embedded in our culture of professionalism and excellence and are expressed in the execution of our mandate, vision, mission, goals and objectives:

Teamwork

- Recognise that we can only reach the summit by collaborating and solving problems together.

Respect

- Demonstrate respect for each other.

Accountability

- Be accountable and own it.

Integrity

- Be the trusted partner.

Customer Centricity

- Keep our customers at the centre of all we do.

Innovation

- Seek ways to remain relevant.

These shared values are regarded as paramount to the success of the organisation. The GPF also recognises that a values-driven leadership approach towards crafting a high-performance culture requires targeted management intervention. This intervention ensures that the values are visible and lived by all within the organisation, without exception.

8. Legislative and other Mandates

The GPF was founded in 2002 as a Benevolent Trust under the Trust Property Control Act (No. 57 of 1988) by the Executive Authority, a member of the Provincial Legislature for the GDHS. The GPF is listed as a Schedule 3C entity in terms of the Public Finance Management (PFMA) Act (No. 1 of 1999).

The Schedule 3C listing confers on GPF a limited degree of autonomy and places limitations and restrictions on GPF's existence and operations. The limitations include being prohibited from borrowing money as an entity. Therefore, even though the GPF is in the business of lending, it cannot borrow.

The GPF as a government entity is guided by legislation. The following legislation is of paramount importance to the business and operations of the GPF:

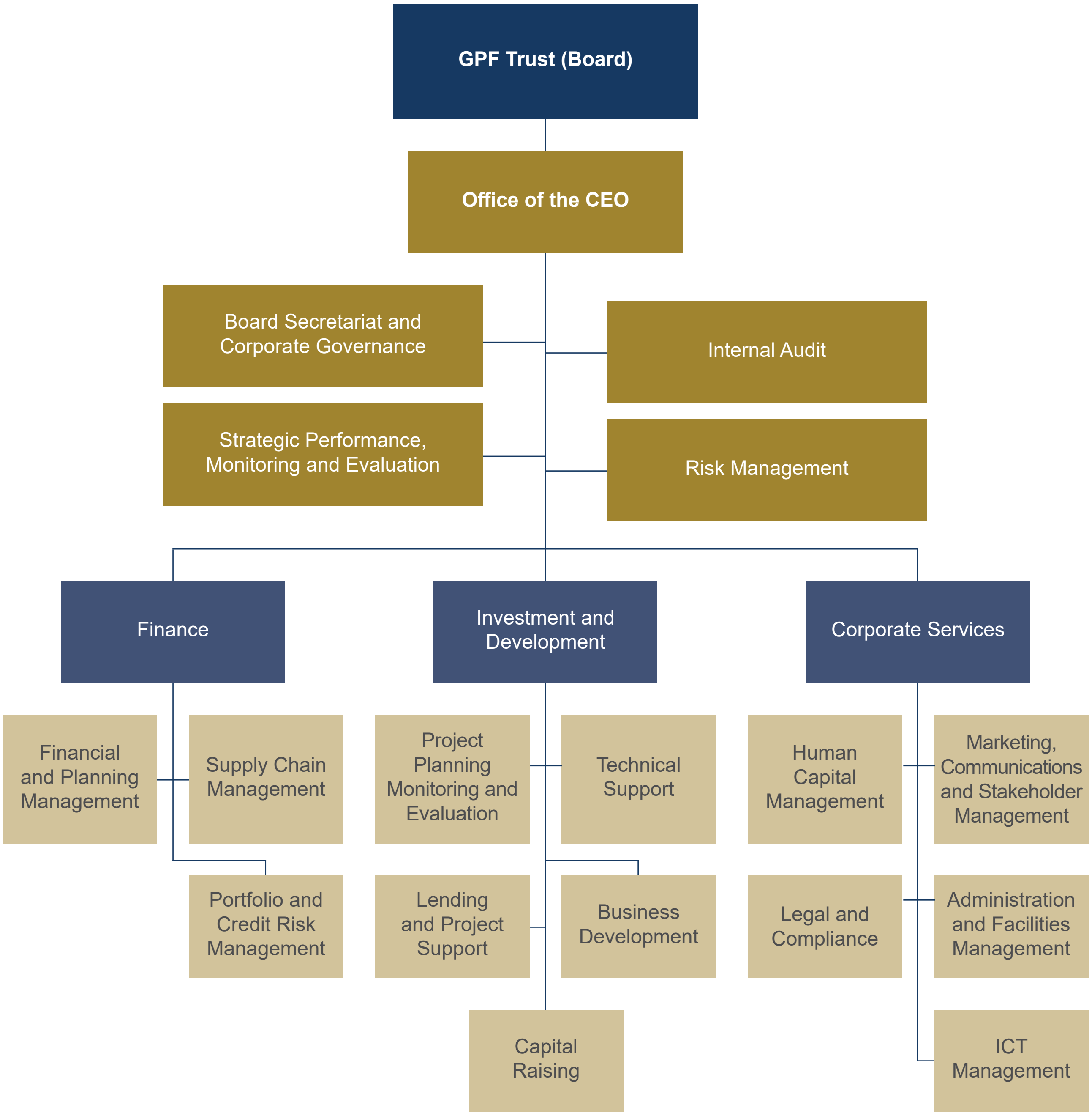
Table 1: Key legislation with bearing on the work of the GPF

Legislative Framework	Relevance for the GPF
PFMA (No. 1 of 1999) as amended and National Treasury Regulations in terms of the PFMA	The PFMA regulates financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets, and liabilities are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management, and to provide for matters connected therewith. The Act requires the GPF to promote the objective of good financial management and accountability to maximise service delivery through effective and efficient use of resources. GPF's Schedule 3C listing restricts the entity, in terms of entering into transactions that access funds from the private sector, including through borrowing, in a manner that commits the government to a "future financial commitment". Its proposed change in corporate form and listing as a Schedule 3D entity will allow the GPF to implement the revised mandate that requires it to: • Be a juristic person but one that remains under the ownership and control of the GDHS; • Provide services on ordinary business principles; • Borrow financially; and • Be fully or substantially funded from sources other than the Provincial Revenue Fund, i.e. the GPF needs to become financially self-sustainable.
The Trust Property Control Act (No. 57 of 1988) as amended	**A key aspect of the Trust Property Control Act** is that it requires trustees to act in the best interests of the beneficiaries and to manage trust property prudently. Trustees are also required to keep accurate records and accounts of the trust's finances. As a trust, this Act is the founding legislation of the GPF.
The Promotion of Access to Information (PAIA) Act (No. 2 of 2000)	The Act gives the constitutional right of access to any information held by the State and any information held by private bodies that is required for the exercise and protection of any rights. GPF has appointed an Information Officer and Deputy Information Officer to ensure compliance with PAIA. The PAIA information manual can be accessed on the GPF's website.
The Protection of Personal Information (POPI) Act (No. 4 of 2013)	The Act aims to: • Promote the POPI processed by public and private bodies; • Introduce information protection principles to establish minimum requirements for the processing of personal information; • Provide for the establishment of an Information Protection Regulator; • Provide for the issuing of codes of conduct; to provide for the rights of persons regarding unsolicited electronic communications and automated decision-making; • Regulate the flow of personal information across the borders of the Republic; and • Provide for matters connected therewith. **The GPF has a Privacy Policy in place to ensure compliance with the Act. GPF has appointed an Information Officer and Deputy Information Officer to ensure compliance with POPI.**

Legislative Framework	Relevance for the GPF
Housing-related legislation	Legislation guiding the mandate of the GPF in the housing sector includes: • Housing Act (No. 107 of 1997) as amended; • Housing Development Agency Act (No. 23 of 2008); • Infrastructure Development Act (No. 23 of 2014); • Rental Housing Act (No. 50 of 1999) as amended; • Social Housing Act (No. 16 of 2008); and • Spatial Planning and Land Use Management Act (No. 16 of 2013).
Labour related legislation	The legislative framework that governs Human Resource Management includes but is not limited to the following: • Basic Conditions of Employment Act (No. 75 of 1997) as amended; • Employment Equity Act (No. 55 of 1998) as amended; • Labour Relations Act (No. 66 of 1995) as amended; • Occupational Health and Safety Act (No. 85 of 1993) as amended; • Public Service Act (No. 103 of 1994) as amended; and • Skills Development Act (No. 97 of 1998).
Supply Chain Management related legislation	The legislative framework that governs SCM includes but is not limited to the following: • Broad-Based Black Economic Empowerment (B-BBEE) Act (No. 53 of 2003); • Preferential Procurement Policy Framework Act (No. 5 of 2000); • PFMA SCM Treasury Regulations; and • Preferential Procurement Regulations, 2022.
Anti-money laundering-related legislation	GPF is obliged to comply with Anti-Money Laundering related legislation. These laws include, but are not limited to the following: • Financial Intelligence Centre Act (No. 38 of 2001) as amended; • General Laws (Anti-Money and Combating Terrorism Financing) Amendment Act (No. 22 of 2022); • Prevention and Combating of Corrupt Activities Act (No. 12 of 2004); • Prevention of Organised Crime Act (No. 121 of 1998); and • Protection of Constitutional Democracy against Terrorist and Related Activities Act (No. 33 of 2004).
Corporate Governance Principles – King IV™	**GPF adheres to governance, ethics, and integrity standards and has adopted and applied the principles of the King IV™ Report on Corporate Governance for South Africa.**

PROPERTY BEST – ROVIN VILLA

9. Organisational Structure



9.1 Executive Management

Chief Executive Officer
Ms Lindiwe Kwele

Company Secretary
Ms Thandi Zide

Chief Investment and Development Officer
Ms Leah Mabusela

Corporate Services Executive
Ms Amanda Clark

Chief Financial Officer
Ms Nomfanelo Genuka

PART B // PERFORMANCE INFORMATION

EPTOME – NALEDI DEVELOPMENT


EABLE – SABINI HEIGHTS

1. Auditor's Report: Predetermined Objectives

The AGSA 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 pages 86 to 91 of the Report of the Auditors Report, published as Part F: Financial Information.

2. Overview of Performance

2.1 Market Background - The Gauteng Economy

Although it is the smallest province geographically, Gauteng is the richest province as measured by its contribution to the national Gross Domestic Product (GDP). In 2011, Gauteng contributed 34.8 percent to the GDP of South Africa (R988 billion), and by 2015 this was 34.8 percent of the South African GDP (R1.07 trillion) – equating to a contribution of approximately 11 percent to the African GDP. By 2017, the Gauteng contribution to national GDP had declined slightly to 34.64 percent (R1.1 billion).

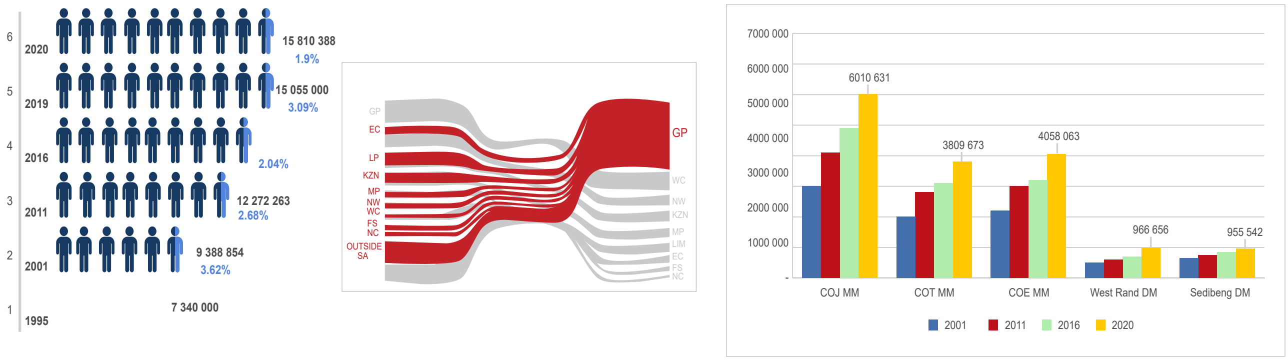
Consistently, the GDP growth rate in Gauteng tracks and just exceeds the national growth rate and has gradually decelerated since 2013 growing roughly at 2.5 percent. Over the period 2000 to 2014, the average Gauteng economic growth rate was 3.6 percent (above that of South Africa at 3.1 percent), although it slowed to 1.2 percent in 2015, and further to 0.9 percent by 2018.

While Gauteng is one of the most affluent regions in South Africa, the province has one of the highest levels of inequality, compared to other provinces. As of 2015, 16.5 percent of households in Gauteng have no annual household income, while 52.7 percent of households in Gauteng have an annual household income of less than R38 200, which makes them eligible for housing subsidies. The highest percentage of these households are found in the Sedibeng District Municipality (DM). This is important in deciding on the most suitable form of housing to provide in the different regions of the GCR.

Gauteng is home to an estimated 15 055 000 people (approximately 26.3 percent of the South Africa population) in 2021, up from 13 399 725 people in 2016. For the period 2016–2020, Gauteng is estimated to have experienced the largest inflow of migrants of all provinces, at approximately 1 553 162.

According to 2021 estimates, Gauteng recorded an annual average population growth rate of 2.5 percent, higher than the national average of 1.4 percent. The figure below reflects the population growth in Gauteng and its individual municipalities.

Figure 3: Gauteng population growth



Growth rates were positive in all but the Sedibeng DM, which shrunk by 0.42 percent. Compared to 2011–2016 growth rates, the City of Johannesburg Metropolitan Municipality and City of Ekurhuleni Metropolitan Municipality reflect the highest growth rates of 21.44 percent and 20.10 percent respectively.

The overall population growth rate reflects the high levels of in-migration into the Gauteng Province, combined with natural population growth, mostly into the urban areas of the metropolitan municipalities, and to a lesser extent, the economic hubs of the district municipalities. The high level of population has dire consequences on the demand and provision of affordable housing in Gauteng.

2.2 Affordable Housing Challenges

Affordable housing in Gauteng, like in many urban areas globally, faces several challenges:

1) **Rapid Urbanisation:** Gauteng experiences significant urbanisation as people move from rural areas to cities in search of economic opportunities. This puts pressure on housing availability and affordability.

2) **Land Availability and Cost:** The cost and availability of land for housing development are major challenges. Land prices often skyrocket due to speculation or limited availability of suitable land for development, making it difficult to build affordable housing units.

3) **Infrastructure and Service Provision:** Developing affordable housing requires adequate infrastructure such as roads, water supply, sewage, and electricity. Ensuring these services in areas earmarked for affordable housing can be costly and logistically challenging.

4) **Regulatory Hurdles:** Regulatory barriers, such as zoning regulations, building codes, and lengthy approval processes, can delay or hinder the development of affordable housing projects. Streamlining these processes can help make affordable housing more feasible.

5) **Access to Finance:** Many low-income families lack access to financing options for purchasing or renting affordable housing. Traditional mortgage options may be inaccessible due to stringent lending criteria or lack of formal employment.

6) **Housing Demand Backlog:** Gauteng has a significant housing demand backlog, leading to the proliferation of informal settlements. Addressing this backlog while simultaneously providing affordable housing solutions is a complex challenge.

7) **Social Integration and Inclusion:** Affordable housing projects often face resistance from existing communities, leading to issues of social integration and inclusion. Overcoming stigma and fostering community acceptance is crucial for the success of such projects.

8) **Maintenance and Upkeep:** Ensuring the long-term sustainability of affordable housing developments requires adequate maintenance and upkeep. Without proper management and maintenance, housing units can deteriorate rapidly, compromising the living conditions of residents.

9) **Income inequality:** Income disparities contribute to affordability issues, as many residents struggle to afford housing in desirable areas close to economic opportunities.

Addressing these challenges requires a multi-faceted approach involving collaboration between government agencies, private developers, NGOs, and local communities. Opportunities for addressing these challenges include:

1) **Government initiatives:** Gauteng's government has implemented various programmes to address the housing shortage, including subsidies, partnerships with private developers, and low-cost housing projects.
2) **Public-private partnerships:** Collaborations between the government and private developers can help increase the supply of affordable housing while leveraging resources efficiently.
3) **Innovative housing solutions:** There is potential for innovative housing solutions such as micro-apartments, modular housing, and mixed-income developments to provide affordable options in high-demand areas.
4) **Urban renewal:** Redevelopment projects in urban areas can create mixed-use developments that include affordable housing units, which will revitalise neighbourhoods and increase accessibility to amenities.
5) **Community involvement:** Engaging communities in the planning and development process can ensure that affordable housing projects meet the needs and preferences of residents.

2.3 Organisational environment

During the 2022/23 FY the organisation surrendered the surplus retention to the value of R263 million to the GPT. This has impacted the sustainability of the organisation. For it to be able to sustain itself, the organisation requires recapitalisation by the Shareholder. In the reporting year a new Board was appointed and despite our best efforts the GPT rejected the proposed recapitalisation that the organisation requires in order to assure long-term sustainability.

2.4 Key policy developments and legislative changes

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

2.5 Progress towards Achievement of Institutional Impacts and Outcomes 2023/24

Introduction

The GPF derives its mandate 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.

As a provincial public entity, the GPF contributes to the fulfilment of the National Department of Human Settlements' Medium Term Strategic Framework for the period 2019–2024. The Framework aims at achieving a spatially just and transformed national space economy that enables access to social services and economic opportunities in cities, regions, and rural areas, as well as the transformation of human settlements into liveable neighbourhoods by 2030.

The National Department of Human Settlements is also rolling out the implementation of the Priority Human Settlements and Housing Development Areas, which aim to:

1) Create opportunities for liveable, inclusive, and resilient towns and cities.
2) Reverse the unjust and dysfunctional spatial legacy of Apartheid.
3) Improve participation of the disadvantaged in the residential property market.
4) Increase the asset creation potential of the State's investments in human settlements.

The GPF is aligned to the Provincial priorities through the GGT2030 Plan of Action that comprises of several interventions and measures of success. The GGT2030 Priority 3 Impact is:

"Access to social and economic opportunities through spatial transformation and prioritising well-located, inclusive communities, so that by 2030":

1) All the people can reside in well-built homes that are situated in safe, clean, and cared for environments, with all the conveniences and services they need being close at hand.
2) That they can live close to their places of work, without having to make long and expensive journeys twice a day.
3) Through its work, the GPF also contributes to MTSF 2019-2024 Priority 2 – Economic transformation and job creation. This is done by supporting Small, Medium and Micro Enterprise (SMME) development, growth, and sustainability.

GPF's Contribution

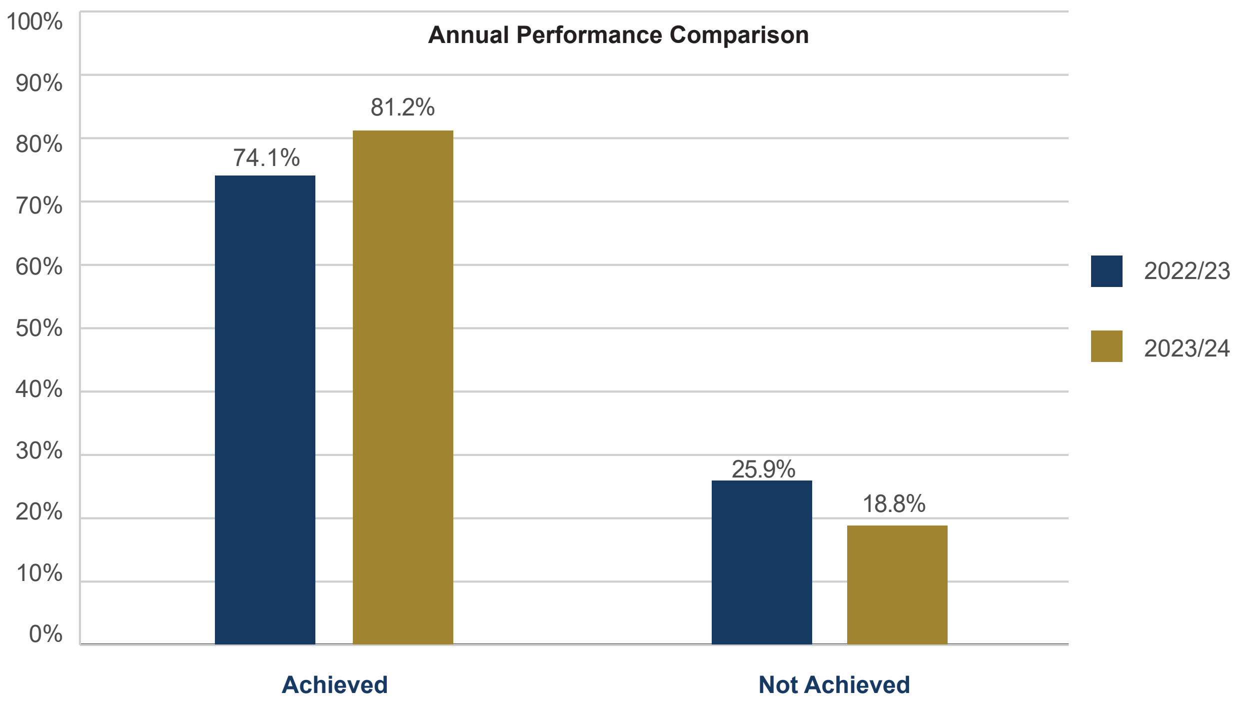
GPF's mandate is to raise the required capital and serve as the preferred implementing agent of the GDHS in support of the achievement of government priorities, in a sustainable and cost-effective manner. The core business areas of GPF's mandate for the term of the 6th Administration are as follows:

1) Raising and managing the capital required for the successful implementation of the core business areas of the GPF's mandate.
2) Serving as a developer of turnkey projects on strategic government-owned land.
3) Providing loans to private sector developers for the development of affordable rental, student accommodation, and social housing projects.
4) Providing project development, implementation, and management services, including:
    a) Implementing identified Mega Projects.
    b) Implementing affordable rental, student accommodation, and social housing projects.
    c) Implementing the UISP.
    d) Implementing the RLRP.

Amidst the challenges experienced in the property sector during the 2023/24 financial period, the GPF was able to deliver on their key outcomes as envisaged over the planning period. In their effort to increase opportunities for economic inclusion, the GPF exceeded their planned project expenditure on SMME's. Furthermore, the target for units and student accommodation beds delivered were exceeded.

3. GPF's 2023/2024 Performance

Figure 4: Graphical presentation of the overall performance for 2022/23 vs 2023/24



3.1 Achieved Performance

Table 2: Summary of the targets achieved

Measure	Annual Target 2023/24	Actual Performance 2023/24	Comments
Total rand value of funds raised from funding and collaboration partnerships	R250 million raised from funding and collaboration partnerships e.g. SAHL	R250 million	Annual target achieved.
Rand value of non-interest income received	R32 000 000	R32 291 210	Annual target achieved.
Rand value of loan disbursed – Student accommodation	R35 000 000	R50 787 974	Annual target exceeded. The successful implementation of the developers' acceleration plan on the Property Developers Construction (Pty) Ltd (PDC) project and retention amount released on completed projects resulted in the target being exceeded.
Number of rental units completed	348	360	Annual target exceeded. Developers accelerated their construction programme.
Number of beds completed	746	776	Annual target exceeded.
Percentage disbursements on integrated programmes delivered by the GPF on behalf of the GDHS	80%	80%	Annual target achieved.
Percentage of project expenditure spent on GEYODI-owned SMME's (HDI) through projects implemented	30% of project expenditure spent on GEYODI-owned SMME's (HDI) through projects implemented	57.75%	Annual Target exceeded. Developers are procuring more locally and employing more local labour.

3.2 Unachieved Targets

Table 3: Target not achieved

Measure	Annual Target 2022/23	Actual Performance 2022/23	Comments
Rand value of loans disbursed – Rental housing	R32 000 000	R3 791 049	Target not achieved due to no rental projects in construction because of the delays to approvals of new projects.

3.3 Strategy to overcome areas of under-performance

With regards to improving the performance in Rental Housing, the following activities need to be done:

- Monitor previously approved projects' progress readiness for construction; and
- Ensure targets are appropriately amended in the mid-year adjustment.

4. The GPF's Investments and Development Unit's Investment Programmes Review

4.1 Entrepreneur Empowerment Property Fund Programme (EEPF)

The EEPF Programme is designed to promote participation in the affordable rental property market by companies owned by previously disadvantaged individuals. The programme is designed for first-time property developers.

Table 4: List of approved funding for projects

Name of Company	Project Name	No. of Units	GPF Funding Commitment Inclusive of Capitalised Interest
Moroka Mabetoa Development (Pty) Ltd	Erf 346, Moroka Township, Soweto	35	R4 603 161
Zitha Properties 1006 (Pty) Ltd	R/117/108-IR, Elandsfontein 108-IR Germiston	66	R13 810 667
22 Silverton (Pty) Ltd	ERF 22 Silverton	24	R12 146 586
Total		**125**	**R30 560 414**

4.2 Rental Housing Fund (RHF) Programme

The RHF enhances the debt-to-equity ratio for companies 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.

4.3 Student Accommodation Fund Programme (SAF)

The SAF Programme was developed for student accommodation service providers that require additional funding. The mezzanine or junior type loan enhances the debt-to-equity ratio for projects to enable senior lenders to provide finance.

Table 5: List of approved funding for projects

Name of Company	Project Name	No. of Beds	GPF Funding Commitment Inclusive of Capitalised Interest
The Socius (Pty) Ltd	Erf 389 Pretoria Township	350	R25 996 034
Pisces Star (Pty) Ltd	Erf 113 Rossmore, Johannesburg	86	R6 380 900
Osli Investments (Pty) Ltd	Erf 695, 696 and 697 City Suburban, Johannesburg	94	R11 074 106
Total		**530**	**R43 051 010**

4.4 Social Housing Fund Programme

The Social Housing Fund is tailored for social housing institutions requiring favourable financing terms. The GPF will provide debt funding against the Consolidated Capital Grant approved by the Social Housing Regulatory Authority.

Table 6: List of approved funding for projects

Name of Company	Project Name	No. of Units	GPF Funding Commitment Inclusive of Capitalised Interest
Siyanakhela Imizi NPC	Erven 12, 22, 105 & 106 North Doornfontein and Erven 173 & 2918 Jeppestown	227	R12 756 000
Total		**227**	**R12 756 000**

4.5 Commercial Housing Fund Programme

The Commercial Affordable Housing Fund Programme is designed to promote the participation of experienced housing developers and rental property owners in the affordable housing market. This is a new product and there were no projects approved under this programme for the year under review.

4.6 Kasi-4-Real (Township Development Programme)

Kasi-4-Real is a new product that the GPF is mobilising on behalf of the Department of Human Settlements. It is aimed at providing funding to emerging property developers in the townships for the development of affordable real estate housing to address increasing demand. The GPF will be embarking on an aggressive joint marketing drive with the GDHS in the coming financial year. There were no projects approved under this programme for the year under review.

4.7 Completed Projects

The number of completed units totalled 360 against a target of 348 units.

Table 7: List of completed projects

Name of Institution	Project Name	Location	Product	No. of Units
Barra Dunes Chalet 31 (Pty) Ltd	Erf 1 Groblerpark Ext 101, Roodepoort.	City of Johannesburg	RHF	144
Property Developers Construction (Pty) Ltd	Erf 2000 & Portion 1 of Erf 1999, 57 Bok Street, Doornfontein	City of Johannesburg	SAF	63 units/315 beds
Arch Eng (Pty) Ltd	Erf 408 Brixton	City of Johannesburg	SAF	11 units/63 beds
Sagewood Cribs (Pty) Ltd	Erf 1011 Protea Glen, Soweto	City of Johannesburg	SAF	20 units/90 beds
Mapchief Trading (Pty) Ltd	Erf 872 Pretoria Gardens	City of Tshwane	SAF	77 units/308 beds
Devland Gardens (Pty) Ltd	Erf 8341 Devland, Johannesburg	City of Johannesburg	SHF	45
Total				**360 units/776 beds**

4.8 Projects under Construction

As of 31 March 2024, there were six projects under construction with an expected yield of 521 units and 624 beds.

Table 8: Projects under construction

Name of Institution	Project Name	Location	Product	No. of Units
Greyline Holdings (Pty) Ltd	Erf 7440 Soshanguve East Extension	City of Tshwane	SAF	42 units/336 beds
Vicke le Lelaka Properties (Pty) Ltd	Erf 152 Bedworth Park, Emfuleni	Emfuleni	SAF	36 units/144 beds
Tarioblox (Pty) Ltd	Erf 7414, Olievenhoutbosch Ext 36 Township	City of Tshwane	EEPF	26
Mahube (Pty) Ltd	Portion 50 of Erf 429 Vanderbijlpark South-East	Emfuleni	SAF	24 units/144 beds
Dladleni Huts (Pty) Ltd	Erf 759 & 760 Oakdene Extension 20	City of Johannesburg	EEPF	108
Devland Gardens (Pty) Ltd	Erf 8341 Devland, Johannesburg	City of Johannesburg	SHF	285
Total				**521 units/624 beds**

BARRA DUNES – SANDY LANE

5. The GPF's Investments and Development Unit's Programmes under Implementation for GDHS Review

5.1 Mega Projects

Mega Human Settlements Projects refers to the development of integrated housing, which is inclusive of Build New Ground housing, gap market housing, and social, rental and open-market bonded housing, along with social amenities and local economics. The GPF has concluded the 14th deed to the IP with the GDHS, wherein the GPF will implement identified Mega Projects on behalf of the GDHS.

The annual IP signed between GPF and GDHS regularises annual targets and budgets. In terms of IP14 for 2023/2024 the GPF implemented the following projects – Afri Village Greenhills, Dan Tloome, Elijah Barayi and Westonaria Borwa.

The GPF implemented the following projects in terms of IP13 signed in 2022/2023 – Montrose, Savannah and Western Mega.

The targeted number of top structures and service sites completed were achieved with additional units and budgets allocated to Elijah Barayi, Dan Tloome and Western Mega in the mid-year adjustment exercise.

Table 9: Detailed milestone Mega Projects – performance summary

Project Name	Foundations	Wall Plates	Slabs	95% Completions	100% Completions
Dan Tloome	680	680	294	680	336
Elijah Barayi	388	388	388	384	374
Montrose	*	*	*	46	
Savannah	*	*	*	10	
Western Mega	283	367	96	326	
Westonaria Borwa	*	*	*	97	

*Milestones completed in the previous financial year

Mega Projects are implemented in a manner designed to broaden the base of black- and female-owned enterprises and SMMEs within the infrastructure development sector. Against this background, the GPF endeavours to ensure that at least 30% of the capital budget is spent on SMMEs and, over time, to increase the development of Women-owned Enterprises.

Table 10: Economic impact on surrounding communities for 2023/2024

Description	Actual
Local expenditure	51%

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 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 local SMMEs and over time increase the percentage of local spend and the development of women and youth owned enterprises.

While some improvement has been seen in the implementation of Mega Projects, the following ongoing challenges are being addressed by the GPF in collaboration with its stakeholders.

Table 11: Implementation challenges and mitigation measures

Challenges	Mitigants
Underperformance of developers	• The developers' construction programme is monitored, and corrective action is required for targets not met. • Monthly online meetings are held with developers to track progress and discuss any issues. • Monthly technical meetings are held on site to view and discuss progress.
Delays at municipalities	• The GPF has access to various IGR platforms to address concerns and/or bottlenecks experienced in projects undertaken by the GPF.
Management of sectional title	• The GPF will facilitate the post construction sectional title management strategy by the developer and the establishment of the body corporate to appoint the managing agent.
Delivery of non-subsidised housing typology	• Facilitate capital raising for the developers to address the delivery of non-subsidised housing typologies and other amenities.

5.2 UISP Programme

The GPF has been appointed by the GDHS through an IP to manage the implementation of the UISP on its behalf. The GPF is responsible for the following:

- Project Execution and Coordination for work being done by the DID, GDHS and Housing Development Agency;
- Re-blocking, and
- Alternative Sanitation.

In 2023/24, the GPF with the assistance of an appointed PMO undertook pre-feasibility studies, technical studies, relocation plans and social facilitation to create a solid foundation in assisting the GDHS in achieving its Annual Performance Plan (APP) targets.

The GPF facilitates the provision of interim services in the form of chemical toilets and honey sucking services which were procured by the Housing Development Agency and managed by the GPF. 9 966 chemical toilets are currently procured and located at the various sites and approximately 18 577 households are being serviced by honey suckers.

The GPF are implementing two pilot projects which involve the installation of alternative sanitation and re-blocking of informal settlements. Currently the GPF has reblocked two informal settlements and implementing alternate sanitation in two projects. Work in both of these projects will continue in the 2024/2025 FY as they are part of the GDHS APP targets.

5.3 Turnkey Projects Programme

Since 2017, the GPF has continued to receive new mandates from the Shareholder in line with growing provincial priorities. In instances where the GPF has been appointed as an implementing agent, the investment and development team fulfil a project management role on behalf of the GDHS or any strategic partner as may be determined from time to time. To date, two turnkey projects have been transferred to the GPF for implementation. There was no budget allocated to this project in 2023/24 so there has been no progress.

5.3.1 Canal Social Housing

The GPF signed a Trilateral and Land Availability Agreement with the GDHS and the Mogale City Local Municipality, which has since lapsed. The renewed agreement was in circulation for signature at year end. The Agreement makes the land (the remainder of Portion 7 of the farm Paardeplaats No. 177 IQ (Krugersdorp Extension 4) available for the development of 360 social housing units and the installation of all services and other ancillary facilities as required. The GPF will be undertaking the outstanding planning milestones in the 2024/25 FY subject to budget availability.

5.3.2 Umnotho Community Project

The Umnotho community submitted a concept project application to the GDHS to jointly develop three townships in Muldersdrift, namely Greengate Extension 60, Greengate Extension 74 and Mogale Extension 28. This project will be a pilot for a community-based human settlements project in partnership with the Department. The GPF will be undertaking the outstanding planning milestones in the 2024/25 FY subject to budget availability.

5.4 Rapid Land Release Programme (RLRP)

The GDHS has appointed the GPF as the implementation agent responsible for facilitating a process to acquire serviced stands on behalf of the Department. The stands are required to be serviced with all municipal engineering services (water reticulation, sewer reticulation, roads, stormwater drainage and electrical reticulation) so that they can be easily allocated to qualifying beneficiaries who have demonstrated the ability to build for themselves in line with the Department's qualifying criteria.

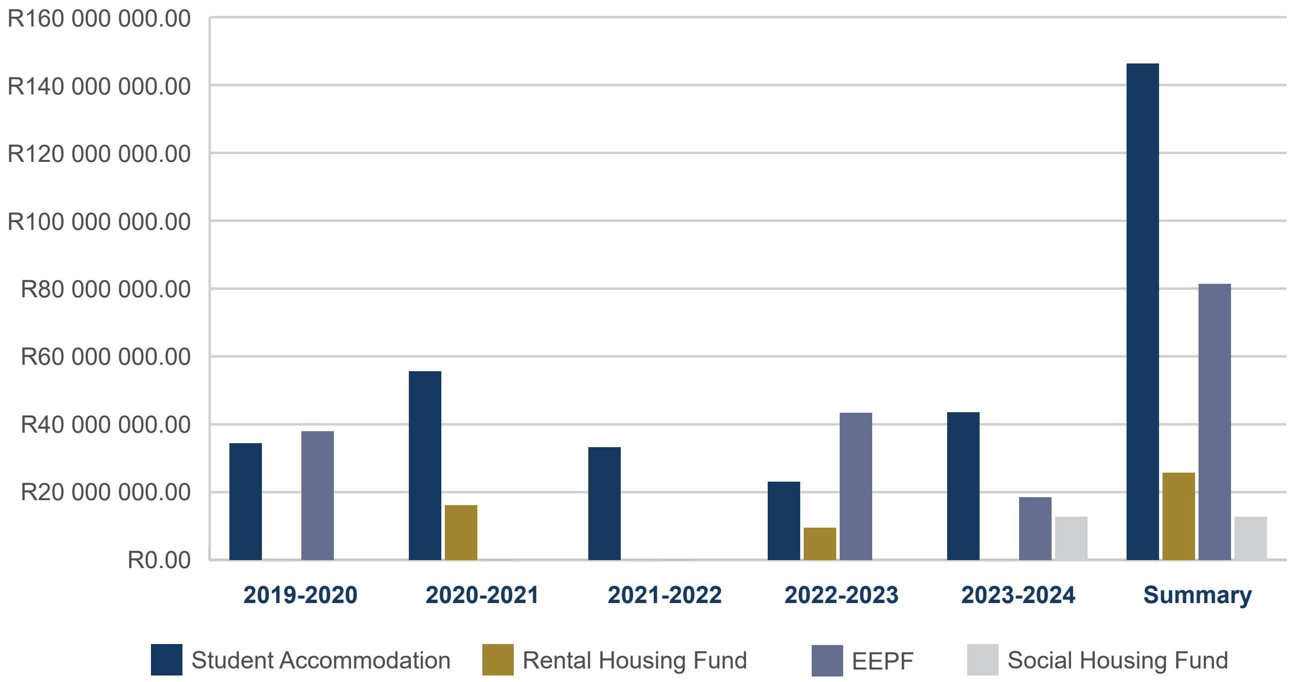
In FY 2023/24 the GPF procured 2 870 sites and 1 602 sites were serviced with water; sewer, roads, stormwater and electricity. In addition, the GPF procured a service provider to assist the developers to register potential beneficiaries for the projects. Over 9 900 beneficiaries have been identified against a delivery target of 6 590 service sites to be delivered by the GPF.

The GPF successfully concluded an MOU with SAHL who undertook to provide end user finance to qualifying beneficiaries receiving service sites. The pilot projects will continue to be implemented in the 2024/2025 FY.

6. Investments done by the GPF over the past 5 years

The graph below depicts the investments made by the GPF over the past 5 years per programme.

Figure 5: GPF investment over 5 years



The graph depicts the growing demand for student accommodation and GPF's contribution in addressing the shortage of student beds.

7. Revenue Collection

Sources of revenue	2022/2023 Estimate	2022/2023 Actual Amount Collected	2022/2023 Over/Under Collection	2023/2024 Estimate	2023/2024 Actual Amount Collected	2023/2024 Over/Under Collection
Loan instalment payments	R66 828 095	R55 725 817	R11 102 278	R65 929 773	R54 495 788	R11 433 985
Total	**R66 828 095**	**R55 725 817**	**R11 102 278**	**R65 929 773**	**R54 495 788**	**R11 433 985**

The actual amount collected from the projected repayments was R54.4 million against the target of R65.9 million. The underachievement was because of the non-instalment, partial instalment and late instalment payments. The developers are impacted by vacancies, tenant defaults, stagnant rental increase, NSFAS payment delays and municipal rates and taxes that increase above the inflation rate.

The following actions were taken over the period:

- Initiation of cession of rental income;
- Engage with property management companies;
- Issuing of breach letters;
- Aggressive engagement with the borrowers to address arrears;
- Site visits to discuss and verify performance;
- Site visits to monitor state of buildings (dilapidated buildings tend to discourage tenancy);
- Engage with property management companies; and
- Refer loan accounts to legal for further actions when all efforts to collect have failed.

EPTOME – NALEDI DEVELOPMENT

Table 12: Original Annual Performance Plan report

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
Programme 1: Administration	Outcome 1: Efficient, effective and sustainable organisation	Loans Collected	Percentage of loans collected	63%	83%	85%	83%	n/a	n/a	The output indicator name changed to Percentage of instalment payments received on performing loans. Output indicator was changed because the organisation measures performance on actual instalment payment received against the annual projected instalment payments that is exclusive of loans that were referred to the Legal Department.
		Human Capital Managed	Percentage implementation of annually approved Human Capital Management Plan	New Indicator	100%	100%	100%	n/a	n/a	The Annual target was revised to 90% due to multiple dependencies outside of the process owner's control.
			Percentage implementation of the employee engagement survey findings	50%	88,9%	100%	100%	n/a	n/a	The output indicator name was revised to Percentage implementation of the change management plan. The Annual target was revised to 90% due to multiple dependencies outside of the process owner's control.
		AGSA post-audit action plan implemented	Percentage implementation of the 2022/23 AGSA post audit action plan	100%	80%	100%	90%	n/a	n/a	n/a

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
		Payment processing	Percentage of invoices paid within 30 days	100%	100%	100%	100%	n/a	n/a	n/a
		Costs management	Percentage expenditure of the approved budget	New Indicator	96%	≤100%	-	n/a	n/a	The output indicator is operational and proposed to be included on the operational plan.
		SCM processes efficiency	Percentage implementation of the approved SCM turnaround plan	SCM turnaround strategy and plan approved and implemented	100%	100%	-	n/a	n/a	The turnaround plan was fully implemented in the previous financial year.
		Enhanced visibility of the GPF brand and services	Percentage implementation of the annual marketing, communications, and stakeholder management plan	92%	90%	100%	90%	-	n/a	The Annual target was revised to 90% due to multiple dependencies outside of the process owner's control.
		Risk maturity managed	Percentage implementation of the risk maturity assessment recommendations	25%	81,25%	100%	-	Output indicator to be change to "Quarterly tracking, monitoring, and evaluation of Organisational Strategic Risks."	The target revised for it to incorporate a full spectrum of GPF Enterprise-Wide Risk Management (ERM).	The output indicator was revised to incorporate a full spectrum of GPF ERM.

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
		Best practice ICT governance implemented	Percentage implementation of the annual ICT governance plan	95%	95%	100%	100%	n/a	n/a	The Annual target was revised to 90% due to multiple dependencies outside of the process owner's control.
		Preferential procurement	Percentage procurements on spend on designated groups (GEYODI)	Women 29% Youth 16% PWDS 1%	Women: 20% Youth: 8% PWDs: 0%	Women 25% Youth 20% PWDs 1%	-	n/a	n/a	The output indicator is operational and proposed to be included on the operational plan.
Programme 2: Capital Raising	Outcome 2: Enhanced capital base to deliver core GPF mandate	Collaboration partnerships	Number of funding and collaboration partnerships concluded	2	5	5	-	n/a	n/a	The output indicator was moved to the operational plan.
			Total Rand value raised through funding partnerships	R21.4 million	R0 million	R250 million	R250 million	n/a	n/a	Target reduced from R500 million to R250 million because Development Bank of South Africa has suspended the DDR (Due Diligence Report) process pending the outcome of the forensic report on the Nonkwelo matter. Completion of the DDR process will not be completed before the financial year end.
		Management fee income received	Percentage management fee received for project management services	R54.4 million project management fees received. Indicator reframed	5%	Mega Project 5% RLRP 3% UISP 2,5% Turnkey 5%	-	n/a	n/a	The output indicator was removed during the mid-year adjustments.

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
Programme 3: Project Lending	Outcome 3: Increased access to affordable rental and social housing in strategically located areas Outcome 6: Enhanced contribution of GPF's human settlements' developments to inclusive economic growth	Loans disbursed	Rand value of loans disbursed – rental accommodation	R54.48 million	R32 million	R32 million	R3.7 million	n/a	n/a	n/a
			Rand value of loans disbursed – student accommodation	R20.1 million	R53 million	R35 million	R43.1 million	n/a	n/a	n/a
			Rand value if loans disbursed – social housing	-	New indicator	R12 million	-	n/a	n/a	The Output Indicator was removed during the mid-year adjustments due to the delay in the issuance of the Letter of Authority thus resulting in the delay of the approval of social housing projects.
		Completed units	Number of units completed	1 010	544	348	360	n/a	n/a	Annual targets reduced to 348 units to adjust to the construction programmes of the project under construction.
		Completed beds	Number of beds completed	780	1 000	746	776	n/a	n/a	Annual targets reduced to 746 beds to adjust to the construction programmes of the project under construction.
		Number of agreements concluded through IGR	Number of agreements concluded through IGR	-	New indicator	2	-	n/a	n/a	The output indicator was removed during the mid-year adjustment and moved to the operational plan.

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
		Targeted GEYODI loan approved	Percentage of rand value if loans approved towards GEYODI-owned (HDI) developers	66%	30.3%	15%	-	n/a	n/a	The output indicator was removed during the mid-year adjustment and moved to the operational plan.
		Job Opportunities created through loans disbursed	Number of job opportunities created through loans disbursed	904	564	585	-	n/a	n/a	The output indicator was removed during the mid-year adjustment and moved to the operational plan.
Programme 4: Project implementation, Development and Management	Outcome 4: Increased access to integrated, inclusive, and sustainable human settlements Outcome 5: Increased access to liveable settlements and secure tenure. Outcome 6: Enhanced contribution of GPF's human settlements' departments to inclusive economic growth	Service site completed – Mega Projects	Number of service sites completed	4 813	4 010	400	-	n/a	n/a	The Department and the GPF were reporting on the same targets from the same projects. The risk of double counting was identified at the mid-year Strategic Workshop. The decision reached at the Strategic Workshop was that the GPF as implementing agents on some projects remove these duplicated APP targets and report on them as Operational Targets.

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
		Top structures completed (units) – Mega Projects	Number of Top structures completed	3 266	2 098	1 223	-	n/a	n/a	The Department and the GPF were reporting on the same targets from the same projects. The risk of double counting was identified at the mid-year Strategic Workshop. The decision reached at the Strategic Workshop was that the GPF as implementing agents on some projects remove these duplicated APP targets and report on them as Operational Targets.
		Service sites sold – Mega Projects	Number of serviced sites for mixed income sold	78	128	200	-	n/a	n/a	The Department and the GPF were reporting on the same targets from the same projects. The risk of double counting was identified at the mid-year Strategic Workshop. The decision reached at the Strategic Workshop was that the GPF as implementing agents on some projects remove these duplicated APP targets and report on them as Operational Targets.

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
		Serviced sites acquired	Number of serviced sites acquired	New indicator	3 746	1 000	-	n/a	n/a	The Department and the GPF were reporting on the same targets from the same projects. The risk of double counting was identified at the mid-year Strategic Workshop. The decision reached at the Strategic Workshop was that the GPF as implementing agents on some projects remove these duplicated APP targets and report on them as Operational Targets.
		Upgrading of Informal Settlements Programme	Number of informal settlements upgraded	New indicator	-	24	-	n/a	n/a	The Department and the GPF were reporting on the same targets from the same projects. The risk of double counting was identified at the mid-year Strategic Workshop. The decision reached at the Strategic Workshop was that the GPF as implementing agents on some projects remove these duplicated APP targets and report on them as Operational Targets.

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/2024 Until Date of Re-tabling	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations	Reasons for Revisions to the Outputs/Output Indicators/Annual Targets
		Targeted GEYODI project expenditure	Percentage of project expenditure spent on GEYODI-owned SMMEs (HDI) through projects implemented	35,1%	44%	30%	51.6%	n/a	n/a	n/a
		Job opportunities created through projects implemented	Number of job opportunities created through projects implemented	4 950	345	1 500		n/a	n/a	The output indicator was removed during the mid-year adjustment and moved to the operational plan.

Table 13: Re-tabled Annual Performance Plan (Mid-Term Review) report

Outcome	Outputs	Output Indicators	Audited Performance 2021/22	Audited Performance 2022/23	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations
Efficient, effective, and sustainable organisation	Loans collected	Percentage of instalment payments received on performing loans	63%	83%	85%	84%	83%	83%	83%	83%	Target not met.	Target not met due to partially and missed monthly instalments by Borrowers. The Unit has initiated the following measures: • Initiation of cession of rental income. • Issuing of breach letters. • Engage the Borrowers to address arrears (site visits and meetings). • Site visits to monitor state of buildings (dilapidated buildings discourage tenancy). • Loan restructuring where necessary.

Outcome	Outputs	Output Indicators	Audited Performance 2021/22	Audited Performance 2022/23	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations
	Human capital managed	Percentage implementation of annually approved Human Capital Management Plan	New indicator	90%	90%	30%	50%	80%	90%	90%	Target met.	n/a
		Percentage implementation of the change management plan	50%	88.9%	90%	25%	50%	75%	100%	100%	Target exceeded.	Most of the Culture Change deliverables were achieved above the expected target due to accelerated activity implementation.
	AGSA post-audit action plan implemented	Percentage implementation of the AGSA post- audit action plan (Per management agreed target date)	100%	80%	100%	-	-	-	90%	90%	Target not achieved.	Target not achieved. For 2022/23 FY 10 findings out of the 11 have been completed. 1 finding is partially completed.
		Percentage of invoices paid within 30 days	100%	100%	100%	100%	100%	100%	100%	100%	Target achieved.	n/a
	Enhanced visibility of the GPF brand and services	Percentage implementation of the annual marketing, communications, and stakeholder management plan	92%	90%	90%	20%	77%	80%	94%	94%	Target exceeded.	Target exceeded due to accelerated activity implementation.

Outcome	Outputs	Output Indicators	Audited Performance 2021/22	Audited Performance 2022/23	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations
	ERM	Quarterly tracking, monitoring and evaluation of organisational Strategic Risks	New indicator	New indicator	4 quarterly risk monitoring progress reports	1	1	1	1	4	Target Achieved.	n/a
	Best practice ICT governance implemented	Percentage implementation of the annual ICT governance plan	95%	95%	90%	20%	50%	75%	100%	100%	Target achieved.	n/a
Enhanced capital base to deliver core GPF mandate	Funding and collaboration partnerships	Total Rand value of funds raised from funding partnerships	R21.4 million	R0	R250 million	-	-	-	R250 million	R250 million	Target achieved.	n/a
	Non-interest income received	Rand value of non-interest income received	R54.48 million	n/a	R32 million	R825 609.68	R17 040 697.00	R13 142 266.22	R1 282 637,64	R32 291 210,54	Target achieved.	n/a
Increased access to affordable rental and social housing in strategically located areas	Loans disbursed	Rand value of loan disbursed – rental accommodation	R54.48 million	R32 million	R32 million	R1 945 171.03	R1 845 878.90	-	-	R3 791 049.93	Target not achieved.	Target not achieved because of no rental projects in construction due to the delays in issuing Letters of Authority for the Board thus resulting in delays in the approvals of new projects.
		Rand value of loan disbursed – student accommodation	R20.1 million	R53 million	R35 million	R17 609 867.11	R6,465,896.03	R11,092,897.74	R15 619 313.75	R50 787 974.63	Target exceeded.	Target exceeded due to the developers' acceleration plan on the PDC project.

Outcome	Outputs	Output Indicators	Audited Performance 2021/22	Audited Performance 2022/23	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations
	Affordable housing units completed	Number of units completed	1010	746	348	36	108	31	185	360	Target exceeded.	Target exceeded due to the developers' acceleration plan on the PDC project.
		Number of beds completed	780	544	746	-	-	153	623	776	Target exceeded.	Target exceeded due to the developers' acceleration plan on the PDC project.
Increased access to integrated, inclusive, and sustainable human settlements. Increased access to liveable settlements and secure tenure. Enhanced contribution of GPF's human settlements' developments to inclusive economic growth.	Disbursements on integrated programmes delivered by the GPF on behalf of the GDHS	Percentage disbursement of grant funds on behalf of the GDHS	New indicator	New indicator	80%	-	-	-	80%	80%	Target achieved.	n/a

Outcome	Outputs	Output Indicators	Audited Performance 2021/22	Audited Performance 2022/23	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from Planned Target to Actual Achievement 2023/2024	Reasons for Deviations
	Targeted (GEYODI) project expenditure	Percentage of project expenditure spent on GEYODI-owned SMME (HDI) through projects implemented	35,1%	44%	30%	36,98%	114%	32,3%	40,7%	51,6%	Target exceeded.	Target exceeded to due developers procuring more from local suppliers and employing more local labour.

Approved by:

Ms Lindiwe Kwele
Chief Executive Officer
Date: 26 August 2024

PART C // GOVERNANCE

GNI – ISADOR GROVE

1. Introduction

The Gauteng Partnership Trust, trading as the GPF, was established as a benevolent trust in terms of the Trust Property Control Act (No. 57 of 1988) and the trust deed entered into between the Executive Authority/Founder and the Trustees.

According to the King IV™ Report on Corporate Governance®, corporate governance is defined as the exercise of ethical and effective leadership by the governing body towards the achievement of the four governance outcomes, namely ethical culture, good performance, effective control and legitimacy.

The GPF Board of Trustees acknowledges good corporate governance as fundamental to the achievement of the GPF's mandate. It also acknowledges its financial objectives and the fulfilment of its corporate and constitutional responsibilities and those of its Founder, Shareholder and Executive Authority. The Board is accordingly committed to applying the principles of good corporate governance in all the GPF's business dealings with its stakeholders.

The Gauteng Provincial Government, the Executive and Accounting Authorities and the Accounting Officer of the GPF are responsible for corporate governance.

2. Portfolio Committees

The GPF was invited to respond to the SCOPA resolutions in the AGSA's oversight report to the Gauteng Provincial Legislature related to the GPF's Financial Statements and performance information for the year ended 31 March 2021. The GPF implemented the resolutions and provided progress where they had not been fully implemented, as follows:

2.1 Standing Committee of Public Accounts (SCOPA) – 13 April 2023

- The GPF has implemented a SCM turnaround plan which deals with all the compliance matters that were raised in previous audits. The SCM turnaround plan was fully implemented in the 2022/23 FY.
- The SCM policy has been updated to align with current legislation. Training on SCM has been provided to the employees of the GPF. The implementation of the SCM turnaround plan has addressed the deficiencies that were previously identified.

2.2 Standing Committee of Public Accounts (SCOPA) – 27 October 2023

- The GPF provided feedback that the portfolio of evidence provided for both the Key Performance Indicators (KPI) to the AG is in line with the Technical Indicator Descriptions (TIDs) as attached to the approved APP.
- Serviced Sites acquired: This APP target was removed from the GPF APP as it is being reported by the Gauteng Human Settlements and the GPF is duplicating the reporting. The target has been moved to the GPF investment and development Annual Operational Plan.
- Number of formalised Informal Settlements: This APP target was removed from the APP because the target is being reported by the Gauteng Human Settlements and the GPF is duplicating the reporting. The target has been moved to the GPF investment and development Annual Operational Plan.
- Service stands management: This APP target was removed from the APP because the target is being reported by the Gauteng Human Settlements and the GPF is duplicating the reporting. The target has been moved to the GPF investment and development Annual Operational Plan.
- Number of formalised informal settlements: This APP target was removed from the APP because the target is being reported by the Gauteng Human Settlements and the GPF is duplicating the reporting. The target has been moved to the GPF investment and development Annual Operational Plan.

Forensic Investigation: SCOPA noted that the board of the public entity has commissioned a forensic investigation at the request of the Executive Authority on 7 August 2023 to investigate allegations of corruption and maladministration.

- An independent and not necessarily a forensic investigation into the matter was commissioned by the MEC, the report was received by the MEC on 27 October 2023.
- Irregular Expenditure: SCOPA notes that the entity has recorded R54 154 000 as irregular expenditure in prior years and an additional R7 683 754 irregular expenditure incurred in the period under review:
  - The irregular expenditure is a continuation of a lease building which has been deemed irregular, the lease is expiring in 2024. A condonation has already been sent to the GPT for consideration. It is important to note that the lease contract will continue to be irregular until the end of the contract or when GPT condones the contract.
  - An independent service provider was appointed to perform the determination of Irregular Expenditure, a draft report was submitted to the GPF, through its Loss Control

Committee to consider and provide input before a final report can be submitted. Once the report is approved by the Accounting Officer, a condonation request will be submitted to the GPT for consideration.

  - Fruitless and Wasteful Expenditure: SCOPA notes that the amount of R216 000 fruitless and wasteful expenditure of prior years remained unresolved by the end of the year under review. The Loss Control Committee is currently performing the determination test for the transactions that were classified as fruitless and wasteful expenditure in prior years. It is envisaged that the report will be tabled at the Audit and Risk Committee (ARC) before the end of the financial year for consideration.
- Intentions to Improve Audit Outcomes:
  - The GPF has updated the output indicators and TIDs in an effort to improve the quality of reporting and to avoid receiving a qualification on Audit of Predetermined Objectives in the 2023/24 Audit.
- Information Technology Disaster Recovery Plan.
- The GPF has an approved IT disaster recovery plan as part of its business continuity plan. The GPF IT unit uses cloud-based disaster recovery strategies. To ensure the effectiveness of the Disaster Recovery process, daily backups are stored on a cloud platform, and system restores are performed biannually to test data recovery. The cloud service provider is responsible for meeting the Service Level Agreement, not necessarily Social Housing Regulatory Authority.

2.3 Human Settlements Portfolio Committee hearing – Quarterly Performance Reports (Q1-Q4) and Annual Report (2022/23)

The GPF was invited to represent the Annual Report 2022-23 and the quarterly performance reports. Below summarises the questions raised during those presentations:

- Following the GPF's presentation of its Quarter 1 report for the 2023/24 FY, the Committee was concerned about the non-achievement of the targeted percentage procurement spend for designated groups (GEYODI). The Quarter 1 targets and achievements are reflected as follows: GEYODI Group Target Achieved Women 27% Youth 17% People with disabilities (PWD) 0,33%. Even though the target was not met, we have exceeded the women target and have realised improvements in Youth and PWDs. The Portfolio Committee further requested a financial breakdown in the reporting of the designated group going forward. The GPF is targeting GEYODI through various initiatives such as requests for quotations on its website and engagements with people living with disabilities to share information about participation opportunities in GPF programmes.
- Following the GPF's presentation of its Quarter 2 report for the 2023/24 FY, the Committee was concerned about the non-achievement of the targeted percentage procurement spend for designated groups (GEYODI). The Quarter 2 targets and achievements are reflected as follows: GEYODI Group Target Achieved Women 18% Youth 15% PWD 0,11%.
- Following the GPF's presentation of its Quarter 3 report for the 2023/24 FY, the Committee was concerned about the non-achievement of the targeted percentage procurement spend for designated groups (GEYODI). The Quarter 3 targets and achievements are reflected as follows: GEYODI Group Target Achieved Women 18% Youth 8% PWD 0%.
- Following the GPF's presentation of its Quarter 4 report for the 2023/24 FY, the Committee was concerned about the non-achievement of the targeted percentage procurement spend for designated groups (GEYODI). The Quarter 4 targets and achievements are reflected as follows: GEYODI Group Target Achieved Women 24% Youth 17% PWD 0%.

2.4 Resolutions on Human Settlements Portfolio Committee Oversight Committee Report on the 1st Quarterly of the Department Of Human Settlements for the 2023/24 Financial Year

The response is referring to non-achievement for the 1st and 2nd quarters of 2023/24 FY:

Table 14: Reasons for non-achievement and measurements to be taken

Reason for Non-Achievement	Measures to be Taken
Delayed finalisation of the appointment and contracting of the legal firms which included creation of purchase orders	The purchase orders have been created and the Department is in the process of issuing instructions to the legal firms in the established panel.
	4 400 properties have been identified for instructions where it has been determined that the occupants are the same as the ones approved for housing subsidies.
	At the same time, physical verification is being conducted in various townships and the results will produce more properties for instruction to legal firms.

The department tracks expenditure through the planned outputs emanating from the business plan (Human Settlements Development Grant and Informal Settlements Upgrading Partnership Grant) outputs which translate into APP outputs. This is directly linked to the achieved non-financial outputs, claims and resultant expenditures which the relevant process owners could manage (which then translate to reports).

The GPF submitted the expenditure report for the quarter under review (Q1).

Table 15: Expenditure report Q1

Summary of Budget Vs Actual Expenditure				
Classification	Budget (R)	Actual Exp (R)	Available Budget (R)	% Spending
Compensation of Employees	69 027 113	13 670 713	55 356 401	20%
Goods & Services	43 882 646	7 647 813	36 234 833	17%
Capital Expenditure	7 449 240	1 060 482	6 388 758	14%
Total	120 358 999	22 379 008	97 979 992	19%

The GPF spent R22.3m on its approved operational budget of R120.4m representing a percentage spending of 19%. The projected year to date spending was 25% resulting in underspending of 6%.

The GPF has accelerated its procurement spending to ensure that it improves its operational budget spending. Further, the GPF has filled critical vacant positions, which will ultimately increase spending in line with the approved operational budget.

3. Executive Authority

In terms of the PFMA, the Executive Authority of the GPF is its Founder, the MEC of the GDHS. As such the MEC represents the sole Shareholder of the entity. The GPF Board ensures that the entity complies with all the legislative and regulatory requirements governing the relationship between an Executive Authority and an entity that reports to it.

The GPF must perform according to the Strategic Plan and the APP agreed to with the Executive Authority. The GPF's management is accountable for the implementation of strategic and operational programmes to the Board of Trustees, which controls and maintains a fiduciary relationship with the organisation. The Executive Authority ensures that the Board of Trustees it appoints is appropriately skilled and independent in order to best serve the GPF.

The GPF coordinates its area-based human settlements development activities and other catalytic interventions with and on behalf of the GDHS. The GPF must ensure that spatial transformation, human settlements development and economic growth are integrated and well-coordinated.

4. Board of Trustees

In terms of the trust deed, the Trust shall be administered and managed by the Trustees, who shall be nominated by the Founder. In terms of the Trust Property Control Act and the GPF Trust Deed, the Trustees' authority to act as such is confirmed by the issuing of letters of authority by the Master of the High Court. The letters of authority for the newly appointed Trustees were issued on 13 December 2023.

When making trustee appointments, the Executive Authority ensures an appropriate mix of the necessary capacity and skills, and all the trustees are independent of the GPF. The Executive Authority also appoints a shareholder representative to the GPF Board to ensure that its interests are represented in the Board, as well as serves as a link between the Shareholder and the Board.

For the period under review, the Board consisted of 13 non-executive Trustees, who were appointed with effect from 1 June 2023, after the expiry of term of the previous Board on 31 May 2023.

The delegation of authority document, which is annually reviewed by the Board, gives certain functions to the CEO. The CEO is responsible for the implementation of strategy while ensuring compliance with the relevant statutory and policy provisions. The CEO is supported by a competent Executive Management team to ensure that the GPF delivers on its mandate in accordance with the approved strategy and APP. Quarterly performance reports as required by the provisions of the PFMA, were considered by the Board at all its quarterly meetings, to keep it apprised of performance against agreed deliverables, financial performance and the mitigation of identified risks.

The trustees maintain independence on all matters considered by the Board and in the event of a trustee having an actual, perceived or potential conflict of interest in any matter before the Board, this is duly disclosed and recorded, in line with the GPF Declaration of Interests Policy. During the period under review, all Trustees completed their annual declaration of interest forms, where their membership of any other Boards and other interests outside of GPF are recorded.

In relation to the declaration of interest on matters before the Board, a declaration of potential or perceived interest was declared on a matter related to an investigation that was commissioned by the MEC, into the organisation's compliance with its own policies, in relation to the approval of a historic loan that was approved in 2013. The trustee recused themselves from all discussions on the matter.

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.

4.1 The Board Charter

The Board has developed a Board Charter based on the provisions of the Trust Deed, the PFMA and the recommendations contained in the King IV™ Report on Corporate Governance as a guideline for its governance of the GPF. The Board Charter is approved by the Board and reviewed annually, in compliance with good corporate governance practice.

The charter sets out clear direction regarding the Board's role and responsibilities, its composition as well as its general conduct, including conduct at Board meetings. These responsibilities include:

- acting as the focal point for, and the custodian of, corporate governance by managing its relationship with Management, the Executive Authority, the GDHS and other GPF stakeholders based on sound corporate governance principles;
- assuming ultimate accountability and responsibility for the performance and affairs of the entity and effectively representing and promoting its legitimate interests;
- retaining at all times full and effective control over the entity, directing and monitoring its business and affairs;
- ensuring compliance with applicable laws;
- carrying full fiduciary responsibility and a duty of care and skill to GPF in terms of the Trust Deed, the PFMA, the Trust Property Control Act, common law, and the code of ethics;
- overseeing the development of, approval, monitoring and review of the corporate strategy, company policies, appropriate systems, annual reports, annual budgets, and business plans;
- development of clear definitions of the levels of appropriate materiality or sensitivity to determine the scope and delegation of its authority and to ensure that it reserves specific powers and authority for itself;
- overseeing GPF's values and ethics and ensuring that an appropriate corporate code of ethics is in place;
- Implementation and maintenance of an effective risk management framework and ensuring that key risk areas and key performance indicators of the entity are identified and monitored; and
- ensuring that the GPF has a sound communication policy and that it communicates regularly, openly, and promptly with the Executive Authority, the GDHS and all relevant stakeholders.

4.2 Overview of Board activities during the period under review

Throughout the reporting period, the Board, supported by its committees, engaged in activities that ensured the fulfilment of its responsibilities in terms of its charter. A detailed account of the Board's activities in 2023/24 is provided below.

The following are the highlights of the Board's activities in the reporting period:

- The expiry of term of the previous Board and the induction of the new Board, which facilitated a seamless handover process for the continued governance of the organisation.
- Re-constitution of the Board Committees, namely the Audit and Risk, the Fundraising and Investment and the HR, Social and Ethics Committees, according to the new Trustees' experience and areas of expertise.
- Successful facilitation of an investigation into the organisation's approval of a historic loan, as directed by the Executive Authority, in the wake of media reports alleging irregularities in the approval process.
- The appointment of a Trustee as a GPF representative on SARS compliance matters, as required in terms of the GPF Trust Deed.
- Whilst dealing with delays in the Master of the High Court issuing updated letters of authority for the new Trustees, the Board invoked the provisions of the trust deed and only dealt with matters pertaining to the preservation and administration of the Trust. No approval of new loans was considered during this period until the updated letters of authority were issued on 12 December 2023.
- Improvement of annual performance in line with the APP from 74.1% in 2022/23 to 81.2% in 2023/24.
- Achievement of an unqualified audit for the 2022/23 FY.
- Review of the organisation's risk management framework.
- Review and development of several policies to ensure that the GPF is managed in an ethical, consistent, transparent, and fair manner.
- Conclusion of a shareholder compact, which governs the relationship between the GPF and its Executive Authority. Although a shareholder compact is not required for Schedule 3C entities, as part of its sustained efforts to enhance good governance the Executive Authority and the GPF Board took a decision to have one in place.
- Mid-year review of the APP for 2023/24, to address weaknesses that had been identified in the prior year audit, as well as revise targets whose delivery would be affected by the delay in the issuance of updated letters of authority.
- Revision of the Risk Maturity Assessment and Implementation Plan.
- Review and finalisation of the GPF's operating model, value chain and fit for purpose organisational structure.
- Review of the GPF Trust Deed.
- Approval of an ERM Policy and the identification of emerging risks for inclusion in the strategic risks register.

EABLE – SEBINI HEIGHTS

4.3 Composition of the Board

The Board comprises Trustees with a wide range of skills, expertise and experience. These consider the requirements of the GPF and include auditing, accounting, banking, finance, business management, public management, marketing, legal, built environment and construction management. This ensures an appropriate balance that brings a sense of perspective and adds value and insight for strategic decision-making.

The members of the Board of Trustees are:

Current Board

Craig Cornish
Chairperson
1 June 2023 - present
(Trustee 25 May 2021 - 31 May 2023)

Maseapo Kganedi
Deputy Chairperson
1 June 2023 - present
(Trustee 15 May 2020 - 31 May 2023)

Nangamso Matebese
Trustee
15 May 2020 - present

Leon G Marincowitz
Trustee
15 May 2020 - present

Mpho Hlahla
Trustee
1 June 2023 - present

Rethabile Kikine
Trustee
1 June 2023 - present

Rev. Solomuzi Mabuza
Trustee
1 June 2023 - present

Gilberto Martins
Trustee
1 June 2023 - present

Lita Mbokotho
Trustee
1 June 2023 - present

Busi Mhaga
Trustee
1 June 2023 - present

Ezra Ndwandwe
Trustee
1 June 2023 - present

Puleng Gadebe Mabaso
Trustee
1 June 2023 - present

Gugulethu Wendy Phakathi
Trustee
1 June 2023 - present

Former Board

Hlengiwe Bhengu-Motsiri
Chairperson
15 May 2020 - 31 May 2023

Sello Morero
Deputy Chairperson
15 May 2020 - 31 May 2023

Douglas Kutumela
Trustee
15 May 2020 - 31 May 2023

Abdullah Ismail
GHDS/Trustee
17 August 2020 - 31 May 2023

Keith Khoza
Trustee
1 November 2020 - 31 May 2023

Lindiwe Mthimunye
Trustee
15 May 2020 - 31 May 2023

Table 16: Board composition

Name	Designation	Date Appointed	Date Resigned/ Expiry of term	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Hlengiwe Bhengu-Motsiri	Chairperson	15 May 2020	31 May 2023	Higher Diploma in Economics BAdmin	Leadership Strategy Public Administration Governance Communications	OR Tambo School of Leadership (NED) ZA Create The Antiquarian 101 Artisan	Fundraising and Investment Committee	2/12
Sello Morero	Deputy Chairperson	15 May 2020	31 May 2023	Master's in Public Administration Post-graduate Diploma in Public Administration Certificate in Policing	Leadership Local Government Administration Strategy Governance Customer Relations Marketing Communications	Naledi Trust	Human Resource and Social and Ethics Committee	2/12
Douglas Kutumela	Trustee	15 May 2020	31 May 2023	BCom	Leadership Local Government Administration Labour Relations HR Logistics	n/a	Human Resource and Social and Ethics Committee	2/12
Abdullah Ismail	GDHS/ Trustee	17 August 2020	31 May 2023	MAP BCom	Leadership Finance Public Administration Governance	n/a	n/a	1/12

Name	Designation	Date Appointed	Date Resigned/ Expiry of term	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Keith Khoza	Trustee	1 November 2020	31 May 2023	Master's: Public Administration Post-graduate Diploma in Management Diploma in Journalism	Leadership Strategy Public Administration Governance Communications	Gauteng Film Commission Manzi Mashatile Trust/ Manzi Mashatile Foundation	Fundraising and Investment Committee ARC	2/12
Lindiwe Mthimunye	Trustee	15 May 2020	31 May 2023	CA(SA) MCom Post-graduate Diploma in Tax Law Post-Graduate Diploma in Accounting BCom	Leadership Finance Accounting Strategy Business Management Governance Housing Finance	Massmart Holdings Limited Metrofile Holdings Limited Cell C Limited Old Mutual Investment Group (Pty) Ltd SABVEST Capital Limited Vita Gas (Pty) Ltd Vegago (Pty) Ltd Phoka Trust Lakhile Industrial Supplies (Pty) Ltd Petroleum Investment Partners (Pty) Ltd Orivest (Pty) Ltd GreenInfra (Pty) Ltd Serve Your Community (member)	ARC Human Resource and Social and Ethics Committee	2/12

Name	Designation	Date Appointed	Date Resigned/ Expiry of term	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Craig Cornish	Trustee	25 May 2021	n/a	Post Graduate Certificate – Business Planning, Financial Management and Strategy Post Graduate Certificate – Fraud Prevention, Fraud Detection, Fraud Investigation and Investigative Auditing Reporting National Diploma in Accounting	Leadership Finance Accounting Auditing Taxation Governance	MCCS Holdings (Pty) Ltd Mining Civil Construction and Services (Pty) Ltd East2West Holdings (Pty) Ltd Nigel Football Academy (Pty) Ltd Sizanonke Business Enterprises CC Weskus Auto (Pty) Ltd K2016140844 (South Africa) (Pty) Ltd K2012007026 (Pty) Ltd	ARC Fundraising and Investment Committee	12/12
Maseapo Kganedi	Trustee	15 May 2020	n/a	LLM LLB Diploma in Legislative Drafting Certificate in Pension Law Certificate in Corporate Governance BProc	Legal Leadership Strategy Governance Compliance Public Administration	Kganedi Business Services Andzani Family Trust	HR, Social and Ethics Committee	11/12

Name	Designation	Date Appointed	Date Resigned/ Expiry of term	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Nangamso Matebese	Trustee	15 May 2020	n/a	GMP Chartered Banker MSc Finance MA Finance and Investments BCom (Honours) BCom	Leadership Finance Investments Accounting Strategy Governance Compliance	Fungua Foundation	Fundraising and Investment Committee ARC	12/12
Leon G Marincowitz	Trustee	15 May 2020	n/a	MPhil BA Honours BA	Leadership Governance Property and Real Estate Public Policy and Governance	LG Marincowitz Sons and Partners (Pty) Ltd Oikos Trust	Fundraising and Investment Committee ARC	12/12
Mpho Hlahla	Trustee	1 June 2023	n/a	MBA Masters in Town and Regional Planning BSc Honours BSc	Town and Regional Planning Property Management Consulting Project Management International Relations	Starfruit Investments (Pty) Ltd Tinley Leisure Women Investments (Pty) Ltd	ARC	10/12
Rethabile Kikine	Trustee	1 June 2023	n/a	LLB Certificates in Labour Law, Corporate and Securities Law, AML and Ethics BProc	Legal Contract Management Stakeholder Management Leadership Risk Management Project Management Governance and Compliance	Kikine Solutions Group (Pty) Ltd Lawyers for the Arts South Africa (LASA)	HR, Social and Ethics Committee	10/12

Name	Designation	Date Appointed	Date Resigned/ Expiry of term	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Solomuzi Mabuza	Trustee	1 June 2023	n/a	Honours in Theology Bachelor of Theology	Project Management Leadership International Relations Community Engagements and Stakeholder Management	Gauteng Ethics Advisory Council Gauteng Gambling Board	HR, Social and Ethics Committee	10/12
Gilberto Martins	Trustee	1 June 2023	n/a	Honours Politics Labour Law B Arch BA Politics	Strategic Planning Financial Management Infrastructure Development Leadership Policy Formulation	None	ARC	10/12
Lita Mbokotho	Trustee	1 June 2023	n/a	MBA BCom Honours BCom	Financial Management Project Finance Financial Modelling Project Risk Management Leadership Strategy	Tsori Capital Ornecy (Pty) Ltd Ingwetele Wireless (Pty) Ltd Sizani Foods Chris Hani Development Agency HL Holdings UNISA Catering Services Joe Gqabi Economic Development Agency	Fundraising and Investment Committee	10/12

Name	Designation	Date Appointed	Date Resigned/ Expiry of term	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Busi Mhaga	Trustee	1 June 2023	n/a	Global Executive Development Programme – GIBS BTech – Town and Regional Planning BPhil – Transport and Logistics National Diploma in Town and Regional Planning	Strategy Business Development Financial Management Property Management Project Management	Africapital (Property Development) Gauteng Film Commission	Fundraising and Investment Committee	9/12
Ezra Ndwandwe	Trustee	1 June 2023	n/a	PhD Master's in Business Leadership BSc Life Sciences	Human Capital Management Management Consulting Strategy Development Leadership Financial Management	Dual Point Holdings (Pty) Ltd Gauteng Growth and Development Agency Gauteng Industrial Development Zone DownTown Music Hub FoodBev SETA	HR, Social and Ethics Committee	10/12

Name	Designation	Date Appointed	Date Resigned/ Expiry of term	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Puleng Gadebe Mabaso	Trustee	1 June 2023	n/a	Master's in Management Coaching Senior Executive Program: Africa Senior Management Development Programme BA Honours BA	Human Capital Management value chain Human Resource Development Employee Relations – Chief Negotiator Audit, Risk and Compliance Policy Development.	None	n/a	9/12
Gugulethu Wendy Phakathi	Trustee	1 June 2023	n/a	PMBOK/Project Management Professional Accreditation BTech Mechanical Engineering NDip (Mechanical Engineering)	Project Management Water Engineering Mechanical Engineering Operations Management Construction Management	Vaal Central Water Board	ARC	9/12

4.4 Board committees

Table 17: Committees

Committee	No. of Meetings Held	No. of Members	Name of Members
Audit and Risk Committee	9	5 (2022/23) 4 (2023/24)	**2022/23** Ms Nangamso Matebese (Chairperson) Mr Leon G Marincowitz Ms Lindiwe Mthimunye Mr Keith Khoza Mr Craig Cornish **2023/24** Ms Nangamso Matebese (Chairperson) Ms Mpho Hlahla Mr Gilberto Martins Ms Gugu Phakathi
Human Resource and Social and Ethics Committee	6	4	**2022/23** Mr Sello Morero (Chairperson) Ms Maseapo Kganedi Mr Douglas Kutumela Ms Lindiwe Mthimunye **2023/24** Ms Maseapo Kganedi (Chairperson) Ms Rethabile Kikine Mr Solomuzi Mabuza Dr Ezra Ndwandwe
Fundraising and Investment Committee	7	5 (2022/23) 4 (2023/24)	**2022/23** Mr Leon G Marincowitz (Chairperson) Ms Hlengiwe Bhengu-Motsiri Ms Nangamso Matebese Mr Keith Khoza **2023/24** Mr Leon G Marincowitz (Chairperson) Mr Craig Cornish Mr Lita Mbokotho Ms Busi Mhaga

4.5 Remuneration of Board members

In terms of the Trust Deed, the GPF should pay non-executive Trustees for their time spent on GPF business, according to a remuneration framework that is agreed between the Founder and the Trustee. In the year under review, the Trustees were remunerated in accordance with rates determined by the South African Institute of Chartered Accountants, in accordance with a framework that was agreed in 2003. Work is underway with the GDHS and GPT to align the GPF Board remuneration framework with National Treasury guidelines.

The Schedule indicating remuneration paid to each Trustee can be found on page 123 of the AFS.

Table 18: Board member remuneration

Name	Remuneration R	Other Allowance R	Other Re-imbursements R	Total R
H Bhengu-Motsiri	64 638	-	-	64 638
S Morero	37 424	-	-	37 424
C Cornish	477 704	-	-	477 704
M Kganedi	309 961	-	-	309 961
K Khoza	74 776	-	-	74 776
D Kutumela	38 826	-	-	38 826
LG Marincowitz	419 796	-	-	419 796
N Matebese	371 357	-	-	371 357
K Mbele*	-	-	-	-
L Mthimunye	80 204	-	-	80 204
M Hlahla	307 892	-	-	307 892
R Kikine	284 884	-	-	284 884
S Mabuza	287 760	-	-	287 760
G Martins	287 610	-	-	287 610
L Mbokotho	305 455	-	-	305 455
B Mhaga	282 897	-	-	282 897
E Ndwandwe	284 005	-	-	284 005
G Phakathi	273 220	-	-	273 220
P Mabaso*	-	-	-	-
A Ismail*	-	-	-	-

* Not remunerated

5. Risk Management

ERM in GPF is being implemented in accordance with PFMA and National Treasury Regulations. GPF has a Risk Management Policy and Framework developed in-line with local and international standards and code, such as the Committee of Sponsoring Organisation, International Organisation for Standardisation (ISO) 31000 and King IV™. This provides for a standardised and systematic approach in the design of Risk Management processes within GPF.

GPF conducts strategic risk assessment on annual basis to identify and review the entity's strategic risks. Risk assessments are also conducted at business unit level to proactively identify the risks emanating from the entity's daily operations. Continuous monitoring of risks is conducted through tracking and assessing of mitigating strategies. Risk monitoring also enables the identification of new and emerging risks.

The Board of Trustees set the tone at the top on risk governance within GPF, whereas ARC provides a continual oversight on the adequacy of ERM processes and independently monitors the effectiveness of the risk management system. Risk monitoring reports are prepared and submitted to the ARC on a quarterly basis.

GPF has introduced an approach involving the landscape of Environmental, Social and Governance-related risks. Given the unique impact and dependencies of Environmental, Social and Governance-related risks, GPF undertakes to apply a risk-based approach to effectively mitigate them. GPF is also integrating Risk Management processes into performance management. The metrics utilised to evaluate performance targets will be quantifiable to measure the downside and upside of the risks.

6. Internal Audit and Audit and Risk Committee

Key activities and objectives of the Audit and Risk Committee

The GPF has an internal audit unit established in terms of Section 51 of the PFMA which is co-sourced with Audit and Risk Management Solutions. The Internal Audit Unit is independent of all line and functional management. It provides reasonable proactive and reactive assurance to the ARC by evaluating the adequacy and effectiveness of governance, risk management and internal control processes.

The unit has an approved Internal Audit Charter which sets out the nature, role, responsibility, status and authority of the Internal Audit function and outlines its scope. Furthermore, it performed its activities in line with the Risk-based Internal Audit Plan as approved by the ARC. It also conducted its processes in accordance with the "International Standards for the Professional Practice of Internal Auditing" of The Institute of Internal Auditors. To achieve maximum effectiveness, a risk-based strategic approach was adopted. This approach considered the results of the risk management processes of the organisation, engagements with management and the External Auditor's reports.

The Internal Audit function provided an independent analysis, as well as appraisals, recommendations, counsel and information concerning the activities reviewed. All this was provided with a view to improving accountability and performance. The following Internal Audit work was concluded during the financial year:

- Follow up audit (Post Audit Action Plan implementation);
- Performance Management (Staff Key Performance Indicators) review;
- Audit of Performance Information (AOPI) Q4 of 2022/23;
- Audit of the Annual Performance Report for the 2022/23 FY;
- Audit of Performance Information (AOPI) Q1 of 2023/24 FY;
- Audit of Performance Information (AOPI) Q2 of 2023/24 FY;
- Audit of Performance Information (AOPI) Q3 of 2023/24 FY;
- The 2022/23 Annual Financial Statements (AFS) review;
- The Q2 of 2023/24 financial statements review;
- Information and Communications Technology General Controls review; and
- Policy and Internal Control review.

Information on Audit and Risk Committee members

The table below discloses relevant information on the committee members.

Table 19: Audit and Risk Committee

Name	Qualifications	Internal or External	Date Appointed	Date Resigned/ Term Expired	No. of Meetings Attended
Ms Nangamso Maponya (Chairperson)	GMP Chartered Banker MSc Finance MA Finance and Investments BCom (Honours) BCom	External	15 May 2020 (Trustee) 5 June 2020 (ARC)	n/a	9/9
Mr Leon G Marincowitz	MPhil BA Honours BA	External		31 May 2023	2/9

Name	Qualifications	Internal or External	Date Appointed	Date Resigned/ Term Expired	No. of Meetings Attended
Ms Lindiwe Mthimunye	CA(SA) MCom Post-Graduate Diploma in Tax Law Post-Graduate Diploma in Accounting BCom	External	15 May 2020 5 June 2020 (ARC)	31 May 2023	2/9
Mr Keith Khoza	Master's: Public Administration Post-Graduate Diploma in Management Diploma in Journalism	External	1 November 2020	31 May 2023	2/9
Craig Cornish	National Diploma in Accounting Post Graduate Certificate – Business Planning, Financial Management and Strategy Post Graduate Certificate – Fraud Prevention, Fraud Detection, Fraud Investigation and Investigative Auditing Reporting	External	25 May 2021	31 May 2023	2/9
Ms Mpho Hlahla	BSc BSc Honours Masters in Town and Regional Planning MBA	External	30 June 2023	n/a	7/9
Mr Gilberto Martins	B Arch BA Politics Honours Politics Labour Law	External	30 June 2023	n/a	6/9
Ms Gugu Phakathi	NDip (Mechanical Engineering) BTech Mechanical Engineering PMBOK/Project Management Professional Accreditation	External	30 June 2023	n/a	7/9

7. Compliance with Laws and Regulations

The GPF is committed to conducting its business in compliance with statutory and regulatory requirements. The organisation's business is built on trust and integrity to benefit all its stakeholders, including its clients, employees, service providers, funders, partners, and regulators.

The GPF has a Compliance Management Policy which contains a comprehensive Compliance Universe Framework. Existing and emerging legislation relevant to GPF's business has been identified to ensure that the Board and management understand the risks that may arise from compliance requirements. The risks that non-compliance with laws and regulations pose are identified and the GPF has managed to avoid possible breaches and contraventions through the Compliance Risk Management Plan. The latter may lead to penalties, fines, litigation, and reputational risk, which may individually and/or collectively have a detrimental impact on the GPF's sustainability.

The GPF strives to foster a compliance culture within the organisation, encouraging open communication, transparency, and accountability regarding compliance matters. It stays abreast of any changes relating to new laws and regulations that may impact the GPF operations. Training is used as a strategic tool to cultivate a compliance culture where ethics and integrity are valued and ensures that employees and stakeholders are regularly updated about any changes in laws or regulations.

Policies are regularly reviewed to ensure alignment with legislation and business strategy.

The GPF has appointed a Compliance Officer to develop, implement, and oversee compliance programmes and policies. The incumbent is responsible for enforcing compliance measures across the organisation.

8. Fraud and Corruption

Fraud represents a significant potential risk to the GPF's assets, service delivery, and reputation. To effectively address fraud and corruption the GPF has developed the Anti-Fraud and Corruption Policy which has been approved by the Board of Trustees. The Policy includes fraud and corruption prevention plans, detection measures as well as remedial actions. The Policy supports confidential disclosure of suspected fraud and corruption in accordance with the Protected Disclosures Act (No.26 of 2000). Officials and all stakeholders are encouraged to report the activities of suspected fraud and corruption through the respective lines of reporting or anonymously through the Whistleblowing Hotline.

The organisation has zero tolerance for fraud, corruption, and unethical activities or transactions and has developed an effective and systematic approach to prevent, deter, detect, and combat such activities across the GPF. The Anti-Fraud and Corruption Policy was communicated to all employees and is available on the GPF's website for external stakeholders' accessibility and ease of reference.

In conformity with the Anti-Fraud and Corruption Policy, the GPF has anti-money laundering policies in place, which play a significant role in preventing fraud and corruption in the organisation, in particular the Anti-Bribery and Corruption Policy. The GPF has automated its systems to enhance the effectiveness of its anti-money laundering policies, which assist in the screening of clients to prevent fraud and corruption.

Moreover, the GPF's Whistleblowing Policy forms part of its zero-tolerance stance on fraud, corruption, and any unlawful conduct. The GPF is supportive of anyone who reports incidents of fraud, corruption, and unlawful conduct within the organisation.

The process for reporting fraud and corruption is spelled out in the Whistleblowing Policy which allows for escalation measures. Depending on the official or person under suspicion, cases can be reported to the Legal and Compliance Manager; the relevant Executive Manager; the Internal Audit; the CEO; the Chairperson of the Audit & Risk Committee; the Chairperson of the Board; and/or the Anti-Corruption Hotline which is administered through the Gauteng Provincial Government.

GPF is in the process of appointing an external service provider to offer 24/7 Whistleblowing hotline services. It will allow employees, stakeholders, the public at large, or any other interest parties to report any unlawful activities occurring within the GPF's business structures. These include but are not restricted to irregularities, fraud, theft, bribery, and any other unlawful or dishonest activities of whatever nature, which directly or indirectly have a detrimental effect on the organisation.

The action taken on any matter identified will depend on the nature of the allegations. Possible actions include but are not limited to Internal investigations; reporting to the South African Police Services or other law enforcement authorities; and/or referring the matter to the ARC.

The hotline number and the Whistleblowing Policy are available on the GPF website for ease of access by stakeholders. A record of concerns, allegations, status, and outcomes are kept in a format that does not compromise the confidentiality thereof.

9. Minimising Conflict of Interest

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

The Conflict of Interest Policy applies to trustees, employees, clients, and service providers. All GPF employees made their declarations for the period under review in line with the Conflict of Interest Policy. Further, the declarations indicate no conflict of interest between Trustees and GPF employees.

Any external remunerative work conducted by employees is disclosed and must be approved by the CEO. In the main, employee declarations indicate that GPF employees do not have outside interests that might pose a conflict of interest with the GPF's business.

During the year under review, there were no declarations of interest or areas of potential conflict of interest made by members of the Board on any matters that were considered by the Board or Board Committees. Further, no areas of conflict or potential conflict of interest by the trustees were identified.

The GPF has a Gifts and Hospitality Policy and maintains a monthly gift register for all its employees wherein the employees declare all gifts and hospitality received to the value of R300.00 or below. Any gifts over and above this threshold are politely declined.

The Conflict of Interest Policy and the Gifts and Hospitality Policy are also placed on the GPF website for easy access and reference by external parties.

10. Code of Conduct

The GPF has a Code of Conduct as part of its approved Human Resource Policy. The Code of Conduct requires employees of the GPF to conduct themselves with integrity and in an ethical manner. Integrity is one of the GPF's core values. Staff engagement sessions have been undertaken to entrench these values. Staff were enrolled and are consistently encouraged to undertake a course on Ethics in the Public Sector. All employees are obliged to declare their interests on an annual basis. Non-compliance with the Code of Conduct will result in disciplinary action.

11. Health Safety and Environmental Issues

The GPF's Occupational Health and Safety Policy compels the organisation to comply with all safety laws and regulations. Planned evacuation drills were regularly undertaken to prepare staff and visitors to appropriately react to unforeseen emergencies. Periodic inspections to prevent unnecessary workplace hazards and risks were also conducted. GPF complied with the Compensation for Occupational Injuries and Disease Act (No. 120 of 1993). It is a standard requirement for developers operating within the auspices of the GPF to produce health and safety compliance certificates for all sites.

12. Company Secretary

Although the entity is not required by its trust deed to appoint a Company Secretary, in its endeavour to ensure compliance with good corporate governance, the Board has appointed a Company Secretary to assist it with the implementation of corporate governance in the GPF.

The role of the Company Secretary is to:

- Provide the Trustees with guidance as to their duties, responsibilities, and powers;
- Make the Trustees aware of any law relevant to or affecting the entity;
- Report to the Board any failure on the part of the entity or a Trustee to comply with the provisions of the entity's governance documents, including the Trust Deed and the Board Charter; and
- Ensure that minutes of all Board and Committee meetings are properly recorded.

A Company Secretary's work covers a wide variety of functions which includes assisting in the proper induction, orientation, ongoing training and education of Trustees, including assessment of the specific training needs of Trustees for the optimal execution of their fiduciary and other governance responsibilities.

The Company Secretary must also be available to provide comprehensive practical support and guidance to Trustees, with particular emphasis on supporting the Chairperson of the Board and the Chairpersons of Board Committees.

13. Social Responsibility

In line with the mandate of the GPF and its efforts to enhance the lives of the people of Gauteng by contributing to inclusive economic growth, the entity finalised its Corporate Social Investment (CSI) Policy during the period under review.

As an implementing agency of the Gauteng Department of Human Settlement, the GPF is mindful of its responsibility as a caring corporate citizen, playing a key role in supporting and uplifting communities across the province.

Thus, the entity initiated a CSI Policy aimed at providing lasting qualitative and quantitative benefits for the intended beneficiaries.

The main focus areas of this policy include:

- Education, particularly around property development programmes;
- GEYODI (Gender, Youth, and People Living with Disability Inclusion) empowerment initiatives; and
- Environmental Sustainability-focused initiatives.

The CSI Policy is designed to:

- Contribute to Social Development by enabling the GPF to contribute to the social development element of its transformation agenda, including guiding its sustainable contribution to the communities within which the organisation operates.
- Enhance Reputation and Credibility through enhancing the GPF's reputation and credibility as a socially responsible corporate citizen.
- Encourage Employee Involvement by fostering an organisational culture and environment that encourages employee involvement in community development.

The GPF has initiated efforts to support CSI initiatives, which have progressed significantly. It is anticipated that the organisation's contributions to the selected CSI initiatives will be finalised and launched in the new financial year.

14. Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2024.

14.1 Committee Responsibility

The ARC reports that it has complied with its statutory responsibilities arising from section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.1. The ARC also reports that it has adopted appropriate formal terms of reference as its ARC 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.

14.2 The Effectiveness of Internal Control

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 ARC is of the opinion that the GPF's systems of internal controls are effective and form a sound basis for the preparation of reliable AFS for the 2023/24 FY.

14.3 Internal Audit Function

The ARC is responsible for ensuring that the GPF's co-sourced internal audit function is independent and has the necessary resources, standing, and authority within the GPF to enable it to discharge its duties. The ARC has reviewed and approved an Internal Audit Charter which regulates the relationship between the Internal Audit Function and the GPF, as well sets out the roles and responsibilities of all the parties involved in the internal audit processes. The annual internal audit plan and the three-year risk-based audit plan were reviewed and approved by the Committee for implementation.

14.4 External Auditors

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 AFS 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.

14.5 In-year Management and Monthly/Quarterly Reporting

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

14.6 Evaluation of Financial Statements

The Committee has reviewed the AFS prepared for the year ended 31 March 2024, 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.

14.7 Auditor's Report

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

We have instructed the GPF's management to develop an implementation plan for all the audit issues raised by the Auditor-General in the current year. Implementation of the plan will be monitored throughout the 2024/25 year.

The ARC concurs and accepts the conclusions of the external auditor on the AFS and is of the opinion that the audited financial statements be accepted and read together with the report of the auditor.

Nangamso Matebese
Chairperson of the Audit and Risk Committee
Gauteng Partnership Fund
Date: 26 August 2024

15. B-BBEE Compliance Performance Information

Table 20: Entity information

Name of Sphere of Government/Public Entity/Organ of State:	Gauteng Partnership Fund
Registration Number (If applicable):	IT2422/02(T)
Physical Address:	82 Grayston Drive, Sandton, 2196
Type of Sphere of Government/Public Entity/Organ of State:	Public Entity
Organisation Industry/Sector	Housing

Table 21: B-BBEE compliance performance information

Criteria	Answer	Attachment
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law	No	Not in the current financial year
Developing and implementing a preferential procurement policy	Yes	The GPF has adopted and is implementing the preferential procurement policy as issued by the National Treasury through its SCM Policy
Determining qualification criteria for the sale of state-owned enterprises	No	Not in the current financial year
Developing criteria for entering into partnerships with the private sector	No	Not in the current financial year
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE	No	Not in the current financial year

Approved by:

Ms Lindiwe Kwele
Chief Executive Officer: Accounting Officer of the Gauteng Partnership Fund
Date: 26 August 2024

PART D // HUMAN RESOURCE MANAGEMENT

MAPCHIEF – HABORONA STUDENT REZ

1. Overview of HR Matters

Human Capital Management is a critical and strategic business partner to all the business units of the GPF. It provides human resource service offerings to the entire value chain in talent management and programmes in employee relations and wellness, occupational health and safety, change management, organisational design, performance management, and employee benefits. These form part of the organisation's employee value proposition to retain and attract the right skills and talent to the organisation.

Human Capital Management prioritised the following programmes and projects in the period under review:

- Finalising an organisational structure that is fit for purpose and is aligned to deliver on the current mandate and strategy as well as to ensure that it is sufficiently agile and flexible to respond to changes in the external environment and new mandate developments. A value chain and business model were framed to describe the full range of activities needed to create products or services and ensure that the various functions within the organisation are integrated. The organisational structure review was followed by the evaluation and grading of jobs.
- The filling of vacancies of funded posts was prioritised, with the recruitment of the Compliance Officer, Financial Officer, Project Costing Analyst, and Project Analyst.
- An Employee Value Proposition was developed to encourage the attraction and retention of the right skills and talent in the GPF.
- A Succession Planning Framework was developed to start creating a pool of succession candidates in preparation for business continuity and sustainability.
- The programme on Living the Values the GPF Way continued to be the cornerstone of the culture change programme. This included workshop sessions on entrenching the values of the GPF. As part of the Culture Change programme, the GPF implemented an employee achievement recognition programme, culminating in an awards ceremony.

2. Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

- The GPF workforce planning is based on the approved organisational structure, the budget allocation for approved posts and the GPF's competency framework which is aligned to its strategic objectives and mandate. Positions are filled based on job profiles that have been evaluated and graded using the GPF's approved grading system. Where applicable, competency assessments are undertaken to ensure that the right people with appropriate competencies are recruited.
- In the period under review the GPF developed an employee value proposition aimed at attracting and retaining suitably qualified individuals and talent. The GPF values are also an important culture base that help to work towards this objective.
- The GPF is guided by an approved Recruitment and Selection policy that is reviewed periodically to ensure and entrench best practice in attracting a skilled and capable workforce.

3. Employee Performance Management Framework

3.1 Approved Performance Management Policy and System

The system comprises four phases which include performance target setting, performance review, performance evaluation and managing performance outcomes. The system is based on the Organisational Strategy, the APP and Divisional Plans and is aligned to the National Treasury Performance Management Framework. GPF ensured that all staff sign off on their performance agreements for the period under review. Performance reviews were conducted on a quarterly basis to ensure alignment with the achievement of set targets.

4. Employee Wellness Programmes

GPF commissioned the services of an employee wellness service provider to implement a wellness programme. A variety of wellness topics were addressed and posted on the GPF Wellness Portal. Planned employee wellness webinars are held on the virtual platform. Staff also have direct access to independent services, assuring objectivity and privacy on personal matters. GPF also organised events on Women's Health, Men's Health, Financial Wellness which introduced staff to the pension fund two-pot system.

5. Policy Development

An HR Policy manual consisting of conditions of service and policies is reviewed on a three-year basis or as and when the need arises. Policies are workshopped with all the relevant stakeholders, including staff and the recognised labour union. This process is followed by endorsement from the Executive before Board approval, in line with the relevant delegations of authority.

6. Highlight Achievements

- An organisational structure fit for purpose was approved and implemented. Implementation is an ongoing project. A value chain with an operating model was reviewed. Critical posts were prioritised for job evaluation and grading. The results were implemented with the rest of the positions earmarked for evaluation and grading in the second phase of the project.
- A survey measuring employee satisfaction was conducted and the report findings were fundamental in determining the Culture Change programme.
- An Employee Value Proposition was successfully launched. This will form part of the GPF's talent attraction and retention strategy.
- A Succession Planning Framework was launched.
- The Culture Change programme implementation was achieved at 94%. In this regard the GPF held engagement sessions with staff on Living the Values the GPF Way. Other sessions focused on topical information and knowledge content aimed at discussions and raising awareness on the objectives and operations of the GPF. A Citizens Charter amplifying the principles of Batho Pele and customer-centricity was launched and embraced by staff to ensure that all staff contribute towards the strategic objectives of the organisation, encouraging a common vision and mission.
- An employee recognition awards event was successfully implemented. This event encouraged a culture of performance and acknowledging employees that went beyond the call of duty. Its main focus was on the values of the GPF.
- Labour relations training for managers and supervisors was implemented, providing practical skills in people management and conflict resolution.
- A partnership with the National School of Government provided a valuable platform for the GPF staff to acquire critical knowledge and skills especially in preparing staff to advance to managerial levels.

7. Challenges

- The limitation of the budget to fund and fill positions has resulted in work overload on staff. This has negatively impacted on the work-life balance of staff who tend to overstretch themselves to meet the demands of the job and the mandate.
- Change has not picked up at the desired pace. The implementation of change programmes will not in itself bring about the desired change. Change is a process that will not occur overnight. It requires perseverance and commitment by everyone involved. Change management remains a work in progress.

8. Future HR Plans/ Goals

In the 2024/25 FY the GPF will focus on the following programmes and projects:

- Implement Leadership Development;
- Implement Succession Planning;
- Develop and implement a talent management framework for business continuity and sustainability;
- Implement training and development programmes to support succession planning; and
- Finalise job evaluation.

9. Human Resource Oversight Statistics

9.1 Personnel related expenditure

Table 22: Personnel cost by division

Division	Total Expenditure (R)	Personnel Expenditure (R)	Personnel Exp. as a % of Total Expenditure	No. of Employees	Average Personnel Cost per Employee (R)
Office of the CEO	11 063 444.67	11 063 444.67	18,7%	7	1 580 492.10
Corporate Services Division	19 709 160.56	19 709 160.56	33,4%	19	1 037 324.24
Finance Division	11 432 620.83	11 432 620.83	19,4%	14	816 615.77
Investment and Development Division	16 873 607.06	16 873 607.06	28,6%	15	1 124 907.14
Total	**59 078 833.12**	**59 078 833.12**	**100%**	**55**	**1 074 160.60**

Table 23: Personnel cost by salary band

Salary Band	Personnel Expenditure (R)	% of Personnel Exp. to Total Personnel cost	No. of Employees	Average Personnel Cost per Employee (R)
Top Management	9 796 014.80	16,6%	4	2 449 003.70
Senior Management	5 797 437.36	9,8%	3	1 932 479.12
Professional Qualified	23 365 102.90	39,5%	15	1 557 673.53
Skilled	18 899 428.00	32,0%	29	651 704.41
Semi-skilled	1 220 850.06	2,1%	4	305 212.52
Total	**59 078 833.12**	**100,0%**	**55**	**1 074 160.60**

Table 24: Performance rewards

Salary Band	Performance Rewards (R)	Personnel Expenditure (R)	% of Performance Rewards to Total Personnel Cost
Top Management	425 316.60	9 796 014.80	0,72%
Senior Management	206 760.89	5 797 437.36	0,35%
Professional qualified	1 259 458.57	23 365 102.90	2,13%
Skilled	765 232.87	18 899 428.00	1,30%
Semi-skilled	49 876.76	1 220 850.06	0,08%
Total	**2 706 645.69**	**59 078 833.12**	**4,58%**

Table 25: Training costs

Type	Training Expenditure (R)
Bursaries	185 998.75
Unit Standard-Based Programme	117 334.29
Non-NQF-aligned short courses	288 891.70
Internships	11 500.00
Total	**603 724.74**

Table 26: Employment and vacancies

Salary Band	2022/23 No. of Employees	2023/24 Approved Posts	2023/24 No. of Employees	2023/24 Vacancies	% of Vacancies
Top Management	4	4	4	-	0%
Senior Management	3	3	3	-	0%
Professional Qualified	15	16	14	2	3%
Skilled	26	32	28	4	7%
Semi-skilled	4	4	4	-	0%
Unskilled	-	-	-	-	0%
Total	**52**	**59**	**53**	**6**	**10%**

Table 27 Employment changes

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Employment at End of the Period
Top Management	4	-	-	4
Senior Management	3	-	-	3
Professional Qualified	15	-	1	14
Skilled	26	3	1	28
Semi-skilled	4	-	-	4
Total	**52**	**3**	**2**	**53**

Table 28: Reasons for staff departures

Reason	Number	% of Total No. of Staff Leaving
Death	1	50,0%
Resignation	1	50,0%
Dismissal	-	0,0%
Retirement	-	0,0%
Ill health	-	0,0%
Expiry of contract	-	0,0%
Other	-	0,0%
Total	**2**	**100,0%**

Table 29: Labour relations – misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal Warning	-
Written Warning	1
Final Written warning	-
Dismissal	-

Table 30: Equity targets and employment equity status

Salary Band	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	2	-	-	-
Professional Qualified	5	-	2	-	-	-	-	-
Skilled	1-	-	1	-	-	-	-	-
Semi-skilled	-	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	**15**	**-**	**3**	**-**	**2**	**-**	**-**	**-**

Salary Band	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	-	1	-	-	-	-	-
Senior Management	-	-	-	-	-	-	1	-
Professional Qualified	8	-	-	-	-	-	-	-
Skilled	13	-	2	-	-	-	1	-
Semi-skilled	4	-	-	-	-	-	-	-
Unskilled	-	-	-	-	-	-	-	-
Total	**28**	**-**	**3**	**-**	**-**	**-**	**2**	**-**

Salary Band	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	-	-	-	-
Senior Management	-	-	-	-
Professional Qualified	1	-	-	-
Skilled	-	-	-	-
Semi-skilled	-	-	-	-
Unskilled	-	-	-	-
Total	**1**	**-**	**-**	**-**

PART E // PFMA COMPLIANCE REPORT

PROPERTY BEST – ROBIN VILLA

1. Irregular, Fruitless and Wasteful Expenditure and Material Losses

1.1 Irregular expenditure

Table 31: Reconciliation of irregular expenditure

Description	2023/24 R'000	2022/23 R'000
Opening balance	36 300	54 145
Adjustment to opening balance	-	(25 446)
Opening balance as restated	-	28 699
Add: Irregular expenditure confirmed	7 684	7 601
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**43 984**	**36 300**

Determination was performed by the Loss Control Committee and transections that were previously deemed irregular were found not to meet that definition and therefore were removed.

Table 32: Reconciling notes

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	7 684	7 601
Total	**7 684**	**7 601**

Table 33: Details of irregular expenditure (under assessment, determination and investigation)

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	43 984	36 300
Irregular expenditure under investigation	-	-
Total	**43 984**	**36 300**

Table 34: Details of irregular expenditure condoned

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure condoned	-	-
Total	**-**	**-**

Table 35: Details of irregular expenditure removed (not condoned)

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

Table 36: Details of irregular expenditure recoverable

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure recovered	-	-
Total	**-**	**-**

Table 37: Details of irregular expenditure written off (irrecoverable)

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

Additional disclosure relating to Inter-Institutional Arrangements

Table 38: Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary Steps Taken
There has been training that has been provided to the employees on SCM matters to better equip them in their daily operations. There was also a warning that was issued to one of the employees.

1.2 Fruitless and wasteful expenditure

Table 39: Reconciliation of fruitless and wasteful expenditure

Description	2023/24 R'000	2022/23 R'000
Opening balance	216	6
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	210
Less: Fruitless and wasteful expenditure recoverable	-	
Less: Fruitless and wasteful expenditure not recoverable and written off	-	
Closing balance	**216**	**216**

Table 40: Reconciling notes

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	209
Total	**-**	**209**

Table 41: Details of fruitless and wasteful expenditure (under assessment, determination and investigation)

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	216	216
Fruitless and wasteful expenditure under investigation	-	-
Total	**216**	**216**

Table 42: Details of fruitless and wasteful expenditure recoverable

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure recovered	-	-
Total	**-**	**-**

Table 43: Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure written off	-	-
Total	**-**	**-**

1.3 Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

Table 44: Details of material losses through criminal conduct

Material Losses through Criminal Conduct	2023/24 R'000	2022/23 R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
Total	**-**	**-**

2. Late and/or Non-payment of Suppliers

Table 45: Payment of suppliers

Description	Number of Invoices	Consolidated Value R'000
Valid invoices received	**553**	**626 128**
Invoices paid within **30 days or agreed period**	**553**	**626 128**
Invoices paid after **30 days or agreed period**	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

3. Supply Chain Management

Table 46: Procurement by other means

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract R'000
South African Institute of Black Property Practitioners (SAIBPP)	SAIBPP	Sole Provider	Once off	100
Employee Funeral Arrangement	Hotel and Tourism Investment	Urgent	Once off	27
Back-up Power	Mzwezi Trading	Urgent	Once off	393
Total				**520**

Table 47: Contract variations and expansions

Project Description	Name of Supplier	Contract modification type	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s R'000	Value of current contract expansion or variation R'000
Loan Management System	1	Extension of scope	XX	5 774	n/a	837
Total						**837**

PART F // FINANCIAL INFORMATION

EABLE – SEBINI HEIGHTS

Index

The reports and statements set out below comprise the financial statements presented to the provincial legislature:

Report of the Auditor-General

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Partnership Fund set out on pages 95 to 137, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Partnership Fund as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)*(IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Contingent liabilities

7. A significant uncertainty relating to contingents, with reference to note 28 to the financial statements, the entity is the defendant in a lawsuit for R8 500 000. In addition, the entity will apply to retain R427 540 132 of the department's surplus funds from the Gauteng Provincial Treasury. The ultimate outcome of the above matters cannot presently be determined.

Restatement of corresponding figures

8. As disclosed in note 23 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of omissions or misstatements in the financial statements of the entity at, and for the year ended, 31 March 2024.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

10. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

11. 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.

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 89-91, forms part of my auditor's report.

Report on the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

14. I selected the following material performance indicators related to programme 4: project implementation, development and management, presented in the annual performance report for the year ended 31 March 2024. I selected the indicator that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.
    - Percentage disbursements on integrated programmes delivered by the GPF on behalf of the GDHS.

15. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

16. I performed procedures to test whether
    - the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information presented in the annual performance report in the prescribed manner and is comparable and understandable
    - there is adequate supporting evidence for the achievements reported.

17. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

18. I did not identify any material findings on the reported performance information for the selected indicator.

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

22. The material finding on compliance with the selected legislative requirements, presented per compliance theme, is as follows:

Annual financial statements

23. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial

reporting framework as required by section 55(1) (b) of the PFMA. Material misstatements of revenue and disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

24. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

28. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, and the material findings on compliance with legislation included in this report.

29. Senior management did not prepare regular, accurate and complete financial statements that are supported and evidenced by reliable information.

Auditor-General

Johannesburg

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor’s report

The annexure includes the following:

- The auditor-general’s responsibility for the audit; and
- The selected legislative requirements for compliance testing.

Auditor-general’s responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the entity’s compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made;
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause an entity to cease operating as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting 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.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	• PFMA SCM instruction Note no. 03 of 2021/22 par 4.1. • PFMA instruction Note no.3 of 2021/22 definition • PFMA instruction Note no.3 of 2021/22 par. 4.2 (b) • PFMA Instruction Note no. 3 of 2021/22 par. 4.3 and 4.4 • PFMA SCM Instruction Note no. 3 of 2021/22 par. 7.2 (tenders advertised on or after 1 April 2022) • PFMA 55(1)(a) • PFMA 57(a) • PFMA 57(b) • PFMA 54(2)(c) • PFMA 54(2)(d) • PFMA 51(1)(b)(i) • PFMA 51(1)(b)(ii) • PFMA 53(4) • PFMA 51(1)(e)(iii) • PFMA 51(1)(e)(iii) • PFMA 55(1)(b) • PFMA 54(2)(c) • PFMA 54(2)(c) • PFMA 54(2)(d)
Treasury Regulations	• 16A6.1 • 16A8.4 • 16A9.1(d) • 16A3.2(a) • 16A6.4 • 16A6.5 • 16A6.3(c) • 16A6.2(a) & (b) • 16A8.3 • 16A9.1(e) • 16A9.2(a)(ii) • 16A6.6 • 16A6.3(b) • 16A9.1(b)(ii) • TR 30.1.1 • TR 30.1.3(a) • TR 33.1.3 • PRECCA 34(1) • TR 16A.7.7 • TR 31.2.1 • TR 16A.7.6 • TR 16A.7.3 • TR 16A.7.1 • TR 33.1.1 • TR 16A9.1(f) • TR 16A9.1(b)(ii) • TR 31.1.2(c) • TR 31.3.3

Legislation	Sections or regulations
National Treasury Instruction	• 4A of 2016/17 • 07 of 2017/18 par 4.3 • 01 of 2021-22 par. 4.1 • 11 of 2020/21 par. 3.1 • No. 5 of 2020/21 par 4.8 & par 4.9
PPPFA	• Section 2(1)(a) and (b) • Section 2(1)(f)
Preferential Procurement Regulations 2017	• Section 6(8), 7(8), 10(1)&(2) & 11(1) • Section 5(1) & 5(3) • Section 5(6) • Section 5(7) • Section 4(1) & 4(2) • Section 9(1)
Preferential Procurement Regulations 2022	• Reg 4(4) • Reg 8(2)
CIDB Act	• Reg 17 • Reg 25(7A)
Sita Act	• Section 7(3)

Report of the Trustees

The members submit their report for the 12 months ended 31 March 2024.

1. Review of Activities

Main business and operations

The GPF's mandate is based on the strategic priorities of the GDHS, to manage 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.

In the period under review the GPF received management fees from the following:

- GDHS RLRP management fee of R7 416 246;
- GDHS management fees for Mega Projects to a value of R28 903 655; and
- Management fees for UISP amounting to R7 876 913.

2. Statements of Responsibility

The Trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the AFS and related financial information included in this report. It is their responsibility to ensure that the AFS fairly present the state of affairs of the GPF as at the end of the financial period and the results of its operations and cash flows for the period then ended.

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

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the GPF and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the Trustees set standards for internal control aimed at reducing the risk 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 AFS. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

3. Subsequent Events

The opening of an Escrow Account was concluded after year end and this has been accounted for as an adjusting event after reporting date.

4. Going Concern

The AFS have been prepared on a 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 cover liabilities incurred by the GPF.

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 assessing the organisations needs;
- revision of budget estimates; and
- reducing the reliance on Government assistance and alternative sources of funding.

5. Property, Plant, Equipment and Intangibles

During the period under review, the GPF purchased property plant and equipment to the value of R2,820,942 (March 2023: R691 703).

The carrying value of Intangible assets for the period amount to R3 782 834.

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. Constitution of the Board of Trustees

Name	Date of appointment	Audit and Risk Committee	Funding and Investment Committee	Human Resources and Social & Ethics Committee
Craig Cornish (Chairperson)	1 June 2023		√	
Maseapo Kganedi	1 June 2023			√
Mpho Hlahla	1 June 2023	√		
Rethabile Kikine	1 June 2023			√
Solomuzi Mabuza	1 June 2023			√
Leon G Marincowitz	1 June 2023		√	
Gilberto Martins	1 June 2023	√		
Nangamso Matebese	1 June 2023	√		
Litha Mbokotho	1 June 2023		√	
Busisiwe Mhaga	1 June 2023		√	
Ezra Ndwandwe	1 June 2023			√
Gugulethu Phakathi	1 June 2023	√		
Puleng Ratlabala (Ex-officio)	1 June 2023			

8. Auditors

In line with the legislative requirement, The Auditor-General of South Africa are the external auditors of the GPF.

9. Provision for Doubtful Debts

In the period under review the provision for doubtful debts increased to R160 831 712 (March 2023: R40 039 589) (Refer to note 3).

10. Contingencies

Arkein Capital (Pty) Ltd lodged a counterclaim against the GPF to the value of R8 500 000 plus interest and costs. The initial court order was in GPF's favour with the counterclaim having been dismissed. Arkein Capital applied for and obtained leave to appeal. This resulted in a contingent liability as the dismissal of the counterclaim is suspended pending the appeal. The appeal was heard on the 8th of May 2024 and we await the court judgement.

The organisation has applied to retain R427 540 132 of its surplus funds from the Provincial Treasury as it does not receive funding from the fiscus. Refer to note 28.

11. Irregular, Fruitless & Wasteful Expenditure

Irregular expenditure of R7 683 754 was incurred in the period under review. The irregular expenditure arose as a result of not following normal SCM bid processes (Refer to Note 32).

In the period under review, there was no fruitless and wasteful expenditure incurred.

In the period under review, the organisation has recorded a surplus of R6 827 331 which was due to an increase in provision for doubtful debts as some of the loans have been credit impaired.

The AFS set out on pages 95 to 137, which have been prepared on a going concern basis, were approved by the board and were signed by the chairperson on the 31st of May 2024.

Mr Craig Cornish
Board Chairperson

Statement of Financial Position

as at 31 March 2024

Figures in Rand	Note(s)	12 months ended 31 March 2024	12 months ended 31 March 2023*
Assets			
Current Assets			
Cash and cash equivalents	2	811 493 404	1 957 677 519
Current-portion loans and receivables from exchange transactions	3	51 079 659	44 667 441
Other financial assets	5	947 202 871	198 583 998
Receivables from exchange transactions	6	16 294 994	18 410 447
Loans and Receivables held for trade	7	68 147 843	85 831 582
		1 894 218 771	**2 305 170 987**
Non-current Assets			
Loans and receivables from exchange transactions	3	1 082 254 990	1 094 192 367
Property, plant and equipment	8	3 594 592	2 237 913
Intangible assets	9	3 782 834	3 717 950
Investment	4	7 392 494	6 582 752
		1 097 024 910	**1 106 730 982**
Total assets		**2 991 243 681**	**3 411 901 969**
Liabilities			
Current Liabilities			
Unspent Funds from the GDHS	10	1 286 357 860	1 674 648 983
Finance lease obligation	11	103 826	29 191
Payables from exchange transactions	12	51 398 952	91 143 097
Provisions	13	3 408 301	5 732 186
Operating lease liability	14	-	398 708
		1 341 268 939	**1 771 952 165**
Non-current Liabilities			
Finance lease obligation	11	243 113	-
Operating lease liability	14	234 288	-
		477 401	-
Total liabilities		**1 341 746 340**	**1 771 952 165**
Accumulated Surplus		1 649 497 341	1 639 949 804

* Restated refer to note 33

Statement of Financial Performance

for the 12 months ended 31 March 2024

Figures in Rand	Note(s)	12 months ended 31 March 2024	12 months ended 31 March 2023*
Revenue			
Interest received from loans and receivables	15	155 322 907	136 139 686
Management fees	15	44 196 814	46 986 889
Interest received from banks	15	35 685 213	38 444 903
Other income from exchange transactions	16	4 960 647	4 992 306
Kasi-4-Real Allocation	15	-	12 000 000
Total revenue		**240 165 581**	**238 563 784**
Expenditure			
Employee related expenses	21	(63 966 506)	(63 363 512)
Depreciation and amortisation	8&9	(1 837 515)	(1 629 902)
Finance costs	19	(16 155)	(11 624)
Lease rentals on operating lease		(8 142 038)	(7 265 015)
Increase in provision for doubtful debts	30	(120 792 122)	(23 735 188)
Repairs and maintenance		(3 439 233)	(2 814 847)
General expenses	20	(15 394 914)	(14 883 624)
Total expenditure		**(213 588 483)**	**(113 703 712)**
Operating surplus	17	**26 577 098**	**124 860 072**
(Loss)/Gain on disposal of assets	31	(71 430)	26 281
Fair value adjustments	18	(4 583 933)	(16 265 632)
Impairment loss of loans	3	(15 094 404)	(14 101 232)
		(19 749 767)	**(30 340 583)**
Surplus for the 12 months ended 31 March 2024		**6 827 331**	**94 519 489**

* Restated refer to note 33.

Statement of Changes in Net Assets

for the 12 months ended 31 March 2024

Figures in Rand	Accumulated surplus	Total net assets
Restated Balance at 01 April 2022	**1 545 430 315**	**1 545 430 315**
Changes in net assets		
Surplus for the year as restated	94 519 489	94 519 489
Total changes	94 519 489	94 519 489
Restated Balance at 01 April 2023	**1 639 949 804**	**1 639 949 804**
Changes in net assets		
Reversal of Fair Value Loss	2 720 206	2 720 206
Net income/(losses) recognised directly in net assets	2 720 206	2 720 206
Surplus for the 12 months ended 31 March 2024	6 827 331	6 827 331
Total recognised income and expenses for the 12 months	9 547 537	9 547 537
Total changes	9 547 537	9 547 537
Balance at 31 March 2024	**1 649 497 341**	**1 649 497 341**

Restated Refer to Note 33

Statement of Cash Flows

for the 12 months ended 31 March 2024

Figures in Rand	Note(s)	12 months ended 31 March 2024	12 months ended 31 March 2023
Cash flows from operating activities			
Receipts			
Cash receipts - from borrowers and senior funders		120 714 982	109 292 841
Cash receipts - interest from banks		35 685 213	38 444 903
Management fees received		28 380 412	90 948 071
Funds received from GDHS and interest earned thereof		440 103 615	1 545 760 999
Total Receipts		**624 884 222**	**1 784 446 814**
Payments			
Employee costs		(59 561 032)	(59 407 057)
Suppliers		(33 921 798)	(26 234 576)
Finance costs		(16 155)	(11 624)
Payments made to Mega Project contractors and Upgrade of Informal Settlement Programme and RLRP		(1 577 646 561)	(972 101 332)
Surrender to the Provincial Revenue Fund		-	(263 590 917)
Cash paid to borrowers		(97 038 507)	(88 694 648)
Total Payments		**(1 768 184 053)**	**(1 410 040 154)**
Net cash flows from operating activities	27	**(1 143 299 831)**	**374 406 660**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(2 345 534)	(632 941)
Purchase of other intangible assets	9	(509 557)	(2 762 760)
Net cash flows from investing activities		**(2 855 091)**	**(3 395 701)**
Cash flows from financing activities			
Finance lease payments		(29 193)	(83 606)
Net increase/(decrease) in cash and cash equivalents		**(1 146 184 115)**	**370 927 353**
Cash and cash equivalents at the beginning of the period		1 957 677 519	1 586 750 166
Cash and cash equivalents as at 31 March 2024	2	**811 493 404**	**1 957 677 519**

Statement of Comparison of Budget and Actual Amounts

for the 12 months ended 31 March 2024

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Expenditure						
Personnel	69 027 113	(5 341 437)	**63 685 676**	62 112 736	**(1 572 940)**	Refer to note 29
General Expenses	43 114 676	(6 773 286)	**36 341 390**	32 027 888	**(4 313 502)**	Refer to note 29
Total expenses	**112 141 789**	**(12 114 723)**	**100 027 066**	**94 140 624**	**(5 886 442)**	

Reconciliation

Statement of financial performance differences		
Statement of Financial Performance		90 869 667
Statement of Budget and comparison		94 140 624
Difference		3 270 957

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Non-Current Assets						
Property, plant and equipment	4 607 023	(893 005)	3 714 018	2 345 534	(1 368 484)	Refer to note 29
Intangible assets	3 610 188	(3 100 631)	509 557	509 557	-	Refer to note 29
Total Assets	**8 217 211**	**(3 993 636)**	**4 223 575**	**2 855 091**	**(1 368 484)**	

Statement of Financial Position

Reconciliation

Statement of Financial Position differences

Basis difference	
Statement of Financial Position	3 330 499
Statement of Budget and Comparison	2 855 091
Difference	475 408

The differences in the above emanate from the Budget and AFS being on different reporting basis.

Accounting Policies

for the 12 months ended 31 March 2024

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the Standards of GRAP, issued by the Accounting Standards Board in accordance with Section 91(1) of the PFMA (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.

The following GRAP Standards, amendments have been issued and not yet effected:

- Grap 107 Mergers (Note yet Effective and unlikely to have an impact);
- Grap 105 Transfer of Functions between Entities under Common Control (not yet effective and unlikely to have an impact;
- Grap 106 Transfer of Functions between Entities not under Common Control (not yet effective and unlikely to have an impact);
- GRAP 104 Financial instruments (effective 1 April 2025 and management is still assessing the impact); and
- Grap 1 (Amended): Presentation of Financial Statements (not yet effective and unlikely to have an impact).

1.1 Significant judgement 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 period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity 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 period.

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 period. 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.

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 notes 3 & 13 - Provisions.

Taxation

The GPF 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 period ended 31 March 2024.

Effective interest rate

The entity uses the prime interest rate to discount future cash flows. The GPF then uses 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 period.

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.

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 to 15 years
Motor vehicles	Straight line	13 years
Office equipment	Straight line	2 to 12 years
Computer equipment	Straight line	2 to 11 years
Leasehold improvements	Straight line	10 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 period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the AFS (Refer to note 8).

1.3 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from 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.

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

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

Internally generated 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	10 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.

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.

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 the 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. The GPF is mainly exposed to interest rate risk. Currency risk transactions are minimal.

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 period. 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 period 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 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.

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.

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

- 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.

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
Cash and Cash Equivalents	Financial asset measured at amortised cost
Loans and Receivables from Held for Trade	Financial asset measured at Fair Value
Other Financial Asset	Financial asset measured at amortised cost
Financial Liabilities	Financial liabilities measured at amortised cost
Finance lease	Amortised cost
Payables from Exchange Transactions	Cost
Investment	Financial asset measured at amortised cost
Financial Instruments	Financial asset measured at amortised cost

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.

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.

Other financial assets are initially measured at fair value which relate to the funds held by the attorney.

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 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 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.

Other financial Assets are subsequently measured at amortised cost which relate to the funds held by the attorneys.

Impairment and uncollectibility of financial assets

At each end of the reporting period 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. Impairment losses are recognised in surplus or deficit.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the original interest rate from financial asset. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of collateral type and past due status. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed, shall not exceed what the amortised cost would have been has 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. 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. 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.

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.

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 fair value and subsequently recorded at Amortised cost.

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 period from the date of classification.

Loans and receivables held-for-trade are measured at 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.

Financial assets

The entity derecognised a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived; or
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished – i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

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 period during the lease term so as to produce a constant period rate of on the remaining balance of the liability.

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 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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 used 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 amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

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

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

1.8 Share capital/contributed capital

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).

Funds received as a result of principle agent are not recognised as income.

1.9 Employee benefits

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

Insurance policy

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 period in which the employees render the related service.

Short-term employee benefits include items such as:

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

When an employee has rendered service to the GPF during a reporting period, 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:

- 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 period to reflect the passage of time. This increase is recognised as an interest expense.

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

Provisions are not recognised for future operating surplus/(deficit).

A constructive obligation to restructure arises only when 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.
- 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 28.

1.11 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost; and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.12 Revenue from exchange transactions

Revenue from 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, an asset is recognised.

Revenue comprises of interest received from loans and receivables from exchange transactions, interest received for favourable bank accounts and project management fees for the implementation of projects on behalf of the GDHS (Refer to note 15).

Interest received is an exchange transaction for loans disbursed to borrowers as per there contractual agreements. Interest derived from these loans amount approximates equal value to the other party in exchange for the loan given out.

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

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

1.13 Revenue from non-exchange transactions

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, an asset is recognised.

GPF revenue from exchange comprises of Government grants.

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

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

1.14 Borrowing costs

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

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

1.15 Principals/agents arrangement

Identification

In reference to GRAP 109, the GPF is an agent 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.

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 and Upgrade of Informal Settlements Programme for the Gauteng Provincial Department of Human Settlements.The GPF acts as a pay master for the Mega Projects Programme while the GPF fully implemented the Upgrade of the informal Settlement Programme. The GPF also administers institutional subsidies on behalf of Gauteng Provincial Department of Human Settlements. As such, funds received for Mega Projects, Upgrade of informal Settlements Programme and institutional subsidies during the financial period 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 period.

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.

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

1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the 12 months that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular 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 Instruction No. 4 of 2022/2023 on PFMA Compliance and Reporting indicates that for determining irregular expenditure, the following must be present:

a) expenditure incurred in contravention of, or not in accordance with legislation; and

(b) expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance) in a case of institutions that are required to comply with Standards of GRAP or the International Financial Reporting Standards. The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

1.18 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 period from 2023/04/01 to 2024/03/31.

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

1.19 Related parties

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

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

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

1.20 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.

1.21 Going concern assumptions

Under the going concern basis of accounting, the financial statements are prepared on the assumption that the entity is a going concern and will continue its operations for the foreseeable future. General purpose financial statements are prepared using the going concern basis of accounting, unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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Notes to the Annual Financial Statements

for the 12 months ended 31 March 2024

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023

2. Cash and cash equivalents

Cash and cash equivalents consist of:		
Petty cash	585	5 427
Capital accounts	452 980 883	415 897 691
GDHS	350 522 036	1 516 128 092
Current account	7 989 900	25 646 309
	811 493 404	**1 957 677 519**

The fair value of cash equivalents approximates their carrying value as cash 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 Bank (Ba2)	15 009 952	1 246 971 833
Standard Bank (Ba2)	362 847 951	393 343 443
South African Reserve Bank (Ba2)	433 634 916	317 356 816
	811 492 819	**1 957 672 092**

The entity had the following bank accounts

	Bank statement balances		Cash book balances	
Account number/description	**31 March 2024**	**31 March 2023**	**31 March 2024**	**31 March 2023**
Corporate of Public Deposits Reserve Account	433 634 916	317 356 816	433 634 916	317 356 816
FNB Capital Account	14 259 101	40 063 309	14 259 101	40 063 309
FNB Mega, UISP and RLRP Account	496 125	1 193 784 656	496 125	1 193 784 656
FNB Operational Account	254 727	13 123 868	254 727	13 123 868
Std Bank Implementing Agent Account	350 025 912	322 343 436	350 025 912	322 343 436
Std Bank Capital Account	5 086 866	58 477 567	5 086 866	58 477 567
Std Bank operational Account	7 735 172	12 522 440	7 735 172	12 522 440
Petty Cash	585	5 427	585	5 427
Total	**811 493 404**	**1 957 677 519**	**811 493 404**	**1 957 677 519**

The GPF's funds for lending activities amounting to R124 801 088 have been all been committed to future projects. The operational reserve account has R336 169 694 which is intended to be utilised over the Medium-Term Expenditure Framework for the operational budget.

The First Rand Group Mega Projects, upgrade of the Informal Settlement Programme, RLRP, and the Standard Bank Implementing account holds project funding of R350 522 036 which is inclusive of interest. These funds are held in terms of the principle agent relationship. Cash at banks earn interest at floating rates based on daily bank deposits rates.

3. Loans and Receivables from Exchange Transactions

12 months ended 31 March 2024	Emerging Entrepreneur Property Fund	Rental Housing Fund	Social Housing Fund	Student Accommodation	Total
Opening balance	508 518 441	223 317 011	183 977 882	178 379 033	1 094 192 367
Prior years loans and receivables held for trade reversed	67 575 219	464 138	24 251 321	9 765 387	102 056 065
Prior years current-portion of loans and receivables reversed	27 072 903	5 760 637	8 837 731	2 996 170	44 667 441
Prior years provision for bad debts reversed	35 764 550	4 275 040	-	-	40 039 590
Advance	2 271 041	4 256 472	708 169	61 075 406	68 311 088
Interest earned	83 735 297	24 515 961	29 192 695	26 461 543	163 905 496
Short-term payment received	(12 415 653)	(45 265 429)	(18 126 753)	(32 475 613)	(108 283 448)
Social benefit adjustment	(1 058 047)	(246 904)	(81 384)	(1 186 489)	(2 572 824)
Interest amortised using the effective interest rate methods	(5 738 752)	(1 571 897)	(250 171)	(1 829 878)	(9 390 698)
Impairments	(8 515 222)	(1 748 553)	(3 855 392)	(975 237)	(15 094 404)
Current-portion of loans and receivables transferred to current assets	(30 052 617)	(11 373 662)	(8 201 320)	(1 452 060)	(51 079 659)
Loans and receivables held for trade	(68 171 295)	-	-	(15 493 017)	(83 664 312)
Provision for bad debts	(116 884 795)	(13 848 306)	(30 098 611)	433 634 916	(160 831 712)
Total	**482 101 070**	**188 534 508**	**186 354 167**	**225 265 245**	**1 082 254 990**

In the current period, loans and receivables have been categorised in accordance with various GPF product offerings. Expected credit losses are recorded as provisions for bad debt.

The GPF junior loans and receivables from exchange transaction funding are linked to a Johannesburg Interbank Average Rate (JIBAR). Repayments occur on a monthly and annual basis. The bridging senior loans are prime related. The loan terms vary from 15 to 29 years.

Total loans and receivables from exchange including current term portion

Non-current assets	1 082 254 990	1 094 192 367
Current assets	51 076 659	44 667 440
Total	**1 133 331 649**	**1 138 859 807**

12 months ended 31 March 2023	Emerging Entrepreneur Property Fund	Rental Housing Fund	Social Housing Fund	Student Accommodation	Total
Opening balance	493 279 989	256 526 902	181 398 538	122 853 432	1 054 058 861
Prior years current-portion of loans and receivables reversed	21 575 034	12 351 724	9 797 650	1 812 056	45 536 464
Prior years loans and receivables held for trade reversed	58 358 607	-	1 253 954	1 994 898	61 607 459
Prior years provision for bad debts reversed	23 152 905	1 909 105	-	5 812 254	30 874 264
Advance	10 585 217	23 532 857	-	56 044 586	90 162 660
Interest earned	64 059 888	19 629 698	20 182 993	15 621 795	119 494 374
Short-term payment received	(21 081 371)	(61 873 427)	(18 728 046)	(2 917 632)	(104 600 476)
Social benefit adjustment	(1 311 840)	(283 351)	-	(4 054 060)	(5 649 251)
Interest amortised using the effective interest rate methods	6 164 223	7 124 478	2 167 017	831 655	16 287 373
Impairments	(9 312 500)	(849 832)	(3 256 500)	(682 400)	(14 101 232)
Current-portion of loans and receivables transferred to current assets	(27 072 903)	(5 760 637)	(8 837 731)	(2 996 170)	(44 667 441)
Loans and receivables held for trade	(67 575 219)	24 715 459)	-	(9 765 387)	(102 056 065)
Provision for bad debts	(35 764 550)	(4 275 040)	-	-	(40 039 590)
Bad debts written off	(6 539 040)	-	-	(6 175 993)	(12 715 033)
Closing balance	**508 518 440**	**223 317 018**	**183 977 875**	**178 379 034**	**1 094 192 367**

Restated refer to note 33

Reconciliation of expected credit losses/provisions for bad debts

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Opening Balance	40 039 589	29 019 434
Increase in Provision	120 792 123	23 735 188
Bad debts written off	-	(12 715 033)
Balance as at 31 March 2024	**160 831 712**	**40 039 589**

4. Investment

Name of entity	Listed/ Unlisted	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
Investment in Cicima		19,90 %	19,90 %	7 392 494	6 582 752

The GPF entered into an agreement with Cicima to restructure a portion of its loan amounting to R6,2 million into 19.90% preference shares which are redeemable over a period of 360 months. The shares earn a premium that is linked to the prime lending rate.

5. Other financial assets

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Other financial assets	947 202 871	198 583 998

The funds transferred to attorneys relates to the deposits made in relation to the RLRP for the purchase of land parcels which will be distributed to beneficiaries inline with our agreement with the GDHS as an implementing agent on their behalf. These funds accrue interest which is due to the GPF.

Current assets		
Amortised cost	947 202 871	198 583 998

6. Receivables from exchange transactions

UISP Fee Receivable	7 406 319	8 439 714
Sundry debtors - Aspari (RF) (Pty) Ltd	1 605 372	1 605 372
Sundry debtors - Clients	27	454 088
Sundry debtor - Future Growth Asset Management (Pty) Ltd	2 024 667	2 024 667
Other receivables	3 591 000	3 591 000
Prepayments and sundry debtors	1 667 609	2 295 606
	16 294 994	**18 410 447**

Current

Sundry debtors as above are as a result of:

- Aspari (RF) Ltd - which is management fees owed for the bridging of loans as per contractual agreement.
- Clients - these are fees owed by clients relating to Admin fees, cancellation fees and legal fees payable to the GPF by borrowers.
- Future Growth Fund Management- these are fees owed to GPF as per contractual agreement.

These amounts are non-interest-bearing and are expected to be received in the subsequent period.

Prepaid expenses consist of license fees, memberships, bursaries and training that have been prepaid for Employee debtors relate to leave days owed to the GPF by its employees at the end of the reporting period.

Other receivables - relates to amount owed by Arkein Capital (Pty) Ltd. The amount is reconciled as follows:

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Reconciliation of other receivables		
Arkein Capital	3 591 000	3 591 000

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 are not discounted due to the effect of discounting not being material. Receivables from exchange transactions fair value approximate its carrying value.

7. Loans and Receivables Held for Trade

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Bixowize (Pty) Ltd - Erf 278, Primrose Hill	6 392 789	6 607 131
Bara Dunnes	-	22 671 828
Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park located on 26 Kempton	5 837 042	6 036 702
Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni	8 228 629	8 488 539
Epitome	4 853 712	4 961 349
Hectofield (Pty) Ltd - Erf 644, Pretoria North	868 900	901 196
Izakhiwo Properties (Pty) ltd	7 840 812	8 032 601
Lekotu Enterprise (Pty) Ltd	14 258 443	14 008 960
Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB	64 529	66 993
Hoalin Construction (Pty) Ltd - Erf Erven 1545 & 1546, Cloverdene, Ext 15, Benoni	-	421 816
Nelisa Properties (Pty) Ltd - Erf 388, Windsor, Randburg	3 269 161	3 356 512
Bono Property Investments (Pty) Ltd	-	2 313 155
Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871 Albertville, Randburg	215 448	224 235
Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park	253 969	263 575
Stormstrong (Pty) Ltd - Erf 299 Windsor, Randburg	594 026	614 794
Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102	856 157	6 862 196
PDC Development	14 614 226	-
	68 147 843	**85 831 582**

Loans and receivables held-for-trade comprise of senior bridging loans that will be repaid by a senior funders which are held at fair value. Included in the R68 147 843 (March 2023: R85 831 582) R52 677 460 is attributable to Aspari (RF) (Pty) Ltd and R15 470 383 is attributable to Future Growth Asset Management (Pty).

8. Property, Plant and Equipment

	12 months ended 31 March 2024			12 months ended 31 March 2023		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 660 413	(1 401 852)	258 561	1 660 413	(1 328 065)	332 348
Motor vehicles	161 076	(160 973)	103	161 076	(160 870)	206
Office equipment	3 335 585	(1 614 518)	1 721 067	2 626 012	(1 846 170)	779 842
Computer equipment	6 777 317	(5 223 779)	1 553 538	6 557 140	(5 551 768)	1 005 372
Leasehold improvements	5 261 300	(5 199 977)	61 323	5 261 300	(5 141 155)	120 145
Total	**17 195 691**	**(13 601 099)**	**3 594 592**	**16 265 941**	**(14 028 028)**	**2 237 913**

Reconciliation of property, plant and equipment - 12 months ended 31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	332 348	-	-	(73 787)	258 561
Motor vehicles	206	-	-	(103)	103
Office equipment	779 842	1 539 650	(4 206)	(594 219)	1 721 067
Computer equipment	1 005 372	1 281 292	(67 224)	(665 902)	1 553 538
Leasehold improvements	120 145	-	-	(58 822)	61 323
	2 237 913	**2 820 942**	**(71 430)**	**(1 392 833)**	**3 594 592**

Reconciliation of property, plant and equipment - 12 months ended March 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	411 207	-	-	(78 859)	332 348
Motor vehicles	309	-	-	(103)	206
Office equipment	598 951	625 064	(21 866)	(422 307)	779 842
Computer equipment	1 681 081	66 639	-	(742 348)	1 005 372
Leasehold improvements	178 967	-	-	(58 822)	120 145
	2 870 515	**691 703**	**(21 866)**	**(1 302 439)**	**2 237 913**

Pledged as security

No assets were pledged as security.

Loss/(Gain) form disposal of property, plant and equipment – included in operating surplus.

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Office equipment	(4 206)	-
Computer equipment	(67 224)	-
	(71 430)	**-**

Assets subject to finance lease (Net carrying amount)

Office equipment	330 185	26 645

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Property, plant and equipment fully depreciated and still in use (Gross carrying amount)		
Computer equipment	1 431 713	10
Office equipment	397 523	-
Furniture and fittings	891 228	-
	2 720 464	**10**
Repairs and maintenance - Furniture and fittings		
Repairs and maintenance - Office equipment	2 000	993
Repairs and maintenance - Computer equipment	-	1 740
Repairs and maintenance - Motor vehicles	-	30 037
Repairs and maintenance - Furniture and fittings	53 820	-
	55 820	**32 770**

9. Intangible assets

	12 months ended 31 March 2024			12 months ended 31 March 2023		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	4 574 117	(791 283)	3 782 834	4 064 560	(346 610)	3 717 950

Reconciliation of intangible assets - 12 months ended 31 March 2024

	Opening balance	Additions	Amortisation	Total
Computer software	3 717 950	509 557	(444 673)	3 782 834

Reconciliation of intangible assets - 12 months ended 31 March 2023

	Opening balance	Additions	Amortisation	Total
Computer software	1 588 552	2 456 861	(327 463)	3 717 950

10. Unspent Funds from the GDHS

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Movement during the year		
Balance at the beginning of the Year	1 674 648 983	914 238 841
Transfers from the GDHS	398 813 946	1 483 171 527
Funds utilised	(860 008 237)	(789 152 918)
Interest earned	72 685 870	66 227 525
Bank charges	(1 465)	(2 470)
Transfers/Adjustment	218 763	166 478
	1 286 357 860	**1 674 648 983**

Unspent government grants from GDHS - represents grants funding and interest accrued. This is Mega project grant funding, Upgrade of Informal Settlement Programme (UISP) and the RLRP which was received during the current period. Monies are held in terms of a principal agent memorandum of agreement to assist the department in expediting payments for UISP, RLRP and Mega Projects (Refer to note 24).

11. Finance lease obligation

Minimum lease payments due		
- within one year	162 296	29 618
- in second to fifth year inclusive	289 887	-
	452 183	29 618
less: future finance charges	(105 244)	(427)
Present value of minimum lease payments	**346 939**	**29 191**
Non-current liabilities	243 113	-
Current liabilities	103 826	29 191
	346 939	**29 191**

The GPF entered into a contract for three printers with effect from December 2023 for a period of 36 months.

The GPF's obligations under finance leases are secured by the lessor's title over the leased assets.

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

12. Payables from exchange transactions

Accruals salary related	73 623	73 623
GDHS Management fees received in Advance	45 733 010	62 582 808
Payables Aspari (RF) (Pty) Ltd	3 157 800	24 895 959
Trade and other payables	2 434 519	3 590 707
	51 398 952	**91 143 097**

Salary related accruals relate to payments to employees that resigned or their term of contract ended. These are non-interest bearing and are normally settled on 30-day terms.

Payables to Aspari (RF) (Pty) Ltd are monies collected by GPF on behalf of senior funder (Aspari (RF) (Pty) Ltd). These are non-interest bearing and will be paid in the subsequent period.

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

13. Provisions

Reconciliation of provisions for the 12 months ended 31 March 2024

	Opening balance	Additions	Utilised during the year	Total
Provision for long service awards	143 171	391 465	(112 029)	422 607
Provision for leave pay	2 469 818	1 258 184	(1 112 554)	2 615 448
Provision for bonuses	3 119 197	-	(2 748 951)	370 246
	5 732 186	**1 649 649**	**(3 973 534)**	**3 408 301**

Reconciliation of provisions for the 12 months ended 31 March 2023

	Opening balance	Additions	Utilised during the year	Total
Provision for long service awards	-	143 171	-	143 171
Provision for leave pay	2 086 939	1 290 480	(907 601)	2 469 818
Provisions for bonuses	-	3 119 197	-	3 119 197
Provision for Surrender to the PRF	263 590 917	-	(263 590 917)	-
	265 677 856	**4 552 848**	**(264 498 518)**	**5 732 186**

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. The organisation further allocated a provision for performance bonuses and long service awards.

14. Operating lease liability

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Current assets	-	-
Non-current liabilities	234 288	-
Current liabilities	-	398 708
	234 288	**388 614**

Operating lease rentals represents rentals payable by the GPF to Acucap Management Services (Pty) Ltd for office premises. The lease will expire in March 2027 and has an annual escalation of 7.5%.

15. Revenue

Interest received from banks	35 685 213	38 444 903
Interest received from loans and receivables	155 322 907	136 139 686
Management Fees	44 196 814	46 986 889
Kasi-4-Real Allocation	-	12 000 000
	235 204 934	**233 571 478**

The amount included in revenue arising from Management fees or services are as follows:

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Mega Projects management fees	28 903 655	34 133 378
Future Growth Asset Management (Pty) Ltd fees	-	911 965
Aspari (RF) (Pty) Ltd management fees	-	394 219
Upgrade of Informal Settlement Programme management fees	7 876 913	9 493 896
Rapid Land Release Programme fees	7 416 246	2 053 431
	44 196 814	**46 986 889**

The amount included in revenue arising from non-exchange transactions is as follows:

Kasi-4-Real Allocation	-	12 000 000
These funds were received from the GDHS and relate to the implementation of a GPF programme for the township development		

16. Other income

Contract recovery costs	4 774 420	1 468 000
Discount received for assets purchased	90 372	58 761
Bad debts recovered	-	3 465 545
Proceeds from insurance claim	95 855	-
	4 960 647	**4 992 306**

17. Operating surplus

Operating surplus of R20 394 898 (2023: R124 860 072) 12 months is stated after accounting for the following:

External Audit management fees	2 251 550	2 286 019
Internal Audit Management fees	1 401 761	3 939 688
	3 653 311	**6 225 707**

Operating lease charges

Premises		
• Contractual amounts	6 848 364	5 084 221
• Utilities	1 306 748	2 037 406
Office equipment		
• Contractual amounts	22 213	22 213
	8 177 325	**7 143 840**

(Loss)/Gain on sale of assets	(71 430)	26 281
Amortisation on intangible assets	444 673	327 463
Depreciation property, plant and equipment	1 392 842	1 302 439
Employee costs	63 966 506	63 363 512

18. Fair value adjustments

Fair value Loss on Held for Trade instruments	(2 012 191)	(10 616 381)
Social benefit on loans and receivables	(2 571 742)	(5 649 251)
	(4 583 933)	**(16 265 632)**

The fair value adjustment for the Held for trade instruments is due to a change in the prime lending rate.

The social benefit adjustment on loans and receivables relates to concessionary loans which are initially measured at fair value by comparing the loan discounted rates given to borrowers with the market related rates. The discount given is accounted for as a social benefit adjustment loss through surplus or deficit (Refer to note 3).

19. Finance costs

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Finance lease	16 155	11 624

Finance cost is interest charged for the finance leases.

20. General expenses

Auditors remuneration	3 653 311	6 225 707
Bank charges	5 491	11 408
Consulting and professional fees	6 539 643	3 386 464
Entertainment	92 852	268 559
Insurance	222 134	229 530
Marketing	2 716 619	959 305
Magazines, books and subscriptions	149 438	453 668
Fuel and oil	13 510	7 200
Postage and courier	-	149
Printing and stationery	36 242	50 982
Security	31 522	1 213 660
Telephone and fax	766 480	1 233 779
Training	860 009	401 666
Travel	273 207	344 870
Offsite storage	34 456	96 677
	15 394 914	**14 883 624**

21. Employee related expenses

Basic	57 390 796	57 610 353
Medical aid - company contributions	2 949 794	2 316 402
Life cover	585 408	997 269
Retirement annuity	3 040 508	2 439 488
	63 966 506	**63 363 512**

22. Taxation

No provision has been made for period 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 period.

23. Commitments

Authorised capital expenditure

Already contracted for but not provided for		
• Intangible assets	327 661	837 218
Total capital commitments		
Already contracted for but not provided for	327 661	837 218

The Capital commitment relates to the outstanding contract balance on the development of a loan Management System.

Operating lease

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Minimum lease payments due		
- within one year	3 047 642	5 058 923
- in second to fifth year inclusive	6 798 146	-
	9 845 788	**5 058 923**

The operating lease commitment relates to rental of office premises which will end in March 2027.

Loan commitments 12 months ended 31 March 2024	Emerging Entrepreneur Property Programmes	Rental Housing	Social Housing	Student Housing	Commercial Housing	Total
Opening balance	32 704 924	5 661 128	-	44 735 824	8 814 335	91 916 211
Additions	17 088 297	-	12 000 000	38 617 075	-	67 705 372
Drawdowns	(192 499)	-	-	(25 469 304)	-	(25 661 803)
Cancellations	-	-	-	-	(8 814 335)	(8 814 335)
Closing balance 12 months ended 31 March 2024	**49 600 722**	**5 661 128**	**12 000 000**	**57 883 595**	**-**	**125 145 445**

Loan commitments 12 months ended 31 March 2023	Emerging Entrepreneur Property Fund	Social Housing Fund	Rental Housing Fund	Student Accommodation	Total
Opening balance	7 099 373	-	-	71 910 690	79 010 063
Additions	26 897 151	8 814 335	5 661 128	21 003 688	62 376 302
Drawdowns	(1 291 600)	-	-	(48 178 554)	(49 470 154)
Cancellations	-	-	-	-	-
Closing balance 12 months ended 31 March 2023	**32 704 924**	**8 814 335**	**5 661 128**	**44 735 824**	**91 916 211**

24. Related parties

The GPF is a related to all departments and entities under the GDHS and Infrastructure Development by virtue of being under control of the same MEC.

Relationships	
Ultimate controlling entity	
Controlling entity	Gauteng Department of Human Settlements

Related Party Transactions

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Management Fees		
Mega Projects Management fess	28 903 655	34 133 378
UISP Management Fees	7 876 913	9 493 896
RLRP Management Fees	7 416 246	2 053 431

The GPF receives management fees for being the implementation agent for the department (Refer to note 15).

The secondment of a resource to the GDHS ended on the 31st of March 2024.

Related Party Balances

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Balances of Unspent Funds Received From the GDHS		
Subsidies programme	8 920 207	10 503 868
Mega Projects	177 612 485	401 638 850
UISP	121 230 386	76 133 969
RLRP	978 594 781	1 186 372 298

Principle agent transactions	Mega Projects Programme	Rapid Land Release programme	Upgrade of the Informal Settlements programme	Subsidies Programme	Total
Payments	578 073 124	256 833 232	23 224 984	1 876 897	860 008 237

Related party transactions

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Non-Executive Trustees board fees		
C Cornish (Chairperson appointed 15 May 2023)	477 704	257 402
M Kganedi (Deputy Chair appointed 15 May 2023)	309 961	155 304
NM Matebese	371 357	442 867
LG Marincowitz	419 796	464 891
B Mhaga	282 897	-
E Ndwandwe	284 005	-
G Martins	287 610	-
G Phakathi	273 220	-
L Mbokotho	305 455	-
M Hlahla	307 892	-
R Kikine	284 884	-
S Mabuza	287 760	-
HC Bhengu (Term ended 15 May 2023)	64 638	469 219
D Kutumela (Term ended 15 May 2023)	38 826	212 824
K Khoza (Term ended 15 May 2023)	74 776	391 855
LE Mthimunye (Term ended 15 May 2023)	80 204	373 736
SE Morero (Term ended 15 May 2023)	37 424	243 957
K Mbele (Resigned)	-	216 413
	4 188 409	**3 228 468**

Other allowances

	Travel and accommodation 12 months ended 31 March 2024	Travel and accommodation 12 months ended 31 March 2023	Training and memberships 12 months ended March 2023
K Mbele	-	4 348	14 260
N Maponya	-	4 348	14 260
L Marincowitz	-	4 348	14 260
	-	**13 044**	**42 780**

Ms Puleng Retlabala is the shareholder representative and is not remunerated.

The term of the previous board members ended on the 15th of May 2023 and new Board members were appointed.

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Executive Management - Chief Executive Officer – L Kwele		
Basic	3 260 794	3 135 644
Performance bonus	205 845	-
Retirement annuity contribution, medical aid and life cover	349 807	318 240
	3 816 446	**3 453 884**
Executive Management - Chief Financial Officer – N Genuka		
Basic	1 865 395	1 793 801
Performance bonus	117 575	-
Retirement annuity contribution, medical aid and life cover	216 748	196 744
	2 199 718	**1 990 545**
Executive Management - Corporate Services Executive – A Clark		
Basic	1 651 190	1 549 421
Performance bonus	101 714	-
Retirement annuity contribution, medical aid and life cover	195 701	174 617
Acting Allowance	71 970	-
	2 020 575	**1 724 038**
Executive Management - Chief Investment and Development Officer – L Manenzhe Seconded to the GDHS in October 2022		
Basic	-	1 041 178
Retirement annuity contribution, medical aid and life cover	-	102 445
	-	**1 143 623**
Company Secretary – Thandi Zide		
Basic	1 659 487	1 575 340
Performance bonus	104 759	-
Retirement annuity contribution, medical aid and life cover	197 114	199 271
	1 961 360	**1 774 611**

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Finance Manager – Bongani Juta (Appointed Acting Chief Financial Officer 7 March 2022 - 27 July 2022)		
Basic	-	355 507
Retirement annuity contribution, medical aid and life cover	-	39 315
Acting Allowance	-	243 813
	-	**638 635**
Investment and Development Officer – Shiraaz Lorgat (Appointed acting CIDO in October 2022)		
Basic	998 268	257 738
Performance bonus	106 290	-
Retirement annuity contribution, medical aid and life cover	99 813	42 454
Acting Allowance	209 147	55 985
	1 413 518	**356 177**

Management considers the trustees and executive management to be key management as they have significant influence in directing the operations of the GPF.

25. 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, financial liabilities 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

Liquidity risk is the risk arising from default of the counter-party. 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. 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 the period ended 31 March 2024. Liquidity risk is currently 4% (2023:3%). Liquidity risk is calculated by dividing the financial and non-financial liabilities by the financial assets as per the table shown that follows:

Financial Assets for the 12 months ended 31 March 2024	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	19 106 406	43 586 393	168 997 162	881 654 487	1 964 946 261	3 078 290 709
Cash and cash equivalents	811 493 404	-	-	-	-	811 493 404
Receivables from exchange transactions	16 294 994	-	-	-	-	16 294 994
Other Financial Assets	-	-	947 202 871	-	-	947 202 871
	846 894 804	**43 586 393**	**1 116 200 033**	**881 654 487**	**1 964 946 261**	**4 853 281 978**

Financial and Non-financial liabilities for the 12 months ended 31 March 2024	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	(51 325 329)	-	-	-	-	(51 325 329)
Non-financial liabilities Provisions	(3 408 301)	-	-	-	-	(3 408 301)
Commitments	(125 145 455)	-	-	-	-	(125 145 455)
Subtotal	**(179 879 085)**	**-**	**-**	**-**	**-**	**(179 879 085)**
Total	**667 015 719**	**43 586 393**	**1 116 200 033**	**881 654 487**	**1 964 946 261**	**4 673 402 893**

Financial Assets for the 12 months ended 31 March 2023	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	13 635 793	32 593 434	137 661 297	908 032 763	1 438 024 952	2 529 948 239
Cash and cash equivalents	1 957 677 519	-	-	-	-	1 957 677 519
Receivables from exchange transactions	18 410 447	-	-	-	-	18 410 447
Other Financial Assets	-	-	198 583 998	-	-	198 583 998
	1 989 723 759	**32 593 434**	**336 245 295**	**908 032 763**	**1 438 024 952**	**4 704 620 203**

Financial and Non-financial liabilities for the 12 months ended 31 March 2023	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	(91 069 474)	-	-	-	-	(91 069 474)
Non-financial liabilities						
Finance lease	(7 404)	(14 809)	(7 404)	-	-	(29 617)
Provisions	(5 732 186)	-	-	-	-	(5 732 186)
Commitments	(91 916 211)	-	-	-	-	(91 916 211)
Subtotal	(188 725 275)	(14 809)	(7 404)	-	-	(188 747 488)
Total	**1 800 998 484**	**32 578 625**	**336 237 891**	**908 032 763**	**1 438 024 952**	**4 515 872 715**

Interest rate risk/market 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 a basis point on the current interest rates of the receivables from exchange transaction and interest received from banks. There has been no movement in the period under review for an interest rate change.

	Effect on surplus (R'000)	Increase/ decrease in basis points
Year		
For the 12 months ended 31 March 2024	-	-
Effect of increase in basis points on surplus	-	-
Effect of a decrease in basis points on surplus for the year ended 31 March 2023	6 115	350
Effect of increase in basis points on surplus	(6 115)	(350)
Effect of a decrease in basis points on surplus	-	-
	-	**-**

Credit risk

Credit risk is the risk of economic loss should any of the GPF's clients or market counterparties fail to fulfil their contractual obligations and is mainly prevalent in the GPF's development financing and lending operations as a result of potential counterparty defaults on loan repayments.

Management of credit risk The GPF as a finance institution, faces a unique challenge in maintaining a sustainable balance between maximising development returns and minimising financial loss in its lending operations. As a result, the performance of the GPF is to a large extent dependent on its ability to take credit risks responsibly in exchange for appropriate rewards and to manage the resultant exposure to credit risk effectively in the pursuance of its corporate mandate. The GPF meets its credit risk management objectives through:

i) an enterprise-wide framework of credit risk oversight, governance and assurance;
ii) an integrated system of internal credit risk ratings, pricing and mitigation guided by its risk appetite; and
iii) a rigorous standard for the measurement, monitoring and control of credit risk exposures in the credit portfolios.

As a leveraged institution, prudence requires the GPF to maintain adequate levels of capital to cover expected losses, for this reason the GPF developed a risk model as industry best practice.

The credit risk rating model is subjected to validation and review before implementation. The model is subjected to performance monitoring and validation by the Board as a part of governance requirements. The principal objective for this is to ensure that assumptions used in model development are still appropriate and to ensure that any deficiencies are identified early and that the models produce the most accurate quantitative assessment of the credit risk to which the GPF is exposed, from the level of individual facilities up to the total portfolio.

Credit risk models. The credit risk models for all major portfolios of the GPF's loan book namely:

- Emerging Entrepreneur Fund;
- Rental housing fund;
- Social housing fund; and
- Student accommodation.

Credit risk mitigation

In addition to pricing for risk, the GPF uses collateral and guarantees to enhance the quality of credit and/or reduce the expected losses in its lending portfolio. The amount and type of credit risk mitigation depends on the asset quality and nature of each transaction. The main type of collateral taken comprise mortgage bonds over the underlying properties. The GPF uses various forms of specialised legal agreements such as guarantees and similar legal contracts in support of credit extension, where necessary.

At portfolio level:

- Limits are established within the GPF's risk appetite to monitor and control the aggregate amount of risk that the GPF is taking on; and
- Overall performance of portfolios is measured and reported on a quarterly basis in terms of standard KPIs.

Maximum exposure

The GPF prepares quarterly financial reports. These results are crucial for internal decision-making. Consequently, it is imperative that the asset portfolio be comprehensively reviewed and significant risk indicators impacting the valuations and impairments be reflected timeously and adequately in the financial results. As a result, quarterly reviews are conducted on the loans and equities portfolio. The Finance team reviews the accounting implications of credit risk and investment-specific factors within the portfolio on a monthly basis. This ensures that the effect of the changes in the quarterly financial results and quarterly financial statements are reported on a proactive and timely basis. These reviews are conducted as part of and in complementing the Investment Committee process.

The Gauteng Partnership Fund's credit risk exposure arises from default of the counter-party is R160 831 712 (2023: R40 039 589) (Refer to note 4), with a maximum exposure of R2 029 270 890 (2023: R3 200 779 356) 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 period-end were as follows:

Credit risk 12 months ended 31 March 2024

Class of financial instrument	Credit risk exposure	Collateral	Expected credit losses
Loans and receivables from exchange transactions	1 133 334 649	Mortgage bond held by the GPF	160 831 712
Receivables from exchange transactions	16 294 994	-	-
Cash and cash equivalents	811 493 404	-	-
Loans and receivables held-for-trade	68 147 843	-	-
	2 029 270 890	**-**	**-**

Credit quality analysis

Credit bracket	Default rate	Probability of Default	% of loan book
Current loans not greater than 2 months in arrears	Low risk	5%	5%
Loans in default greater than 2 months but not more than 4 months	Medium risk	15%	2%
Loans in default over 4 months in arrears	High risk	85%	45%

Collateral held and other credit enhancements

The GPF holds collateral, which it is entitled to sell in the case of default by the owner of the collateral. The amount and type of collateral held for the exposure depends on an assessment of the credit risk of the counterparty. Guidelines have been implemented regarding the acceptability of the types of collateral. The value of the collaterals are determined with reference to the realisable value of security under forced-sale conditions. Because of the GPF's mandate, it does not routinely update the valuation of collateral held against all loans. Valuation of collateral is updated when the credit risk of the loan is materially different from inception of the loan (i.e. when it moves from current to default over 180 days, or from default to non-performing. The loan is then monitored more closely.

The following types of collateral are held in respect of the above loans:

- guarantees; and
- cession of debtors/rent/other income and mortgage.

Credit bracket	Type	Amount
Current loans not greater than 2 months instalments in arrears	Low risk	21 856 192
Loans in default greater than 2 months but not more than 4 months instalments	Medium risk	22 268 520
Loans in default over 4 months instalments in arrears	High risk	896 376 615
		940 501 327

Assessments of clients

The GPF assesses credit risk on loans on an individual basis using all relevant information about the loan and the borrower. The GPF individually assesses significantly large exposures. 57% of the loan book is made up of loans that have been classified as non-performing. Further, any recoveries post write-off are accounted for in the income statement as bad debts recovered.

The maximum period to consider when measuring ECLs is the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

There is a presumption that the expected life of a financial instrument can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial instrument, the entity shall use the remaining contractual term (Maturity) of the financial instrument.

A collective assessment of impairment takes into account data from the loan portfolio such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios, etc. Loans that are in default or in arrears over 180 days fall in this category.

26. Financial and non-financial instruments

for the 12 months ended 31 March 2024	Financial instruments at amortised cost	Financial instruments at fair value	Other assets	Other Liabilities	Total
Financial Assets					
Loans and Receivables from exchange transactions	1 133 334 649	-	-	-	1 133 334 649
Loans and receivables held-for-trade	-	68 147 843	-	-	68 147 843
Receivables from exchange transactions	-	-	16 294 994	-	16 294 994
Cash and cash equivalents	811 493 404	-	-	-	811 493 404
Investment	7 392 494	-	-	-	7 392 494
Intangible assets	-	-	3 782 834	-	3 782 834
Property, plant and equipment	-	-	3 594 592	-	3 594 592
Other financial Asset	947 202 871	-	-	-	947 202 871
Financial Liabilities					
Payables from exchange transactions	-	-	-	(51 398 952)	(51 398 952)
Finance lease	-	-	-	(346 939)	(346 939)
Unspent conditional grants and receipts	-	-	-	(1 286 357 860)	(1 286 357 860)
Operating lease	-	-	-	(234 288)	(234 288)
Provisions	-	-	-	(3 408 301)	(3 408 301)
	2 899 423 418	**68 147 843**	**23 672 420**	**(1 341 746 340)**	**1 649 497 341**

for the 12 months ended 31 March 2023	Financial instruments at amortised cost	Financial instruments at fair value	Other assets	Other Liabilities	Total
Financial Assets					
Loans and Receivables from exchange transactions	1 138 859 808	-	-	-	1 138 859 808
Loans and receivables held-for-trade	-	85 831 582	-	-	85 831 582
Receivables from exchange transactions	-	-	18 410 447	-	18 410 447
Cash and cash equivalents	1 957 677 519	-	-	-	1 957 677 519
Investment	6 582 752	-	3 717 950	-	6 582 752
Intangible assets	-	-	2 237 913	-	3 717 950
Property, plant and equipment	-	-	-	-	2 237 913
Other Financial Asset	198 583 998	-	-	-	198 583 998
Payables from exchange transactions	-	-	-	91 143 097)	(91 143 097)
Non-Financial Liabilities					
Operating lease	-	-	-	(398 708)	(398 708)
Finance lease	-	-	-	(29 191)	(29 191)
Unspent conditional grants and receipts	-	-	-	(1 674 648 983)	(1 674 648 983)
Provisions	-	-	-	(5 732 186)	(5 732 186)
	3 301 704 077	**85 831 582**	**22 366 310**	**(1 771 952 165)**	**1 639 949 804**

The above table illustrates the categorisation of financial instruments.

The GPF uses level 2 valuations techniques to initially recognise:

- The fair value of loans and receivables from exchange transaction has been determined by discounting future cash flows over the period of the loan at the prime rate at date of inception thereof. Subsequently the loans are recognised at amortised cost.
- The fair value of 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 22% for printers.

Set out below is a comparison by class of carrying amounts and fair values of all the GPF's financial instruments:

	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial assets				
Loans and receivables from exchange transactions	1 133 334 649	1 138 859 808	1 133 334 649	1 138 859 808
Receivables from exchange transactions	16 294 994	18 410 447	16 294 994	18 410 447
Cash and cash equivalents	811 493 404	1 957 677 519	811 493 404	1 957 677 519
Loans and receivables held-for-trade	68 147 843	85 831 582	68 147 843	85 831 582
Other financial Asset	947 202 871	198 583 998	947 202 871	198 583 998
	2 976 473 761	**3 399 363 354**	**2 976 473 761**	**3 399 363 354**

	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Financial Liabilities				
Non-financial liabilities - Finance lease obligation	346 939	29 191	346 939	29 191
Liabilities - Payables from exchange transactions	51 398 952	91 143 097	51 398 952	91 143 097
	51 745 891	**91 172 288**	**51 745 891**	**91 172 288**

	Valuation technique-market observable inputs	Valuation technique combination for market and nonmarket observable inputs	31 March 2024	Valuation technique-market observable inputs	Valuation technique combination for market and nonmarket observable inputs	31 March 2023
Fair Value of Financial Instruments						
Loans and receivables held-for-trade	-	68 147 843	68 147 843	-	85 831 582	85 831 582
Loans and receivables from exchange transactions	-	1 133 334 649	1 133 334 649	-	1 138 859 808	1 138 859 808
Finance lease	-	346 939	346 939	-	29 191	29 191
	-	**1 201 829 431**	**1 201 829 431**	**-**	**1 224 720 581**	**1 224 720 581**

	Valuation technique-market observable inputs	Valuation technique combination for market and nonmarket observable inputs	31 March 2024	Valuation technique-market observable inputs	Valuation technique combination for market and nonmarket observable inputs	31 March 2023
Non-Financial Liabilities						
Operating lease	-	234 288	234 228	-	398 708	398 708
	-	**234 288**	**234 228**	**-**	**398 708**	**398 708**

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 period end, 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.

The fair value of loans and receivables from exchange transaction has been determined by discounting future cash flows over the period of the loan at the prime rate at date of inception thereof.

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 22% for printers.

27. Net cash outflow from operating activities

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Surplus	6 827 331	94 519 489
Adjustments for:		
Depreciation and amortisation	1 837 515	1 629 902
Loss/(Gain) on sale of property, plant and equipment	71 430	(26 281)
Impairment loss	15 094 404	14 101 232
Fair value adjustments	4 583 933	16 265 632
Finance costs - Finance leases	16 155	11 624
(Decrease)/Increase in operating movements in operating lease assets and accruals	(164 420)	10 094
(Decrease)/Increase in provisions	(2 323 885)	(259 945 670)
Non-cash fees earned	(48 418 956)	(40 661 289)
Increase in provision for doubtful debts	120 792 122	23 735 188
Changes in working capital:		
Decrease in receivables from exchange transactions	2 115 453	5 363 354
Increase in other financial Asset	(748 618 873)	(198 583 998)
(Decease)/increase in payables from exchange transactions	(39 744 145)	59 865 393
(Decrease)/Increase in unspent grants	(388 291 123)	760 410 142
(Increase) in loans and receivables from exchange transactions	5 528 158	(87 045 545)
Decrease in loans and receivables held-for-trade	17 683 739	(29 832 569)
Difference in interest capitalised	(90 288 669)	14 589 962
	(1 143 299 831)	**374 406 660**

28. Contingencies

Contingent liabilities and assets

Contingent liabilities

The GPF operates in a legal and regulatory risk environment. As a result the GPF is involved in disputes and legal proceedings that arise on the ordinary course of business.

Arkein Capital has lodged a counterclaim against the GPF to the value of R8.5 million plus interest and any legal costs. The initial court order (in the High Court) was in GPF's favour with the counterclaim having been dismissed. Arkein Capital applied for and obtained leave to appeal. This resulted in a contingent liability as the dismissal of the counterclaim is suspended pending the court judgement. Arkein Capital's Appeal was heard on 8 May 2024, and judgment is still pending. The GPF will apply to retain R427 540 132 of its surplus funds from the Gauteng Provincial Treasury (GPT).

29. Budget Comparison

Comparison between budget and actual amounts for the 12 months ended 31 March 2024.

The budget for the 2023/24 FY amounted to R120 358 999 which was adjusted down to R104 250 641. The Spending as at the end of the year amounts to R96 995 715 which translates 93% spending in the overall budget. Refer to Statement of Comparison of Budget and Actual amounts.

30. Increase in provision for doubtful debts

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
Clarewater	3 285 661	1 764 193
Comucap	479 482	3 117 649
DNM Estate	6 709 868	3 933 024
Erf 85	-	44 819
Landpoint	-	140 194
Shukumani	1 252 950	159 394
Xylo	-	318 893
Ifizo	-	23 827
Admin fees for Begin, Student Crib and Ifizo	-	569 096
FV Trading	-	6 515 213
SOA	1 024 492	7 148 886
lakeside	1 026 909	-
Golden City	3 652 259	-
Kimovax	1 159 810	-
Volatorque	6 214 673	-
Bua	33 347 651	-
Simelani	14 665 119	-
EGC Wolhunter	5 441 525	-
Kesef	30 098 611	-
Fundzo	12 433 112	-
	120 792 122	**23 735 188**

The GPF has provided for an increase in the provision for doubtful debts as there is objective evidence that the borrowers are credit impaired. The GPF has instituted legal proceedings against the borrowers in order to recovery the funds.

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 total loss of R10 326 068. The GPF has instituted legal proceedings against the borrower.

The loan to Comocap (Pty) Ltd - 88 Relly Street was provided for as a doubtful debt due to breach of contract and the company being in business rescue. Management has provided for a loss of R4 754 522. The GPF has instituted legal proceedings against the borrower.

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 period. Management has provided for a total loss of R22 625 105. The GPF has instituted legal proceedings against the borrower.

The loan to lakeside (Pty) Ltd was provided or as a doubtful debt due to breach of contract in the prior period. Management has provided for a total loss of R1 026 909. The GPF has instituted legal proceedings against the borrower.

The loan to Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R12 433 112. The GPF has instituted legal proceedings against the borrower (Refer to note 3).

The loan to Golden City (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R3 652 259. The GPF has instituted legal proceedings against the borrower.

The loan to Kimovax (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R1 159 810. The GPF has instituted legal proceedings against the borrower.

The loan to Valortorque (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a total loss of R6 214 673. The GPF has instituted legal proceedings against the borrower.

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 total loss of R3 599 245. The GPF has instituted legal proceedings against the borrower.

The loan to Bua Africa was provided for as a doubtful debt due to breach of contract. Management has provided for a total loss of R33 347 651. The GPF has instituted legal proceedings against the borrower.

The loan to Simelani was provided for as a doubtful debt due to breach of contract. Management has provided for a total loss of R14 655 119. The GPF has instituted legal proceedings against the borrower.

The loan to SOA Residential Village (Pty) Ltd 2 was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R11 487 103. The GPF has instituted legal proceedings against the borrower.

The loan to EGC (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R5 441 526. The GPF has instituted legal proceedings against the borrower.

The loan to Kesef (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R30 098 611. The GPF has instituted legal proceedings against the borrower.

31. (Loss)/Gain on disposal of assets

Figures in Rand	12 months ended 31 March 2024	12 months ended 31 March 2023
(Loss)/Gain on Disposal of Assets	(71 430)	26 281

32. Irregular expenditure

Current year Irregular Expenditure	7 683 754	7 600 667
Total	**7 683 754**	**7 600 667**

Details of current year irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Extension of office lease rental without following normal SCM processes	Awaiting finalisation	7 646 373
Three quotations not obtained	Awaiting finalisation	37 381
		7 683 754

The Irregular Expenditure is under determination to identify root causes and any breakdown in the designed internal control environment. Corrective measures and the application for condonement will ensue thereafter.

33. Prior period errors

During the period under review, Management discovered the following omissions or misstatements which relate to the prior years:

- Incorrect allocation of receipts to GPF loans which should have been allocated to the senior funder's in line with the agreement;
- Allocation of contract recovered costs;
- Allocation of Kasi-4-Real funds approved in the previous financial year;
- Recognition of an investment in Cicima through a 19.90% preference share;
- Allocation of penalty charge on defaulting Borrowers;
- Loan approvals which were approved in the previous financial year were not included in the commitments disclosure note;
- Correction of Irregular Expenditure; and
- Correction on the measurement of held for trade instruments.

Statement of Financial Position

Figures in Rand	Notes(s)	As previously stated	Correction of error	Restated
2023				
Current term portion loans and receivables from exchange transactions	3	74 149 499	(29 482 058)	44 667 441
Loans and receivables from exchange transactions non current	3	1 026 373 052	67 819 315	1 094 192 367
Investment	4	-	6 582 752	6 582 752
Loans and receivables held for trade	7	91 408 692	(5 577 110)	85 831 582
Unspent funds received from the GDHS	10	1 686 648 983	(12 000 000)	1 674 648 983
Payables from exchange transactions	12	68 954 103	22 188 994	91 143 097

Statement of Financial Performance

Figures in Rand	Notes(s)	As previously stated	Correction of error	Restated
Interest received from loans and receivables	15	148 026 040	(11 886 354)	136 139 686
Kasi-4-Real Allocation	15	-	12 000 000	12 000 000
Increase in provision for doubtful debts	30	23 806 426	(71 238)	23 735 188
Fair value adjustments	18	5 501 255	10 764 377	16 265 632
Impairment of loans an held for trade loans	3	25 016 258	(10 915 026)	14 101 232
Other Income	16	4 895 306	97 000	4 992 306

Statement of changes in Net Assets

Figures in Rand	Notes(s)	As previously stated	Correction of error	Restated
2023				
Accumulated Surplus		1 610 795 899	29 153 905	1 639 949 804

Notes to the financial Statements				
Loan Commitments	23	30 722 700	61 193 511	91 916 211
Irregular Expenditure	32	8 327 885	(727 218)	7 600 667
		39 050 585	**60 466 293**	**99 516 878**

34. Change in estimate

Property, plant and equipment

The useful life of property plant and equipment have been re-estimated as the current condition is good. The effect of this change in estimate is a decrease in depreciation in the current year:

Figures in Rand	Current Year Decrease
Property, plant and equipment	
Furniture and fixtures	3 792
Office equipment	3 051
Computer equipment	19 221
	26 064

(Refer to note 8).

35. Subsequent events

The entity concluded its Escrow agreement with Standard bank and the developer after the reporting date for the development of the Ridgeview project (RLRP) which the GPF implements on behalf of the Department of Human Settlements. The funds held in this agreement have been classified as other financial asset (Refer to note 5).

Notes

Notes

Notes


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PR: 211/2024
ISBN: 978-1-77997-134-0

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