

2023/24 INTEGRATED REPORT



a world class African city



Joburg|Market



TABLED IN TERMS OF SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT,
56 OF 2003 AND SECTION 46 OF THE MUNICIPAL SYSTEMS ACT 32 OF 2000.

COMPANY INFORMATION: JOBURG MARKET (SOC) LTD

Country of Incorporation and Domicile: South Africa

Registration Number: 2000/023383/07

Registered Address: Market Main Building
4 Fortune Road
(Off Heidelberg Road)
City Deep
2049

Postal Address: P O Box 86007
City Deep
2049

Municipal Erf Number: Erf 117 & 118 City Deep

Telephone Number: (011) 992-8000

Fax Number: (011) 613-7381

Website: www.joburgmarket.co.za

Bankers: Standard Bank

Auditors: Auditor-General of South Africa

E-mail: info@joburgmarket.co.za

Anti-Fraud Hotline: 0800 002 587

GPS Coordinates: S26° 13' 678" E28° 04' 866"



Joburg Market



@MarketJoburg



@JoburgMarket



Glossary of terms

ACRONYM	DETAIL
AGM	Annual General Meeting
ARC	Audit and Risk Committee
AGSA	Auditor-General of South Africa
BBBEE	Broad-Based Black Economic Empowerment
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COJ	City of Johannesburg
COBIT	Control Objectives for information Technology
CUM	Cumulatively
DED	Department of Economic Development
DOH	Department of Health
DOL	Department of Labour
DSD	Department of Social Development – City of Johannesburg
EAP	Employee Assistance Programme
EISD	Environment and Infrastructure Services Department
EPWP	Expanded Public Works Programme
GAP	Good Agricultural Practice
GDS	Growth and Development Strategy
GRAS	Group Risk and Assurance Services
HR	Human Resources
IDP	Integrated Development Plan
ITL	Information Technology Infrastructure Library
JDA	Joburg Development Agency
JM	Joburg Market
KPA	Key Performance Area
KPI	Key Performance Indicator
LLF	Local Labour Forum
MFMA	Municipal Finance Management (Act 56 of 2003)
MMC	Member of the Mayoral Committee
MSA	Municipal Systems (Act 32 of 2000)
NAMC	National Agricultural Marketing Council
NDAFF	National Department of Agriculture, Forestry and Fisheries
NDP	National Development Plan
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OPEX	Operational Expenditure
REMSEC	Remuneration & Social and Ethics Committee
RSA	Republic of South Africa
SADC	South African Development Community
SANAS	South African National Accreditation System
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small Medium and Micro Enterprise
SLA	Service Level Agreement
SPS	Sales Processing System
UIFW	Unauthorised, irregular, fruitless and wasteful expenditure
YTD	Year to date

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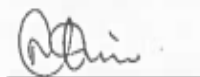


Noxolo Mabuza

Executive Manager: Planning and Transformation (A)



Date

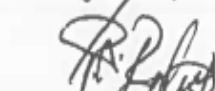


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Senior Legal Advisor, Group Legal and Contracts

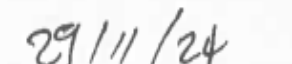
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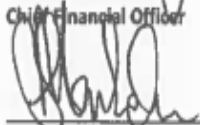


Nkosinathi Baloyi

Chief Financial Officer

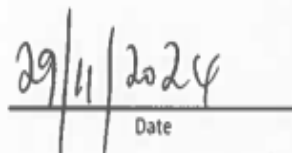


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Sello Makhubela

Chief Executive Officer (A)

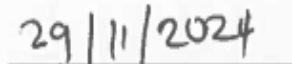


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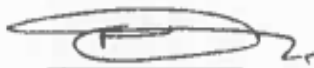


Siya Nodum

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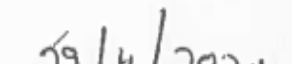


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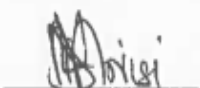
Mzikayise Ndlovu

Chairperson: Board of Directors



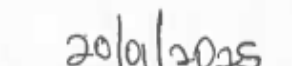
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APPROVED / NOT APPROVED / NOTED / DEFERRED / WITHDRAWN



Clir Nomoya Mnisi

Member of Mayoral Committee: Economic Development



Date

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About the Report

Introduction

In terms of the Constitution of the Republic of South Africa, 1996, JM represents a Schedule 4B functional area service. The City of Johannesburg is the sole shareholder of this company. The report provides information on our internal and external operating context, strategy, risks and opportunities, performance, governance and prospects.

The integrated report seeks to meet stakeholder information requirements holistically and as such this primary report includes information on materiality, financial results, fresh produce market services, corporate governance, performance objectives and outcomes. This report covers the JM financial year which represents the period 1 July 2023 to 30 June 2024. The last annual integrated report published by JM was the Joburg Market 2022/23 integrated report, published in 2023 and available at www.joburgmarket.co.za. As indicated above JM is a municipal owned entity and no other entities are covered in the report. Mention is made of our contracted service providers and fresh produce market service providers in relation to our business model and use of resources. There were no significant changes during the reporting period in the size, structure, material aspects and boundaries or JMs' Supply chain.

No material restatements of information reported in previous reports are contained in this report. JM aims to apply best practice in integrated reporting within the boundaries of the regulatory framework applicable to it as a Municipal Entity and as governed *inter alia* under the legislation quoted below. The JM Integrated Report (IR) was therefore drafted in accordance with the following legislation and codes:

- International standards on integrated reporting;
- National Treasury Circular 63 (MFMA);
- The MFMA in terms of Sections 46, 65(1) (a) and 121(2) c; Section 18(1) (d) of the MSA;
- The South African Statements of Generally Recognised Accounting Practice (GRAP);

*The Joburg
Market
2023/24
Integrated
Report covers
the activities of
the Company
for the financial
year 1 July 2023
to 30 June 2024*

- King IV™ Code of Governance for South Africa;
- National Treasury Guidelines and Regulations;
- Batho Pele Principles ;
- National Treasury Circular 88 (MFMA);
- National Development Plan;
- Integrated Development Plan;
- Joburg 2040 Growth and Development Strategy and
- The Companies Act, 2008.

Information papers issued by the Integrated Reporting Committee of South Africa provide important guidance and we are also gradually aligning our reporting to this source. Reporting on material matters are related to issues that substantively impact, or have the potential to substantively impact on JMs' strategy, governance practices, performance, prospects or capitals, i.e. financial capital, social and relationship capital, human capital, intellectual capital, manufactured capital and natural capital. The JM identified material matters, which were then evaluated and prioritised. Our view of value forms the basis for this process for the full process and material matters identified. The structure of the Joburg Market Integrated Report is as follows:



Figure 1: Structure of the Integrated Report

In terms of the JM reporting suite JM annually publishes a single, consolidated integrated report

as required by the Shareholder which is aligned to regulations published by National Treasury. This report includes information that must be disclosed by the Board of Directors in the Board governance and remuneration report and the summarised 2023/24 annual financial statements. The report is distributed electronically to stakeholders.

Integrated reporting information linkages:

- For reporting feedback and AGM-related questions: MlanduK@joburg.org.za for the attention of Mlandu Kona
- Stakeholder questions: for the attention of Hope Mabaso at HMabaso@joburgmarket.co.za
- Media questions: TMaakwe@joburgmarket.co.za for the attention of Tshegofatso Maakwe.

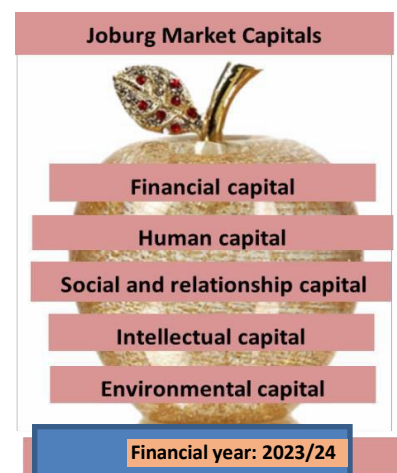
The JM materiality determination process

JM is committed to ensuring that its shareholder, its office bearers, staff and stakeholders have access to accurate and reliable information. The Board of Directors acknowledges its responsibility to assure the integrity of the JM Annual Integrated Report. As such, it has taken responsibility for determining the matters that materially impact the company's ability to create value for its shareholder and to ensure the sustainability of the JM over the short, medium and long term.

The purpose of the materiality process is to ensure that matters that substantively affect JM's ability to create value are identified and reported on. A material matter will usually be one that substantively impacts, or has the potential to substantively impact, JM strategy, governance practices, performance, prospects or its important capitals, such as financial capital, social and relationship capital, human capital and intellectual capital.

Our impact on the capitals

JM has considered the six capitals identified in the International Integrated reporting Framework. A number of these capitals play a role in our business, some as inputs and others in the form of outcomes, although the capitals are interrelated in the way that they affect our value creation process. In order to operate, our business requires financial capital, which consists of equity in the form of equity invested by the shareholder through shareholder loans and retained earnings.



Our financial capital increases or decreases based on our financial performance and the execution of our financial objectives. The various elements of our financial capital, and our financial performance, are discussed under the financial reporting in chapter 5. In an effort to reduce our impact on the environment, we are gradually transitioning to a cleaner energy mix, including renewable energy and conversion of waste to energy. Solar solutions were investigated during the year under review and will be implemented through a phased approach during the 2023/24 financial year. JM will also develop specifications for potential tri-generation options.

JM's human capital comprises of our employees and contractors, and their competencies, capabilities and experience. Human capital is enhanced by the development of learners as part of our skills pipeline, and through training. JM wishes to build a skills base based on the unique operating environment of fresh produce trading. We strive for racial, gender and disability transformation of our employee base, while being cognisant of optimising our workforce to be efficient and productive, in order to manage one of our most significant cost elements. JM aims towards ensuring that fair remuneration and a healthy working environment to develop and sustain and also to retain top talent, critical skills and intellectual capital. Our workforce, employment equity and wellness are discussed under chapter four.

Employees are remunerated in line with the Human Resources policies of the company and the following benefits are listed:

Financial

- Housing subsidy
- Housing GAP assistance
- Study assistance
- Provident fund
- Medical aid fund

Non-financial

- Wellness centre services
- Participation in events (I.e. World food day, World Aids day, etc.)

Our social and relationship capital includes our relationships with customers, suppliers, communities and the public in general. The unique relationships JM is sustaining with its various stakeholders are outlined under section 5 in Chapter 2. The development of target beneficiaries is positively impacted by our market trading and operational activities enabling economic growth, as well as our contribution to job creation, skills development, supplier transformation and broad-based

black economic empowerment. In addition, our corporate social investment (CSI) activities improve the lives of many less fortunate South Africans. Our unique stakeholder relationships are critical to our ability to create value. The latter and our CSI activities are embodied in this report under Chapter 2.

Our intellectual capital consists of human skills and IT technology, which are key enablers of our Market business. Trading Information technology, as well as innovation focuses on future technologies and operating methodologies under the SMART MARKET concept. The JM computerized trading system is purpose designed and staff members are trained and developed to conduct their activities with the aid of this system which has provided the entity with a strong competitive advantage in the fresh produce industry. Our Intellectual capital thus includes organisational knowledge, systems, policies and procedures.

The Methodology to determine materiality for the 2023/24 Annual Integrated Report includes the following:

STEP ONE: Identifying relevant matters based on their ability to impact value creation.

A list of relevant matters was compiled with consideration to:

- The Company's value drivers
- Matters identified during stakeholder identification and analysis
- External matters that impacted on the JM
- The JM's internal business context
- The JM's performance

The matters identified typically featured in Board and Committee meeting agendas, the Company's strategic risk register and risk appetite matrix, the Company's complaints reporting, and stakeholder feedback. Stakeholder feedback and input have been obtained through a range of stakeholder activities, through meetings and through informal interactions with various stakeholders.

During the 2023/24 financial year the company dealt with the following significant matters:

OHASA matters (Occupational health and Safety)

Joburg Market is committed to upholding the highest standards of health and safety in accordance with the Occupational Health and Safety Act (OHASA). JM continuously review and enhance our safety

protocols to ensure a safe working environment for all employees, contractors, and visitors. JM pays particular attention to ensuring compliant firefighting equipment. A JM task team with the assistance of COJ: GRAS continues to address priority aspects of safety at the premises of the company.

During the 2023/24 and 2024/25 reporting periods and beyond JM will continue to introduce a number of mechanisms to enable fire sprinkler systems and to safeguard firefighting installations against vandalism. The latter projects commenced during the 2021/2022 financial year. Our OHASA compliance includes regular safety audits, training programs, and risk assessments to identify and mitigate potential hazards. We also ensure that all safety procedures and equipment meet regulatory requirements and best practices.

By fostering a culture of safety and adhering to OHASA guidelines, Joburg Market aims to prevent accidents, protect health, and maintain a secure operational environment.

HIV and Aids

JM continued to support staff members affected by HIV/Aids. The World Aids Day commemoration was conducted and continues to be an annual event. Activities in the latter regard included VCT (voluntary counselling and testing). Other services also rendered during the programme include blood pressure monitoring, blood sugar testing and BMI calculations amongst other activities.

CAPEX spending

During 2023/24 FY the JM have spent R121.5 million against a targeted amount of R121.5 million worth of CAPEX, which represents a spent rate of 100 % against budget. JM has achieved the target, mainly due to improved controls over implementation by inter alia monitoring projects through a CAPEX forum.

OPEX spending

During 2023/24 the JM have spent R555.6 million against a targeted amount of R555.0 million worth of OPEX, which represents a spent rate of 100.1% against budget. JM has achieved the target, mainly due to improved operational efficiency.

Matters of current and legacy litigation

Despite progress in resolving a number of cases the entity is still dealing with one matter of SMEC vs Joburg Market. The company continued during the 2023/24 financial year to monitor and

worked with legal counsel in the efforts to conclude the outstanding case. The exposure to potential legal claims are estimated at R1.080 million and are listed under section 7 in Chapter 5.

Staff morale

The company did not conduct a formal assessment measure for the 2023/24 financial year as it is done every 2 to 3 years and will only be expected in the 2024/25 financial year.

STEP TWO: Determining material aspects and mitigation

The Identification of a list of material aspects was conducted which was then tested against the strategic risk register. The current impact on value creation by each material matter was determined. A timeframe of impact was then established for each material matter. The table below summarises the profile of each material matter:

No	Material Matter	Associated Strategic risk	Mitigation	How and when	Current impact on value creation	Timeframe of impact
1	Challenging Macro-economic factors	Business failure And, Financial instability (going concern)	1. Pursuance of service excellence 2. Improve on key ratios and good going concern 3. Prioritising of CAPEX expenses 4. Develop counter strategies to address the impact of the emergence of private Markets 5. Curbing of the diversion of fruit commodities from JM	New Customer Charter. Full roll out to be achieved by 30 June 2023 Promote trading on JM as reliable one-stop-shopping facility Refine SCM processes to improve CAPEX and Repairs & Maintenance programme execution Effective application of Bylaw licencing system by 31 May 2023	Negative	Short, Medium and long term
2	Disasters	Incidence of fire	6. Fire prevention plans and procedures	Implement with aid of JM risk control measures and the new Bylaws - January 2022 with full roll out by 31 May 2023	Negative	Short and medium term
3	Growth of the core business of JM	Failure to implement the Smart Market Strategy	7. Refining trading floors and site management	Smart Market management plan –commenced May 2022. The revised masterplan will be completed by April 2023	Negative	Short, Medium and long term

No	Material Matter	Associated Strategic risk	Mitigation	How and when	Current impact on value creation	Timeframe of impact
			<p>8. Efficient consignment control practises</p> <p>10.Promoting JM to current and potential users</p> <p>11.Upgrade and extend physical facilities</p>	<p>Smart Market consignment control plan will be aligned with the Smart Market masterplan to be completed by April 2023</p> <p>Smart Market Promotional programme – Commenced May 2022 and will continue until June 2024</p> <p>Smart Market floor space upgrade first works – July 2023</p>		
4	People development	Diminishing Institutional knowledge and expertise	<p>12.Training staff in company specific competencies</p> <p>13.Promoting a culture of learning</p> <p>14.Enhanced JM business experience exposure</p>	<p>Smart Market training - March 2023</p> <p>Smart Market motivational programmes - March 2023</p> <p>Smart Market multi – skilling - March 2023</p>	Negative	Short, Medium and long term
5	Legislative compliance	Exposure to physical risks and litigation	<p>15.Legislative compliance drive in co-operation with CoJ Group Compliance function</p> <p>16.Ensuring total OH&S compliance across the JM site through integrated inspections and enforcement</p>	<p>Promote compliance to new JM bylaw and directives – Commenced February 2022 and will continue up to 31 May 2023</p> <p>Promote Smart Market compliance drive – Commence February 2022 and will continue until June 2024</p>	Negative	Short, Medium and long term
6	Social unrest	Trading of produce disabled through buyer and supplier intimidation	<p>17.Coordination of trading contingencies through forums with market agents</p> <p>18.Coordination of site and amenity protection through multi-disciplinary enforcement agencies</p>	<p>Smart Market management plan -May 2023</p> <p>Promote Smart Market compliance drive – Commence February 2022 and will continue until June 2024</p>	Negative	Short and medium term
7	Pursuing sustainability	Loss of stakeholder confidence	19.Delivering on shareholder value	<p>Promote trading on JM as SMART MARKET.- June 2022</p>	Negative	Short, Medium and long term

No	Material Matter	Associated Strategic risk	Mitigation	How and when	Current impact on value creation	Timeframe of impact
			20.Deliver value for money services to producers and buyers	Promote JM as efficient 1 stop shopping facility – Commence February 2022 and will continue up to 30 June 2024		
			21.Focus on key competencies	Smart Market management plan -May 2023		
			22.Operate as socially responsible institution	New Customer Charter. Full roll out to be achieved by 30 June 2023		
			23.Compliance to legislation	Promote compliance to new JM bylaw and directives – Commenced February 2022 and will continue up to 31 May 2023		
			24.Food safety and food quality awareness	Promote services of the JM laboratory - May 2023		

Table 1: Profile of material aspects and mitigation

Outlook

It remains a key requirement that the recapitalisation of JM must be well-designed and rigorously executed to prevent an adverse impact on the sustainability of the company. The Board foresees a further extensive facility reconfiguration exercise and stakeholder consultation process led by the JM executive.

Disclosure process and disclosure

Disclosures published in this report were suitably consulted and approved through the processes of the Audit and Risk Committee and Board of Directors. Disclosures are further published in compliance to the provisions for same as embodied in the companies Act (Act 71 of 2008) the King code and were duly assessed by the Auditor General of South Africa (AGSA) during the 2023/24 external audit.

Assurance

The Accounting Officer has assessed the Integrated Report in terms of Section 121 of the MFMA, Section 46 of the MSA and the relevant National Treasury regulations. JM will continue to improve its internal reporting processes to ensure compliant and accurate reporting. Internal controls and combined assurance assessments are considered by the Audit and Risk Committee and ultimately evaluated through Board oversight. The combined assurance model was applied to ensure suitable assurance from management as well as the conducted external audit procedures. The risk management processes were executed with diligence under the guidance of City of Johannesburg

Group Risk and Audit Services (CoJ GRAS), the Audit and Risk Committee as well as external assurance providers. The Board also duly participated in a strategic risk assessment exercise. All reports and related matters were suitably considered during Board meetings.

Management of internal and external audit findings

The management of internal and external audit findings are embedded in the forums of JM and its management structures. Each executive and senior manager is to report on progress and tasked to ensure the resolution of each finding as soon as practically possible. The company scorecard contains for each of the audit sources a separate key performance indicator which is reported upon in Chapter 3 of this report. Monthly departmental forums are also being held and each report is to indicate outstanding audit matters and progress on each. The annual performance agreement with each manager is also aligned to the outcomes of both internal and external audit results.

Organizational risk management approach

The JM Board continues to ensure that the risk management guidelines of the shareholder are followed and applied. In applying its risk management policy, all important decisions of JM are risk based and suitable risk assurance is provided on company and Board level. Risk assessment includes annual workshops held between the Board of Directors and the Executive. Developments within the fresh produce industry are continually evaluated during the financial year. JM has continued with a risk identification process to ensure compliance. Being a service provider where trust forms a fundamental basis for continued support by both producers and buyers of fresh produce, JM is also cognisant of reputational risk. In the latter regard, JM considers its stated values and pursue the objective of being a high-performance fresh produce market. In dealing with perishable products within our facilities JM strive towards maximum food safety and quality as well as executing environmental friendly practices. This was again prudently monitored against the Covid-19 outbreak being experienced in South Africa and globally over the past year. Human safety remains a key priority as large numbers of people are present on the market site during peak hours. In this regard special attention is given to future planning of safer facilities and operating environments.

Demographic and economic growth considerations


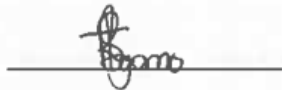
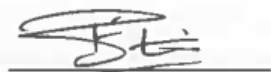
The Johannesburg Market (JM) continues to play a critical role in ensuring food security for the rapidly growing population of Johannesburg. With migration into the city estimated at approximately 10,000 persons per month, JM remains acutely aware of the escalating demand for suitable qualities and quantities of fresh produce on a daily basis. In response to these pressures, JM is not only committed to maintaining its current support for the indigent food programme of the City of Johannesburg (CoJ) but is also intensifying its efforts to meet the increased demand. This includes upgrading and expanding its infrastructure and services to accommodate the additional needs brought about by this population growth.

Moreover, JM is focused on leveraging these developments to stimulate job creation both at the Joburg Market site and throughout the broader fresh produce value chain. By enhancing operational efficiency and capacity, JM aims to bolster the market's ability to serve as a vital hub for fresh produce distribution, thereby supporting both economic growth and food security in the region. To further address the challenges posed by rapid urbanization, JM is also exploring innovative solutions, such as improving supply chain management, embracing digital technologies for better market access, and fostering partnerships with local farmers to increase the availability of locally sourced produce. These efforts are designed not only to meet current demands but also to ensure sustainable food systems for the future.

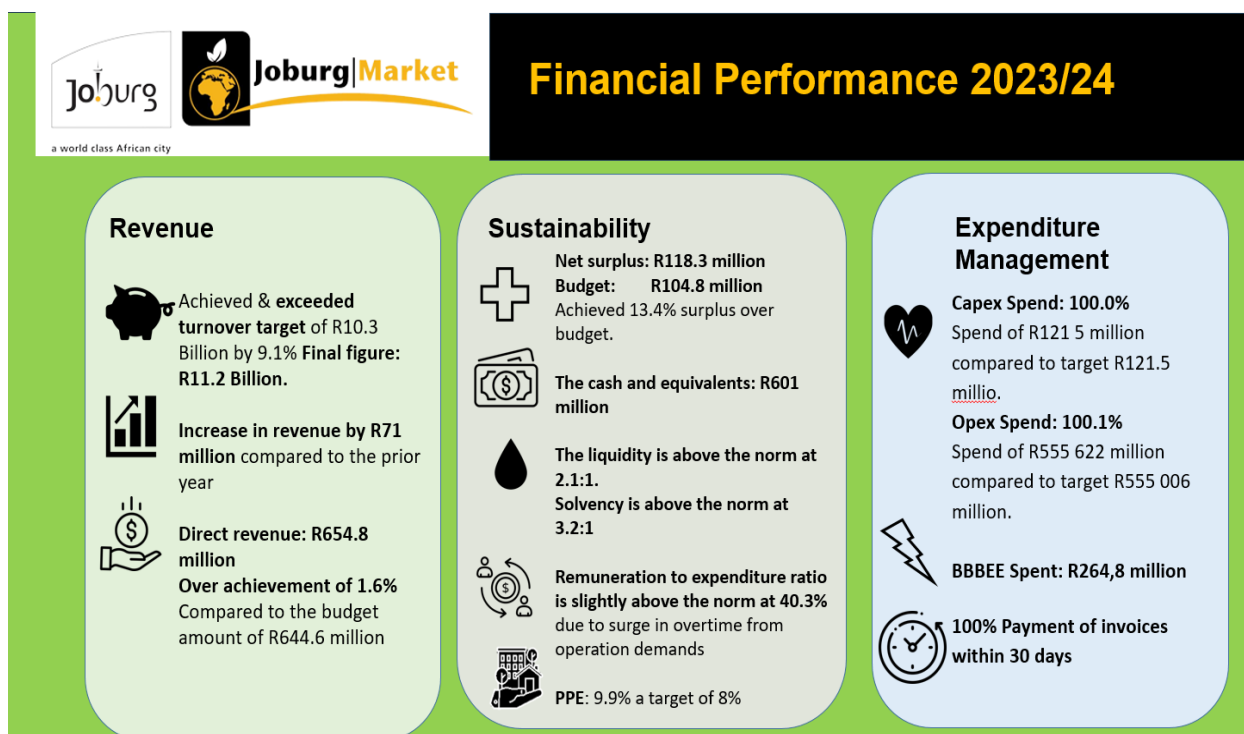
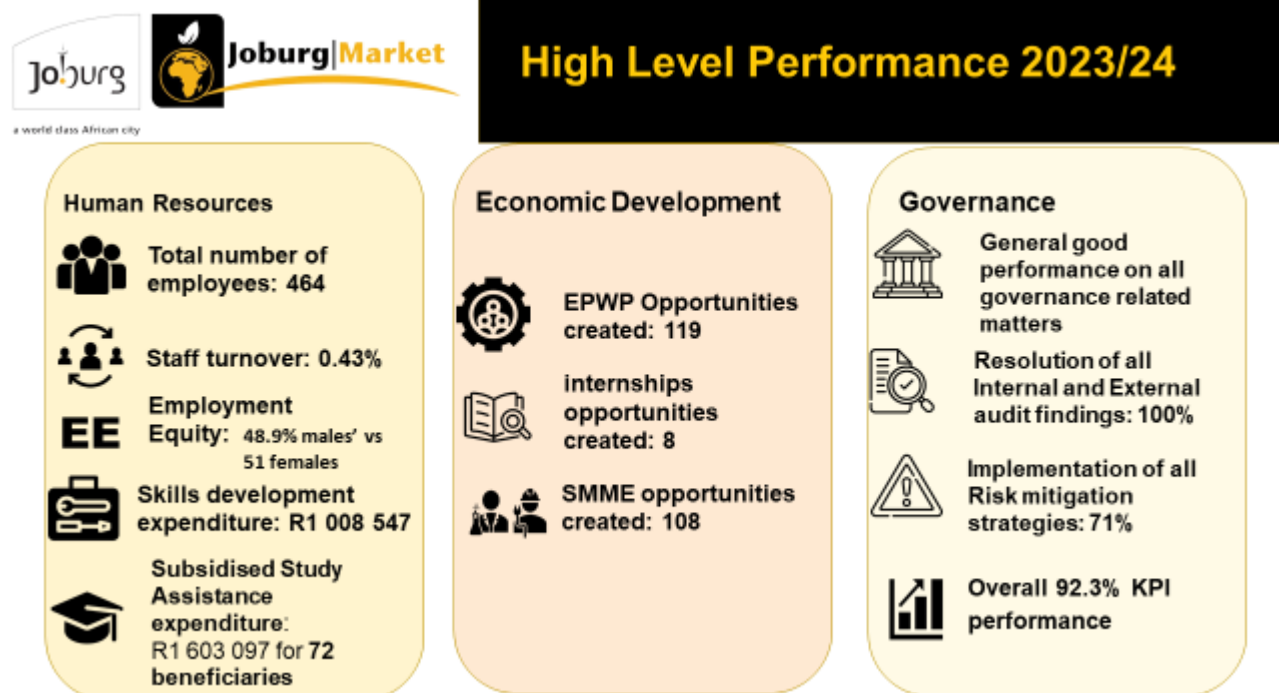
Reporting boundary

The reporting boundary of JM seeks to establish a consistent boundary for reporting across all of its sustainable development metrics. JM do report on developments, impacts and data outside the reporting boundary where these are material to the business and its sustainable development performance. In the context of this report, outside of the organisation refers to market agents, producers, buyers and various intermediaries in the distribution channel for fresh produce. Within the organisation refers to all operations of JM and onsite service providers like security, cleansing and sanitisation which are under our management, in terms of a contractual obligation.

The Board is accountable for the integrity and completeness of the integrated report and any supplementary information, and is assisted by the Audit and Risk Committee and the Remuneration, Social, Ethics and Transformation Committee. The Board has therefore applied its collective mind to the preparation and presentation of the integrated report and has concluded that it is presented in accordance with the prescribed frameworks. Considering the completeness of the material items dealt with and the reliability of information presented, based on the combined assurance process followed, the Board approved the 2023/24 integrated report as per sign-off below;

<p>Signature:</p>  <p>Mzikayise Ndlovu Chairperson: Board of Directors</p> <p>Date: <u>29/11/2024</u></p>	 <p>Refilwe Kgomo Chairperson: Audit and Committee</p> <p>Date: <u>29/11/2024</u></p>	 <p>Keeran Singh Company Secretary</p> <p>Date: <u>29/11/2024</u></p>
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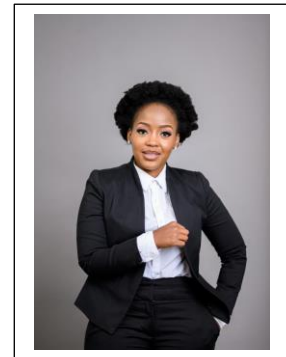
JOBURG MARKET HIGH LEVEL PERFORMANCE AT GLANCE



CHAPTER ONE: LEADERSHIP AND CORPORATE PROFILE

Section 1: Member of the Mayoral Committee Review

It is my privilege to present this report, reflecting on the pivotal role that JM has played in implementing its contractual mandate and contributing to the broader goals of the City of Johannesburg during the 2023/24 financial year.



Contractual Mandate and Strategic Alignment

The relationship between Joburg Market and the City is anchored in the Shareholder Compact and the Service Delivery Agreement (SDA), which are essential frameworks guiding our collaborative efforts. The Service Delivery Agreement outlines JM's mandate, which includes the provision and management of facilities and services for the distribution of fresh produce, ensuring a competitive, resilient, and sustainable trading platform, and enabling market access, sustainable availability, and affordability of fresh produce. Additionally, JM is tasked with ensuring food security and compliance with food quality standards.

During the 2023/24 financial year, JM has diligently pursued these objectives, reflecting its deep-rooted commitment to serving the City's residents and businesses. The market's role in supporting the recovery of food-related industries in the post-pandemic phase cannot be overstated. By ensuring a steady supply of fresh produce, JM has been instrumental in stabilizing food prices, enhancing food security, and providing a reliable trading platform for vendors and buyers alike.

Performance amid Agricultural Challenges

The year was not without its challenges, particularly within the agricultural sector. Weather-related disruptions, supply chain issues, and fluctuating crop quality posed significant hurdles. However, JM's resilience and strategic planning allowed it to navigate these obstacles effectively. The market's turnover of R11.2 billion, surpassing budget expectations by 9.1%, is a testament to its strong operational foundation and ability to adapt to changing market dynamics. The Smart Market initiative remains a cornerstone of JM's strategy, with a clear focus on inclusivity and empowerment. This initiative aims to transform the market into a hub of innovation, where young people, women, and the disabled can thrive in the fresh produce industry. The establishment of the Soweto Market in a

new and sustainable form is one such project that will empower these target groups, fostering economic growth and creating success stories for tomorrow.

Governance and Strategic Orientation

From a governance perspective, Joburg Market has demonstrated strong alignment with the Government of Local Unity's mandates, as directed by the Executive Leadership of the City. The strategic alignment of Joburg market strategy to the overall strategic direction of the city as outlined in the Growth and Development Strategy and the Integrated Development Plan ensures that JM not only meets its contractual obligations but also contributes to the broader objectives of the City, particularly in economic development and service delivery. Despite its achievements, JM continues to face significant challenges, particularly regarding its aging infrastructure and the breakdowns in critical facilities such as cold stores and ripening chambers. Additionally, the shortage of trading space is an ongoing concern. The City's leadership is committed to supporting JM in overcoming these challenges to ensure that it continues to operate efficiently and effectively.

Community Engagement and Corporate Citizenship

Joburg Market's participation in the City's IDP Consultation Sessions and internal workshops highlights its role as a committed corporate citizen. The market has effectively served the community, not only by ensuring food security but also by contributing to the economic empowerment of the City's residents. JM's efforts to improve and sustain its operations are commendable, and its standing as a market leader in Johannesburg, across the country, and internationally remains strong. I would like to extend my sincere appreciation to the Board of Directors, Management, and Staff of Joburg Market for their tireless efforts in maintaining and enhancing the market's operations. Your dedication ensures that JM remains a leading institution in the City's economy, providing vital services that benefit millions.

I would also like to express my gratitude to the Executive Mayor, Mr. Dada Morero, for his exemplary leadership, and to my fellow MMCs for their unwavering support. Together, we will continue to work towards realizing the City's vision of a prosperous and inclusive Johannesburg, with Joburg Market playing a central role in this journey.

Cllr. Nomoya Mnisi

MMC: Economic Development

Section 2: Chairpersons Foreword

As the outgoing Chairperson of the Board at Joburg Market, it is with immense pride and a sense of fulfilment that I reflect on the remarkable achievements and progress we have made during this past financial year. Our strategic initiatives and unwavering dedication to excellence have driven substantial growth and positioned Joburg Market as a key player in the fresh produce industry, not only within Johannesburg but also on a national and international scale.



The 2023/24 financial year has been a period of significant accomplishments. Joburg Market achieved a turnover of R11.2 billion, surpassing our budget expectations by 9.1%. This exceptional performance underscores our strong operational capabilities and the effective management strategies we have employed to navigate a challenging economic environment. Our success in key produce sales, coupled with diligent operational improvements, has enabled us to maintain uninterrupted services, execute capital expenditures well above target, and achieve minimal discard rates during food inspections.

Our financial performance has been robust, with revenue and surplus levels exceeding budget forecasts and liquidity ratios remaining strong. The Board is particularly proud of the successful implementation of Operation Phendula, an initiative that has significantly transformed our market's infrastructure. From May 1 to June 30, 2024, we addressed critical needs across the market, including electrical and plumbing repairs, maintenance, and hygiene upgrades. Key improvements such as restroom renovations, boom gate installations, fence repainting, roof waterproofing, pothole repairs, and gate refurbishments have not only enhanced the market's operational efficiency but also improved its overall appeal to our stakeholders.

As our current board term draws to a close, I am delighted to report a marked improvement in our overall performance metrics. Our success rate has risen from 84% in the 2022/23 financial year to an impressive 92.4% in the 2023/24 financial year. This achievement is a testament to the dedication, expertise, and tireless efforts of our management team, whom I commend for their relentless pursuit of excellence. I extend my deepest appreciation to all board members for their outstanding contributions. Their high level of engagement, strong attendance at meetings, and effective oversight have been instrumental in driving Joburg Market's performance to new heights. I would also like to

acknowledge the crucial role played by the Office of the Company Secretary in ensuring that our governance practices remain exemplary.

While we have much to celebrate, it is important to acknowledge that challenges remain. The pace of transformation within the market, along with delays in infrastructure investments—particularly those related to the SMART Market Project—have posed significant hurdles. These are areas where focused efforts will be required in the future to sustain our momentum and achieve our long-term goals.

Despite these challenges, I am confident that we have laid a solid foundation for the continued growth and success of Joburg Market. As I pass the torch to the incoming board, I am certain that they will build upon this foundation, driving further progress and ensuring that our market remains a leader in the fresh produce industry.

In closing, I would like to express my heartfelt gratitude to the Member of the Mayoral Committee for Economic Development, Cllr Nomoya Mnisi for the outstanding oversight, my fellow board members for their scrutiny, commitment, and invaluable contributions, to the management team for their diligent execution of our strategic plans, and to all our stakeholders—including producers, market agents, wholesalers, and customers—whose trust and dedication have been the cornerstone of our success. Together, we have elevated Joburg Market to new heights, and I am confident that even greater achievements lie ahead.

Thank you all for your unwavering support, dedication, and commitment to excellence.

Mr. Mzikayise Ndlovu

Chairperson: JM Board of Directors

Section 3: CEO's Report

I am honoured to present the 2023/24 financial year report for Joburg Market (JM), a year that has been defined by exceptional performance, strategic advancements, and resilient growth. This year, Joburg Market has demonstrated its strength and stability in the fresh produce industry, achieving remarkable financial results and considerable progress in our operations and governance.



Financial Performance and Market Position

Our financial performance this year has been outstanding. We achieved a total turnover of R11.2 billion, surpassing our budget by 9.1% over the previous year. This impressive result was driven by strong sales across key produce categories, despite challenges such as adverse weather conditions that affected crop quality. Our ability to adapt to market conditions and capitalize on opportunities has been a key factor in our success.

In addition to our strong turnover, Joburg Market recorded a profit after tax that significantly exceeded our expectations, underscoring the effectiveness of our financial management strategies. Our market share also grew to 45.97%, solidifying our leadership position in the industry.

Operational Excellence

This year, we made substantial investments in infrastructure and operational enhancements, which have been critical to maintaining our high standards of service delivery. Our commitment to modernization is evident in the successful completion of major projects, including upgrades to our main facilities, the installation of advanced sprinkler systems, and the implementation of alternative energy solutions. These initiatives have not only improved our operational efficiency but also ensured that we remain resilient in the face of external challenges, such as power outages and water disruptions.

Governance and Risk Management

Strengthening our governance and risk management frameworks has been a priority this year. The appointment of a Chief Risk Officer and a Chief Operations Officer has brought new expertise to our leadership team, enhancing our ability to navigate risks and drive operational improvements. We

achieved a 100% resolution rate for audit findings, demonstrating our commitment to transparency, accountability, and continuous improvement. Moreover, we have established a Governance Steering Committee to further enhance our compliance, risk management, and audit processes. These measures are vital in ensuring that Joburg Market remains a trusted and reliable partner for all our stakeholders.

Human Capital and Economic Empowerment

Our workforce is the backbone of our success, and we have made significant strides in job creation, skills development, and employee engagement. This year, we created numerous job opportunities through our support of Small, Medium, and Micro Enterprises (SMMEs) and various employment programs. We also invested heavily in training and development, with many of our employees benefiting from advanced training programs and conference attendance. We are proud to have maintained our commitment to Broad-Based Black Economic Empowerment (BBB-EE), achieving 100% compliance with our procurement targets. This reflects our dedication to fostering economic transformation and inclusivity within our organization and the broader community.

Looking Ahead

As we move forward, our focus will be on building upon the successes of this year while addressing the areas where improvement is needed. We remain committed to enhancing our operational efficiencies, investing in our workforce, and ensuring the financial sustainability of Joburg Market. With robust plans in place, we are well-positioned to continue our growth trajectory and achieve even greater milestones in the coming years.

I would like to extend my deepest appreciation to our dedicated team, esteemed stakeholders, and valued customers. Your unwavering support and commitment have been instrumental in our achievements this year. Together, we will continue to elevate Joburg Market to new heights of success, ensuring that we remain a leader in the fresh produce industry.

Thank you for your continued trust and support.

Mr Sello Makhubela

CEO (A), Joburg Market

Section 4: CFO's Report

The JM's overall financial forecasted performance for the period ending on the 30th of June 2024 was above expectation. The revenue and surplus are ahead of budget and key liquidity ratios are above the norm. Overall performance is greater than the budgeted amount. The magnitude of JM's position in the fresh produce industry is illustrated by the total turnover generated by the market of R11.2 billion which is R621 million (6.0%) above budget of R10.6 billion. The cash position of the company increased due to the strong financial performance of the entity. The entity was able to spend year to date capital expenditure of R121.5 million vs R121.5 million which equates to 100.0%. In addition, JM has cash coverage of 641 days well above the norm of >45 days. The entity has sufficient cash flow to sustain the business going forward.



12 Months Financial Position of the Company:

- The net increase of R89.5 million (15.5%) in PPE is due to the capitalization of projects and additional assets.
- Intangible assets decreased by a total of R92 thousand (17.7%) due to asset amortization for the period.
- Cash and cash equivalents increased by R127.5 million (26.9%) due to JM positive cash reserve and buyer's deposit and subsequent refund from SARS.
- Loan to shareholders increased by R95.6 million (43.4%).

12 Months Operating Expenditure of the Company:

Total operating expenditure for the period is recorded at R555.6 million compared to the budget of R555.0 million. This represents a variance of R616 thousand (0.1%) when compared to the budget.

- Personnel cost is over budget by R2.8 million (1.3%). This is a result of a surge in overtime hours due to a high volume of operational work demands.
- Operations Expenditure is below budget by R16.8 million (10.1%) due to a decrease in consumption of utility services particularly water-related costs. In nature, this line item is based on the estimated usage by our clients.
- Information Technology is R8.0 million compared to the budget of R13.2 million which represents an under spending of R5.2 million (39.3%) due to the Microsoft license project and other licenses not yet implemented. The procurement of Microsoft licenses is centralized

through City Group Information Technology.

- Human Resources is below budget by R1.0 million (7.8%) due to a service provider withdrawing from providing services due to intricacies with JM at SLA stage.
- Repairs and Maintenance is over the budget by R9.3 million (15.1%). The increase is due to the entity implementing Operation Phendula projects that has expedited the repairs and maintenance expenditure to its fullest capacity while adhering to the austerity measures.
- Finance and Administration is over the budget by R8.9 million (21.0%) due to the adjustment for doubtful debt provision evaluated at the end of the financial year.
- Marketing cost is under budget by R342 thousand (5.1%) as the entity assesses every marketing engagement to consider if there is a value-added and if it will be in line with cost containment regulations.

Mr. Nkosinathi Baloyi

Chief Financial Officer

EXECUTIVE SUMMARY

Introduction

This report evaluates Joburg Market's progress toward its strategic goals and objectives for the 2023/24 financial year. It offers a transparent account of the organization's activities and achievements, including insights into its financial health, profitability, and financial management. The report reviews operational activities, highlighting key projects, initiatives, and milestones from 2023/24, and presents performance metrics and key performance indicators to assess efficiency, effectiveness, and outcomes. It also ensures compliance with legal and regulatory requirements, providing necessary disclosures and evidence from all departments.

Globally known as Joburg Market SOC Limited (JM), the organization operates as a municipal entity wholly owned by the City of Johannesburg Metropolitan Municipality. Established through the Egoli 2000 restructuring process and governed by the Municipal Systems Act, JM was converted into a state-owned company under the Companies Act 71 of 2008. As Africa's largest fresh produce market by trading volume, Joburg Market supplies produce to various destinations in the SADC region and receive produce *inter alia* from international sources such as Spain, Egypt, and China. The market operates as a central trading facility, where produce is sold based on supply and demand principles. It provides essential trading facilities and services to farmers and buyers, adhering to statutory requirements including the Companies Act, Municipal Systems Act, and Municipal Finance Management Act 56 of 2003.

Joburg Market has a staff complement of 464 employees. Joburg Market, market agents and tenants operating within the Joburg Market facilities create thousands of jobs across the agricultural value chain. The market operates as a central trading platform where buyers and sellers meet at the marketplace to negotiate prices based on observable characteristics of the produce, such as quality, quantity, and fitness for consumption. Actual negotiations occur between the buyer and the selling agent who conducts such sales on behalf of the farmer.

To ensure a transparent, accountable trading environment Joburg Market performs several crucial functions, which are briefly listed below:

- The CEO as accounting officer serves as an independent referee in respect of disputes to ensure a fair marketplace

- Cleaning and sanitisation of the facility towards food safety and suitable hygiene
- Produce inspection services backed up by an on-site SANAS accredited laboratory
- Security and safety services to ensure a safe market environment for all
- Financial and payment accounting services to ensure accurate accounting of proceeds from sales to farmers and efficient revenue collection
- Consignment control services to ensure that all produce is captured and sold according to market rules
- Trading Hall regulation through the Sales Hall Management component to ensure smooth trading operations
- Maintenance and extension of market facilities through a property management team and the infrastructure maintenance division
- Marketing and transformation to enable the access to the previously disadvantaged and the promotion of JM as preferred business place
- A dedicated IT department operating a real time computerised trading system
- Human Resources to ensure the availability of a suitable and motivated staff component

Joburg Market plays a critical role of determining the price for the fresh produce industry in South Africa since it represents 45.97% market share of the National Fresh Produce Markets. The Company is the only fresh produce market with a South African National Accreditation System (SANAS TO532) accredited laboratory to ensure compliance to and maintenance of food safety standards.

Section 5: Corporate Profile and Overview of the Entity

Overview of the Entity

The company owes its origins to the establishment of the fresh produce market at the Market Square in central Johannesburg in 1887 where three thousand people congregated to trade in fresh produce. As the City grew, so did the trading of fresh produce. This prompted the building of a new facility in Newtown in 1913. In that year alone, the Market achieved an annual

turnover of R1.5 million. The premises in Newtown became increasingly too small to handle trading. By 1974, the market had relocated to its current location in City Deep, in the South of Johannesburg.



Figure 2: Pictures showing the origins of the Joburg Market

The political transition in South Africa saw Joburg Market (JM) emerging as a private company, wholly-owned by the City of Johannesburg Metropolitan Municipality (CoJ). In 2000, the company was converted into a State-Owned Company (SOC), in line with the implementation of the Companies Act of South Africa (Act No. 71 of 2008).

The Company is required to comply with various legislative provisions that set out the statutory requirements, among them being the Companies Act, the Municipal Systems Act and the Municipal Finance Management Act 56 of 2003.

The Company is the biggest fresh produce market in Africa in terms of the volume of fresh produce traded and has a staff compliment of 464 employees. JM trading facilities are provided to farmers across South Africa and beyond, whose produce is marketed and exposed daily to several thousands of buyers. JM, Market Agents and Tenants operating within JM's facilities create thousands of jobs across the agricultural value chain.

JM plays a critical role of determining the price for the fresh produce industry in South Africa since it represents 45.97% market share of the National Fresh Produce Market in both volume and turnover. The Company is the only fresh produce market with a South African National Accreditation System (SANAS TO532) accredited laboratory to ensure compliance to and maintenance of food safety standards.

Section 6: Strategic Objectives

Strategic Overview

The key elements of the JM Strategy are captured below:

Mandate

The Company is mandated to manage and operate a market facility through the provision of fresh produce market facilities and complementary services to the fresh produce industry. This will include the following:

- Provision and management of facilities and services for the distribution of fresh produce
- Ensuring a competitive, resilient, and sustainable fresh produce trading platform
- Enabling market access, sustainable availability, and affordable fresh produce
- Enabling food security and safety and compliance to food quality standards

Strategic intent

Our strategic intent of creating sustainable fresh produce market services for all key stakeholders remains paramount. This is underpinned by JM's vision to be people centric through a smart fresh produce hub that is globally competitive and enabling local job creation and transformation. We strive towards client-centric market management and service standards execution. It is our conviction to be a good corporate citizen and have a leading footprint in the SADC region.

Strategic thrusts

- Targeted transformation in the value chain
- Ground-breaking ICT underpinning SMART Market
- Innovation and automation
- Service delivery excellence
- Engaged and skilled staff core
- Caring corporate citizen
- Brand Power

Vision

A smart fresh produce trading hub that is globally competitive.

Mission

To provide the best environment that supports competitive trade and effective distribution of fresh produce products in Southern Africa.

Values

The values of the Joburg Market are the following:

- Transparency
- Service excellence
- Integrity
- Innovation
- Accountability

Alignment to the GDS and IDP of the Shareholder

The COJ-IDP contains delivery objectives designed in line with the vision and mission of the City.

GDS OUTCOMES	GDS OUTPUTS	MAYORAL PRIORITY	MMC PRIORITY	JOBURG MARKET FOCUS AREA
Improved quality of life and development-driven resilience for all	<ul style="list-style-type: none"> • Reduce poverty • Food security • Access to knowledge and lifelong learning • A society characterised by healthy living for all • A safe and secure city • A city characterised by social inclusivity and enhanced social cohesion 	<ul style="list-style-type: none"> • Safer City • Smart city 	<ul style="list-style-type: none"> • Safety and security • Compliance 	Technology and Innovation
Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> • Sustainable and integrated delivery of water • Sustainable and integrated delivery of sanitation • Sustainable and integrated delivery of energy 	<ul style="list-style-type: none"> • Sustainable service delivery • Energy mix • Infrastructure development and refurbishment • Smart City 	<ul style="list-style-type: none"> • Implementation of the Smart Market • Rejuvenate Soweto market 	Sustainability

	<ul style="list-style-type: none"> • Sustainable and integrated delivery of waste • Improved eco-mobility • Sustainable human settlements • Climate change resilience and environmental protection 			
An inclusive, job intensive, resilient, competitive, and smart economy that harnesses the potential of citizens	<ul style="list-style-type: none"> • Job-intensive economic growth • Promotion and support to informal and micro businesses • Increased competitiveness of the economy • A spatially just and integrated City 	<ul style="list-style-type: none"> • Job opportunity and creation • Sustained economic growth. • Green economy • Smart City 	<ul style="list-style-type: none"> • Transformation • Job creation • Skills and development 	<ul style="list-style-type: none"> • Operational • Efficiency <p>People</p>
A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region	<ul style="list-style-type: none"> • Partnerships, intergovernmental & international relations • A responsive, accountable, efficient and productive metropolitan government • Financially sustainable and resilient city • Meaningful citizen participation and empowerment • Guaranteed customer and citizen care and service 	<ul style="list-style-type: none"> • Good governance • Financial sustainability • Active and engage citizenry. • Smart City 	<ul style="list-style-type: none"> • Branding • Marketing and communication • Integrated Automated systems 	<ul style="list-style-type: none"> • Governance • Stakeholder Management

Table 2: Alignment to the GDS and IDP of the shareholder

JM has adopted a strategy based on achieving key organisational priorities on the basis of being a “SMART” Market. The entity seeks to become a Clean, Safe and Smart Market

Strategic Objectives

Joburg Market seeks to be the best fresh produce market operating in the space of the facilitation of fresh produce trading. We fully understand our business model and the industry in which we are embedded and will strive to be successful in our endeavours by pursuing the JM strategic objectives in alignment with the four long term strategic outcomes of the CoJ. The latter outcomes are linked to the JM objectives and are tabled below:

GDS 2040 OUTCOMES	JM STRATEGIC OBJECTIVES
1. Provide a resilient, liveable, and sustainable urban environment - underpinned by smart infrastructure supportive of a low-carbon economy	1. To Provide a Resilient and Premier Trading Facility by June 2027;
2. Improved quality of life and development-driven resilience for all.	1. To practice focused stakeholder engagements.
3. An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.	1. To Support CoJ Indigent Programmes; 2. To Provide Market Access to Farmers and Buyers for the Distribution of Fresh Produce; 3. To Expand Opportunities to Historically Disadvantaged Groups
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region	1. To Ensure Compliance with Regulatory Framework; 2. To ensure adherence to Good Governance Practices 3. Introduction of Innovative Solutions and Technologies to Improve Efficiencies

Table 3: JM Strategic Objectives aligned to the GDS

Strategic Programmes and projects

In the short to medium term, the Joburg Market is pursuing the implementation of the following strategic Programmes and projects:

- Market Recapitalisation
- Market Repairs and Maintenance
- Business Continuity
- Surveillance and Enforcement
- Food Safety Measures

- Food Support
- Stakeholder Support
- SMME Support
- EPWP
- Internships
- Systems and Procedures
- Revenue Enhancement
- Legal and Legislation Compliance
- Digital Transformation

Section 7: Joburg Market Value Creation Process

At JM value is created through the delivery of integrated fresh produce market services supported from a strong and sustainable financial and operational perspective. The Company provides services to farmers who are its customers in the production supply of fresh produce. JM operates in a unique environment that serves through its very large facilities agents and buyers through its trading system and associated support services. As the largest marketing channel for fresh produce in South Africa and on the African continent it daily trades in wide varieties of qualities and quantities of fresh produce. The company's footprint therefore even expands into the SADC region and this is evident from the numerous buyers who frequent the JM premises.

The delivery of the company's strategic agenda is set around the requirements of CoJ as a Shareholder which expects JM to operate a well-functioning trading facility aimed at creating financial returns, whilst supporting the producers, traders, communities and citizens of Johannesburg. This will ensure that key outcomes such as food security, a well-nourished and healthy population, a job creating organisation and food safety are achieved.

The JM Programmes were aligned to the shareholder priorities as outlined under section 5 above. On entity level the value creation process is illustrated below

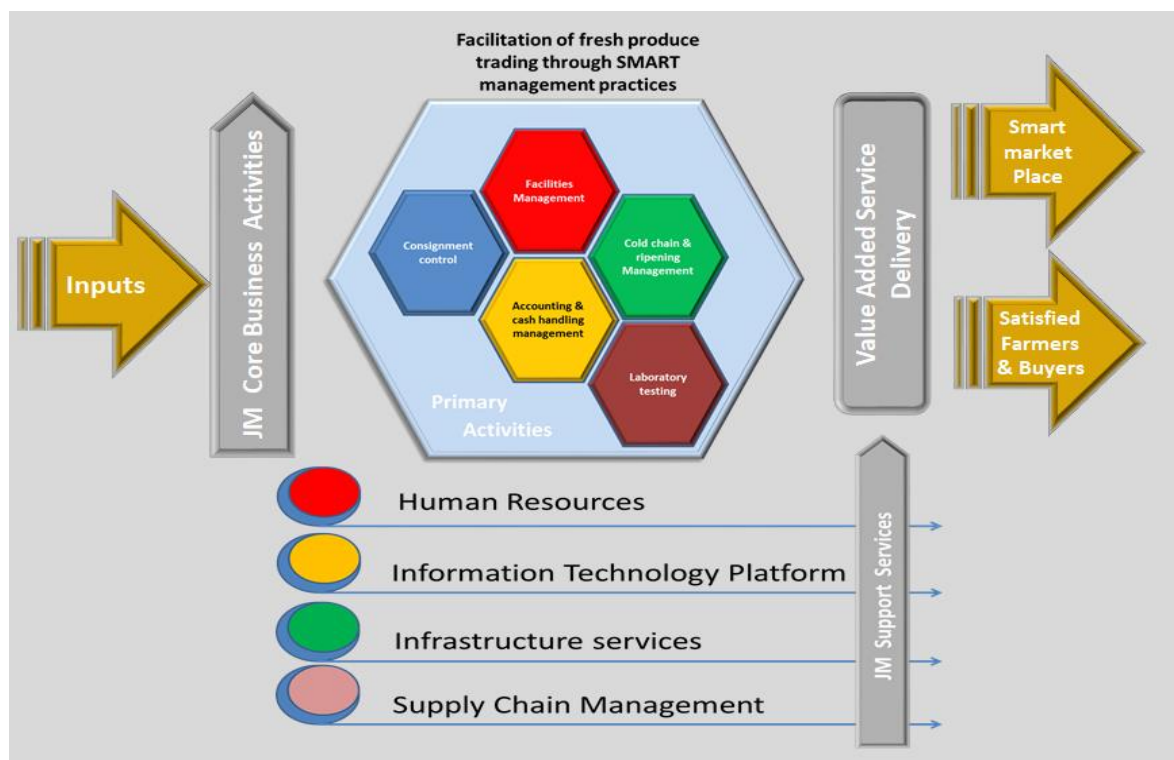


Figure 3: JM Value Chain

The Fresh Produce Market Value Chain and Smart Market strategy

The Fresh Produce Farmer pays a 5% market due or commission for having his/her produce traded at JM. Utilisation of the JM in particular holds a number of benefits for the producers of fresh fruit and vegetables. The latter can be listed as follows:

In the short term (Strategy to promote and develop JM as One - stop - shopping facility)

- The produce supplied by the farmer is exposed to a very large audience of buyers competing to buy it. This brings about price stability;
- Once a consignment of produce is sold the farmer receives his payment quickly. Normally payment is concluded within 5 days which greatly improves the cash flow position of the farming enterprise;
- JM also has the capability to accommodate all produce assortments in terms of grade and sizes at competitive market prices. This enables the farmer to achieve fair returns through a competitive and managed trading system.
- Human resources will be trained and developed in line with the JM customer charter to be able to render efficient customer services on all levels and to enable a bother free buying experience to buyers and farmers.

- Joburg Market can increase financial value by attracting more buyers and farmers through competitive pricing, efficient payments, and excellent customer service, boosting commission revenues and controlling costs with effective audits.
- Internal and external auditing as risk based functions will provide information on gaps to be managed and timeous implementation of resolutions prevent undue losses during this development phase.

The above attributes enables JM to attract repeat business with farmers and buyers alike from the SADC and international destinations.

In the medium term (Strategy to create adequate and purpose designed trading amenities)

- A producer brand and associated quality that is regularly present on the market floor contributes towards it being a sought after supplier. This enhances the availability of a stable and growing loyal group of buyers for the farmer;
- Buyers acquainted to farmer brands knowing what their clients in turn require build loyalty towards a farmer brand by increasing the demand for the farmers brand and enhances growth in demand for the brand.
- Human resources will be developed and trained to be able to identify and being responsive to client needs and develop new operational procedures towards piloting SMART Market services.
- By fostering loyalty to farmer brands, piloting SMART services, and investing in purpose-built amenities, JM can grow transaction volumes, diversify revenue streams, and ensure cost-effective infrastructure development.
- Internal and External audit findings will add significant value in the assessment of investments in amenities and the assurance of value for money spent.

It is this medium term characteristics that enable JM to grow faster than its peer markets and which underpins the role of JM as price barometer.

In the longer term (Strategy to achieve full SMART MARKET status)

- Stability in produce supplies supported by superior market services and improved logistics enhances trust and the repeat in business from all buyers. This renders JM a trustworthy

supplier of market services and also as custodian of a transparent and effective trading system;

- To continue rendering a full portfolio of trustworthy and suitable trading space and to sustain a buyer's core of magnitude are indicative of the key success factors of JM.
- Human resources will be developed and trained to be able to operate within the dynamics of SMART MARKET technologies and deployment of new service devices and methodologies of operations.
- Achieving SMART MARKET status with expanded facilities, advanced technologies, and superior logistics will drive sustained growth, premium service fees, and a trustworthy, efficient trading ecosystem.
- Internal and external audit findings will enable as crucial function the objective source to test the efficiencies of the integrated SMART MARKET services and amenities. The latter will guide adjustments where required and to reduce business risks.

The envisaged longer term benefits enable JM to plan timeously for facility extensions to achieve synergistic growth in its business.

Specific risks therefore need to be mitigated over all the planning time horizons of JM:

Risk	Short term mitigation 0 to 3 years	Medium Term Mitigation 3 to 5 years	Long term mitigation >5 years
Deterioration of JM business by competing new market ventures	Establish client loyalty on the supply and demand side of JM	Develop loyalty Programmes supported by suitable incentives	Build longer term relationships with key suppliers and key buyers
How and when	New Customer Charter Roll out of launching deliverables by March 2023	Promote trading on JM as SMART MARKET.- June 2024 to July 2024	Final phase Smart Market Promotional programme - May 2027
Insufficient trading space	Plan Smart Market of the future trading spaces	Construct and implement Smart Market of the future trading spaces and amenities	Optimise Smart Market of the future systems and operating model
How and when	Smart Market floor space upgrade - July 2023 (Phase 1)	Smart Market floor space upgrade - July 2024 (Phase 2)	Smart Market floor space upgrade - July 2025 (Phase 3)

Table 4: Key business risks

Business model

JM provides trading facilities and support services in order to facilitate the effective trading of fresh fruit and vegetables. Often being described as the stock exchange for fresh produce – the specialised central trading system of the company renders the service through unique systems and processes.

Producers, buyers and other intermediaries depend on the accuracy and real time availability of trading results to enable critical decision making.

Value for money market services

Trading of fresh produce takes place in three (3) trading halls, namely: Fruit Hall, Potato & Onion Hall and the Vegetable Hall, jointly measuring a total of 65 000 square metres of commission market trading space. The Market charges the producer a 5% commission on all sales made on the commission floor. A further negotiable commission of 7, 5% is payable to Market Agents for selling produce on behalf of the farmer.

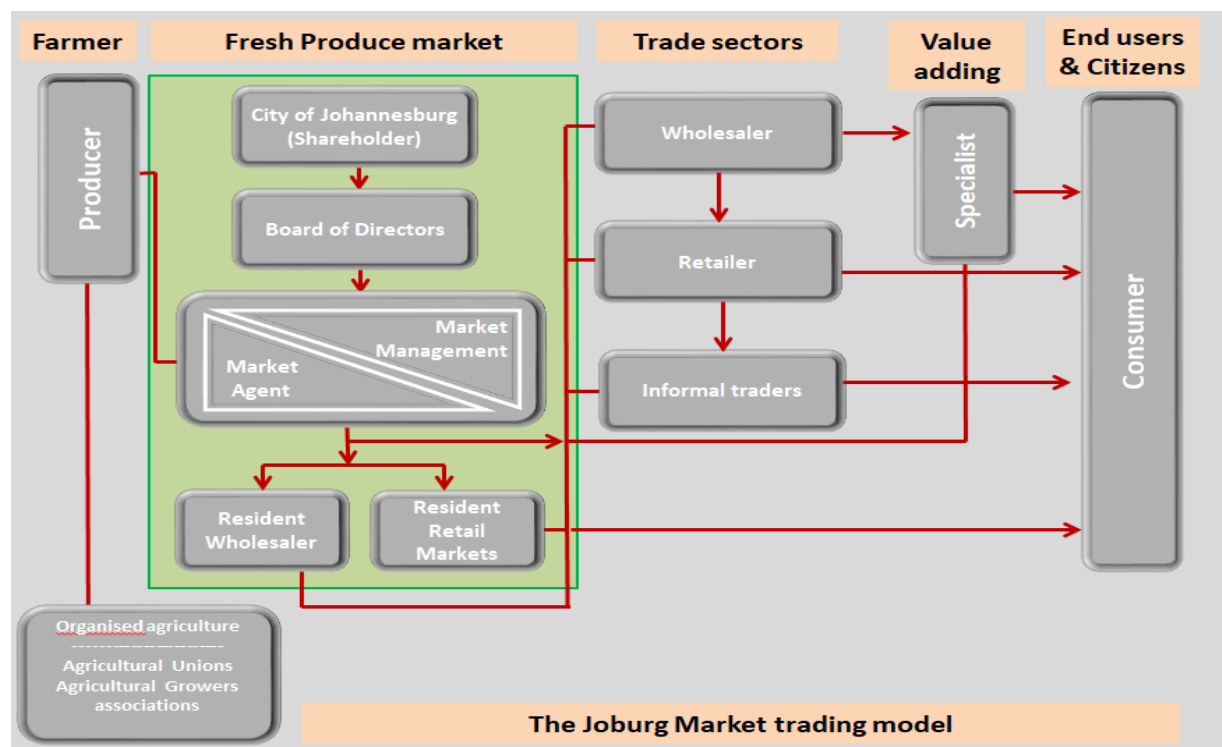


Figure 4: JM Trading Model

The business of JM is in essence comparable to a stock exchange; JM under the guidance of the CEO ensure the availability on amenities, systems and services to enable a trading platform where supply and demand factors determine the market prices for all fresh produce commodities traded. The CEO also serves as an independent referee between parties should a dispute arise. The Market Bylaw serve as legislative source to govern trading practices on the market. The SPS trading system is a central system on which all trading elements are captured.

The nature of the fresh produce market was discussed above and against that backdrop the 'value for money services' is now discussed. Markets must provide certainty and thus accountable trading systems.

- The central trading system of the market is a sophisticated purposed designed electronic trading methodology. Every element of the consignment is captured and managed through this system and consequently is every function performed by the agent and the market authority is conducted in real time mode.
- The market authority conducts a dedicated financial accounting service inclusive of a cashiering system linked to a trust account system which enables the payment of proceeds on every consignment the following working day. This is the fastest payment system in the industry and offers multiple advantages to producers.
- Protection of the farmer is further embedded in the assurance systems which enable traceability to determine whether fair prices and utmost care was taken by the agent in dealing with what the farmer entrusted to the agent.

Firstly consignment control ensures that each and every consignment to its finest details was accurately captured and traded through the system. This enables a trustworthy trading history and return for the farmer.

Laboratory and inspection services ensure that the farmer do not suffer undue losses of stock, etc. Joburg Market has invested in the development of a SANAS accredited laboratory. Produce discarded are being dealt with in scientifically sound practices and suitable audit trail. Producers and agents are not charged additionally fees for disposal of written off produce.

Dispute resolution is conducted and the Market Director (CEO) may order compensation of an aggrieved party. Transgressions of market agents are also being dealt with through this avenue.

- Cleansing and sanitization of the market facilities ensure a safe food center serving both the supply and demand side of market clients.

- Physical security services supported by a most modern and extended CCTV system ensures protection of the entire market facility serving farmers especially overnight when their consignments are delivered to the market.
- Cold stores and ripening facilities are maintained and upgraded to ensure the availability of these vital support services to farmers and their agents.
- Maintenance, upgrading and extension of market facilities are conducted to ensure a compliant and serviceable market facility.
- Marketing services and agri-business support services are conducted to inform farmers and attract buyers to the market to ensure a vibrant market place to the advantage of producers.

This also includes the dissemination of market trading results on which South African Producers can always rely. JM also provides cold storage services to ensure compliant preservation of large volumes of produce which is required to be kept within the logistical cold chain. Premises are also being leased to food related enterprises serving as a complementary feature in serving the requirements of the thousands of buyers visiting the JM site daily. The company currently holds substantial expertise to enable suitable levels of services it renders. These include;

- Financial services;
- Project management expertise;
- Human resources support;
- Strategic services;
- Risk services;
- Trading and consignment regulation services;
- Information technology for sales processing;
- Facility management, and
- Property administration.

To be successful JM needs to render these services in a sequence each day which will enable seamless delivery of services to its key stakeholders. The trading platform must be regarded as transparent and trustworthy. Each JM function contributes to this overall objective and service failures in even the smallest service section will impede on this objective.

- The JM service delivery team tagline: “Value for money market services delivered!”

Central Trading System

SPS is a sophisticated purposed designed electronic trading methodology. Every element of the consignment is captured and managed through this system and consequently is every function performed by the agent and the market authority is conducted in real time mode.

Financial Services

JM conducts a dedicated financial accounting service inclusive of a cashiering system linked to a trust account system which enables the payment of proceeds on every consignment the following working day. This is the fasted payment system in the industry and offers multiple advantages to producers.

Assurance Systems

Consignment control ensures that each and every consignment to its finest details was accurately captured and traded through the system. This enables a trustworthy trading history and return for the farmer.

Laboratory and inspection services ensure that the farmer do not suffer undue losses of stock, etc. JM has invested in the development of a SANAS accredited laboratory.

Dispute resolution is conducted and the Market Director (CEO) may order compensation of an aggrieved party.

Market Hygiene Services

Cleansing and sanitization of the market facilities ensure a safe food centre serving both the supply and demand side of market clients.

Security Services

Physical security services supported by a most modern and extended CCTV system ensures protection of the entire market facility serving farmers especially overnight when their consignments are delivered to the market.

Trade Support Services

Cold stores and ripening facilities are maintained and upgraded to ensure the availability of these vital support services to farmers and their agents.

Repairs & Maintenance Services

Cold stores and ripening facilities are maintained and upgraded to ensure the availability of these vital support services to farmers and their agents.

Marketing Services

Marketing services and agri-business support services are conducted to inform farmers and attract buyers to the market to ensure a vibrant market place to the advantage of producers.

Agri-Business Services

Farmer Development programmes which also includes the dissemination of market trading results on which South African Producers can always rely.

The competitive landscape

JM has conducted a competitor analysis and each direct and applicable indirect fresh produce channels were identified. The capacity of JM to address the various current and emerging

competitors were carefully evaluated and the results were captured into the Marketing strategy of the company. In particular new fresh produce markets within the Gauteng region were identified as the most significant emerging competitors during 2020/21. JM continued to monitor the developments during 2023/24 and conducted a competitor analysis. JM will intensively implement its drive as being the best on-stop-market facility.

CHAPTER TWO: GOVERNANCE

Section 1: Overview

Corporate governance ensures that accountability and governance arrangements are in place. In line with, Section 121(2) (c) of the Municipal Finance Management Act (MFMA), the Joburg Market is required to compile and publish an Integrated Report and equally communicate information on governance matters with communities in compliance with the requirements of Section 46 (1) (d) of the Municipal Systems Act (MSA). The purpose of this Integrated Report is to promote accountability to the Shareholder, the City of Johannesburg, communities and other stakeholders for the decisions taken by the Board on matters relating to the governance of the entity throughout the 2023/24 financial year.

Governance Framework

JM recognises that conducting its affairs with integrity will ensure that the public and its parent municipality, the City of Johannesburg Metropolitan Municipality, have confidence in its work. To that end, the JM Board of Directors and executive management team subscribes to the governance principles as prescribed by relevant legal and regulatory prescripts. The Board also actively reviews and enhances the systems of internal control and governance procedures in place to ensure that JM is managed ethically and within prudently determined risk parameters. During the period under review, the Board conducted assessments to ensure that JM complied with the requirements of the Companies Act, the Municipal Systems Act and the MFMA.

Governance Arrangements

JM falls under the Department of Economic Development, who provides strategic direction on key business issues and reports to the office of the relevant MMC who exercises political oversight. JM is also part of the Economic Development Mayoral Cluster Committee, which coordinates and integrates all departments and entities responsible for economic development in the City. The Council's Section 79 Portfolio Committee on Economic Development provides political oversight on JM's operations.

The Joburg Market has signed both the Shareholder Agreement and the Service Delivery Agreement. These documents define the strategic and operational direction that the company is required to take and defines service standards, scorecards and performance measures expected by the Shareholder. In addition, the Board of Directors is appointed by the Shareholder to take

accountability for strategic and operational matters related to strategy, risk mitigation and performance management.

Oversight committees

The Council's Section 79 Portfolio Committee on Economic Development provides political oversight on JM's operations. On a quarterly basis the Committee conduct oversight of the Department of Economic Development as well as its entities of which JM represents such an entity. The Committee also produces oversight reports and set oversight questions to which JM replies writing and presents its responses at the committee sessions. The latter committee also facilitated the public consultations for the new JM bylaw during the year under review.

JM also reports on a similar basis to the CoJ: Group Performance Audit Committee, the CoJ: Group Audit Committee (GAC) and the Municipal Public Accounts Committee (MPAC). The chairperson of the JM Board Audit and Risk Committee attended the meetings of GPAC. At all the mentioned committees JM duly attended the meetings and responded in full to all JM matters raised at these forums.

Ethical Leadership

The Board of Directors, as the Governing Body remains committed to the implementation of good corporate governance principles as set out in King IV. The Board is also committed to exercising ethical and effective leadership in the running of operations at the Joburg Market. Ethical leadership is characterised by Integrity, Competence, Responsibility, Accountability, Fairness and Transparency. The Board strives to ensure that these values permeate throughout JM business operations and in relationship with staff and all other stakeholders.

Citizen involvement in the planning and implementation of projects

The Joburg Market works closely with various stakeholders to ensure the participation of stakeholders in the planning and execution of strategic projects. These engagements involve allowing tenants, market agents, wholesalers and other stakeholders define what their business requirements are. Through the project office, the necessary project planning, which include feasibility studies is undertaken.

This information serves as input to the Joburg Market Medium Term Revenue and Expenditure Framework (MTREF). Projects are then motivated and where applicable, the necessary budgets procured. JM's procurement strategies are geared towards empowering local communities through the rollout and implementation of various work packages.

As at the end of the 2023/2024 financial year, JM created 119 EPWP, 8 internship opportunities. In addition to this achievement, JM, in partnership with CoJ's Department of Social Development, has distributed food parcels to identified indigent families and deserving NGOs. With the implementation of projects, JM ensures that local labour is utilised, targeting largely the youth and women. The Audit and Risk Committee provides strategic project oversight and reports to Board on any non-compliances.

Compliance with laws, rules, codes and standards

The Board oversees the entity's compliance with applicable laws, rules, codes and standards and this remains an important consideration in all its decision-making processes. Reported incidents of non-compliance with laws and regulations are addressed in accordance with relevant governance prescripts. JM operates within its Delegations of Authority, which is continuously reviewed in line with business and legislative requirements.

Environmental Management

The Joburg Market subscribes to the principle of sustainable development in relation to all operational and capitalised projects, from conceptual design, right up to project handover. Sustainable development is understood as: 'development that meets the needs of the present without compromising the ability of future generations to meet their needs'. It is a fitting response to the organisation being an integral part of society, its status as a corporate citizen and its stakeholders' needs, interests and expectations. The planning in some of our strategic projects have incorporated elements such as the potential harvesting of rain water, the deployment of photovoltaic systems to power up new buildings and the upgrading of our cold store management systems to be much more energy efficient.

In addition, our partnership with the community in terms of waste material reclamation this activity has culminated into the establishment of job opportunities that includes recycling of paper, wood, plastics and other waste material. The company is also working on the concept of introducing a bio digester to turn our waste produce into useable alternatives.

The role of Internal Audit

In compliance with Section 138 of the Companies Act, JM has an Internal Audit Unit. The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. In addition, Internal Audit assists the organisation to accomplish its objectives by bringing a systematic, disciplined approach to

evaluate and improve the effectiveness of risk management, control and governance processes. The role played by the Internal Audit Unit in the period under review is captured in Chapter 6 of this Integrated Report.

Combined Assurance

In terms of King IV, assurance has been broadened to cover all sources – including external assurance, internal audit, management oversight and regulatory inspections. JM applies a combined assurance framework with the aim of integrating the assurance provided by internal and external assurance providers on high-risk areas facing the entity. JM uses the three lines of defense model to coordinate and optimise our assurance efforts. This model includes management, internal oversight functions (human resources, compliance, health and safety and risk management), and external assurance functions (outsourced internal audit, external audit, and other ad-hoc specialists). This model is overseen by the Audit and Risk Committee of the Board.

Furthermore, the Board is satisfied with arrangements in place for ensuring an effective combined assurance model in the entity.

Acting Chief Executive Officer (CEO) - professional commitments

The Acting CEO is currently serving as a Board Member of JM and does not hold any external body interests which could interfere in his duties at JM.

Chief financial Officer (CFO) - professionally qualified

The CFO of JM is suitably qualified and holds the professional qualification of Chartered Accountant (SAICA).

Section 2: Composition, key activities & remuneration of board of directors








Board of directors

The JM Board of Directors consists of executive and non-executive directors. The Board provides quarterly, bi-annual, and annual reports on its performance and service delivery to the CoJ as prescribed in the SDA, the MFMA and the MSA.

The Board remains accountable to the CoJ Metropolitan Municipality as the entity's sole shareholder. An SDA concluded in accordance with provisions of the Municipal Systems Act, governs the shareholder relationship between the parties. The roles of Chairperson and Chief Executive Officer are separate, and the Chairperson of the Board has no executive functions. Board members have unfettered access to information relating to the Company through the Company Secretary, who is responsible for providing advisory services to the Board and its Committees on statutory, compliance, regulatory and other related matters. The Board or any of its members may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. The term of office of the non-executive directors is subject to review at the Annual General Meeting (AGM) and/or any Special General Meeting called by the Shareholder

Company Directors

The table below depicts pertinent details of previous and current Non-executive Directors and Independent Committee members:

 <p>Mr. Enos Sithole (53)</p> <p>Non-Executive Director Chairperson & Strategy and Operations</p> <p>Period of Service: Rotated and Appointed to Joburg Market 28 November 2024 to date</p> <p>Qualifications: Bachelor of Commerce (BCOM) Honours in Human Resources Management Bachelor of Commerce (BCOM) in Human Resources Management Master of Business Administration candidate</p> <p>Professional Bodies: SABPP, ASDSA & IODSA</p> <p>Other Directorships: Sabile Human Resources Consulting</p>	 <p>Ms. Vuyiswa Gumede (54)</p> <p>Non-Executive director</p> <p>Period of Service March 2023 to date</p> <p>Qualifications Diploma in Teaching Diploma in Human Resource Management Advanced Certificate in Education</p> <p>Other Directorships: None</p>	 <p>Ms. Mantombi Nkosi (29)</p> <p>Non-Executive director</p> <p>Period of Service: March 2023 to date</p> <p>Qualifications: Advanced Diploma in Accounting Sciences Programme in Commercial Accounting</p> <p>Professional Bodies: Member of the Institute of Internal Auditors South Africa (IIA SA)</p> <p>Other directorships: None</p>	 <p>Mr Fuzile Vondo (46)</p> <p>Non-executive director</p> <p>Period of Service March 2023 to date</p> <p>Qualifications Bachelor of Public Management. Certificate in Strategy Thinking, Planning and Implementation Certificate in Governance and Leadership Oversight Diploma in Computer and Technology</p> <p>Other Directorships: None</p>
 <p>Mr Gift Netshidzati (45)</p> <p>Independent audit committee member</p>	 <p>Mr Grant Son (48)</p> <p>Independent audit committee member</p>	 <p>Mr Motsamai Karedi (58)</p> <p>Independent Audit Committee member</p>	 <p>Mr Godfrey Tsotetsi (62)</p> <p>Non-executive director</p>

<p>Period of Service March 2023 to date</p> <p>Qualifications: National Certificate on Metropolitan Police</p> <p>Other Directorships: Chidzati Group Chitzati Foundations Harvest City Harvest City Foundation Ranek</p>	<p>Period of Service March 2023 to date</p> <p>Qualifications: Masters in Philosophy Pre LLM Environmental Management Studies MBA</p> <p>Professional Bodies: Member of Directors South Africa (IoDSA)</p> <p>Other Directorships: South African Weather Services International Air Services Critical Infrastructure Council</p>	<p>Period of Service: March 2023 to date</p> <p>Qualifications: Honours in Commerce Certificate in Management</p> <p>Professional bodies:</p> <p>Other Directorships: Payela Petroleum Zinino Trading</p>	<p>Period of Services: March 2023 to date</p> <p>Qualifications: Administration Honours in Public Administration Bachelor of Administration in Public Administration & Public Management. Advanced Governance and Public Leadership. Professional Certificate in Public Management. Diploma in Road Transportation Management</p> <p>Other Directorships: None</p>
 <p>Ms. Noxolo Sicam (36)</p> <p>Non- executive director</p> <p>Period of Service: March 2023 to date</p> <p>Qualifications: Finding Funding Certificate</p> <p>Other Directorships: None</p>	 <p>Ms. Nomvelo Mpongo (66)</p> <p>Non-executive director</p> <p>Period of Service: March 2023 to date</p> <p>Qualifications: BA Degree Postgraduate Diploma in HIV/Aids Education Diploma Junior Secondary Teachers Certificate Advanced Certificate in Education Human Rights and Values</p> <p>Other Directorships: None</p>	 <p>Ms. Manini Vilakazi (59)</p> <p>Non-executive director</p> <p>Period of Service: March 2023 to date</p> <p>Qualifications: National Diploma in Public Relations</p> <p>Other Directorships: BBMAT Group</p>	 <p>Mr Ratshibvumo Ramabulana (36)</p> <p>Non-executive director</p> <p>Period of Service: March 2023 to date</p> <p>Qualifications: Bachelor of Laws (LLB) Certificate in Practical Legal Training Pupillage</p> <p>Other Directorships: None</p>



Mr Musa Shibambu (37)

Non-executive director

Period of Service:

March 2023 to date

Qualifications:

Masters in Philosophy

FinTech

Postgraduate Diploma in Business Management

Other Directorships:

Akila Afrika Zaliwa

Table 5: JM Non-Executive Directors

2023/24 Board Changes

A change in Chairpersonship was made through a resolution taken by the CoJ on 28 November 2023 to retire Mr. Zamikhaya Xalisa as Chairperson of the Joburg Market Board and further resolved to rotate Mr. Enos Sithole from the JPC Board of directors to the JM Board of Directors and appoint him as Chairperson. Further changes were recorded in the JM Board of Directors in the current financial year (FY2023/24), where Mr. Odirile Bolokang (non-executive director) resigned from the board on 31 March 2024, and the Joburg Market Chief Executive Officer, Ms. Leanne Williams (executive director) was transferred to the Shareholder on 31 January 2024.

MEMBERS	RE/APPOINTMENT DATE	RETIREMENT DATE	RESIGNATION DATE	TRANSFER DATE
Mr. Zamikhaya Wauthas Xalisa (Chairperson)	1 March 2023	28 November 2023	N/A	N/A
Mr. Enos Foster Sithole (Chairperson)	28 November 2023	N/A	N/A	N/A
Ms. Leanne Williams (Executive Director – Chief Executive Officer)	30 May 2020	N/A	N/A	31 January 2024

Mr. Odirile Ronnie Bolokang (Non-Executive Director)	1 March 2023	N/A	31 March 2024	N/A
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Table 6: Changes at Board Level for FY ended 30 June 2024

MEMBERS	RE/APPOINTMENT DATE
Ms. Vuyiswa Gumede	1 March 2023
Mr. Ratshibvumo Timothy Ramabulana	1 March 2023
Mr. Godfrey Coffee Tsotetsi	1 March 2023
Ms. Nomveliso Mpongo	1 March 2023
Ms. Manini Amelia Vilakazi	1 March 2023
Mr. Fuzile Chris Vondo	1 March 2023
Ms. Noxolo Siviwe Sicam	1 March 2023
Ms. Mantombi Nkosi	1 March 2023
Mr. Musa Shibambu	1 March 2023
Mr. Grant Son (IAC)	1 March 2023
Mr. Motsamai Israel Karedi (IAC)	1 March 2023
Mr. Gift Netshidzati (IAC)	1 March 2023

Table 7: 2023/24 Board of Directors

Schedule of meetings

The attendance at the Board Meetings and Committee Meetings for the 2023/24 financial year is recorded as follows:

Members		Board Meeting		Audit and Risk Committee		Strategy & Operations Committee		Remuneration, Social Ethics & Transformation Committee	
		A	B	A	B	A	B	A	B
Board Members	Mr. Sithole E (Chairperson)	6	10			2	4		
	Mr. Xalisa Z (Chairperson) #	4	10			2	4		
	Ms. Gumede V	10	10					5	5
	Mr. Bolokang O \$	6	10			3	4		
	Mr. Ramabulana R \$	7	10					3	5
	Mr. Tsotetsi G	10	10			4	4		
	Ms. Mpongo N	10	10					5	5
	Ms. Vilakazi M	10	10					5	5
	Mr. Vondo C \$	6	10	6	7	3	4		
	Ms. Sicam N	10	10			4	4		
	Ms. Nkosi M	10	10	7	7				
	Mr. Shibambu M	10	10					4	5
	Mr. Son G (IAC)			6	7				
	Mr. Karedi M (IAC)			7	7				
	Mr. Netshidzati G (IAC)			6	7				
Execut	Ms. Ndlovu L (Acting Chief Executive Officer from 01 July 2023)	6	10	4	7	2	4	2	5

	to 31 March 2024)								
	Mr. Makhubela S (Acting Chief Executive Officer from 1 April 2024)	2	10	2	7	1	4	2	5
	Mr. Baloyi N (Chief Financial Officer)	6	10	7	7	4	4	3	5

Table 8: Cumulative Schedule of Committee and Board Meetings as 30 June 2024

Key:

Meetings attended by the Board and its Committees	
A = Meetings attended	* = Resigned
B = Number of meetings scheduled	** = Special Leave
IAC = Independent Audit Committee Member	*** = Removed
\$ = Employees of state - therefore do not qualify for standard remuneration, however, may claim reimbursement for travel expenses upon submission.	# = Retired

Table 9: Meeting attendance legend

Board Committees

The Joburg Market has the following board committees which were approved by the Shareholder:

- Audit and Risk Committee (ARC);
- Remuneration, Social, Ethics and Transformation Committee (REMSET); and
- Strategy and Operations Committee (SOC).

Remuneration Policy

Directors and officers are remunerated in accordance with the company's remuneration policy which is informed by directives issued by the Shareholder. The policy is executed in full compliance with legislative imperatives regulating remuneration in the local government environment. Remuneration of non-executive directors and independent audit committee members is determined in terms of the CoJ Group Remuneration Policy.

Non-Executive Director Remuneration fee structure

Type of meeting	Fees
Board	
Chairperson – Meeting	R16 000
Member – Meeting	R12 000
Audit and Risk Committee	

Chairperson – Meeting	R10 000
Member – Meeting	R 8 000
Remuneration, Social, Ethics and Transformation Committee (REMSET)	
Chairperson – Meeting	R10 000
Member – Meeting	R8 000
- Strategy and Operations Committee (SOC).	
Chairperson – Meeting	R10 000
Member – Meeting	R8 000

Table 10: Non-Executive Director Remuneration fee structure

Remuneration of Joburg Market Non-Executive Directors

Member			Q4	YTD
1	Mr. E Sithole	Chairperson	94 000	188 000
2	Mr. Z. Xalisa	Chairperson	-	88 000
3	Ms. V. Gumede	Member	80 000	238 000
4	Mr. O. Bolokang	Member	-	-
5	Mr. R. Ramabulana	Member	2 638	2 638
6	Mr. G. Tsotetsi	Member	68 000	176 000
7	Ms. N. Mpongo	Member	76 000	184 000
8	Ms. M. Vilakazi	Member	76 000	184 000
9	Mr. C. Vondo	Member	-	132 000
10	Ms. N. Sicam	Member	70 000	178 000
11	Ms. M. Nkosi	Member	68 000	262 000
12	Mr. M. Shibambu	Member	64 000	164 000
TOTAL			598 638	1 796 638

Table 11: Schedule of the Remuneration of Non-Executive Directors as 30 June 2024

Non-Executive Director Remuneration is inclusive of all Board and Board Committee meeting attendances (ordinary, special, recruitment panel and meetings called by the Shareholder).

Remuneration of Independent Audit Committee Members

Member			Q4	YTD
1	Mr. G. Son	IAC	16 000	48 000
2	Mr. M. Karedi	IAC	24 000	72 000
3	Mr. G. Netshidzati	IAC	32 000	64 000
TOTAL			72 000	184 000

Table 12: Schedule of the Remuneration of Independent Audit Committee members as 30 June 2024

King IV™ Application Register

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of four governance outcomes. The desired governance outcomes are listed below, together with the practices implemented and progress made towards achieving the 16 principles in meeting those outcomes. It is done on an “apply and explain” basis, as recommended by King IV

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
Governance Outcome One: Ethical Culture		
Principle 1: Leadership The governing body should lead ethically and effectively.	Joburg Market's board of directors is its governing body. The director's hold one another accountable for decision-making and behave ethically, as characterised in King IV.	An employee code of conduct policy is in force throughout the Entity. All directors and employees are obligated under the code to act with honesty and integrity and to maintain the highest ethical standards. Declarations of interest are managed in line with the Companies Act 71 of 2008 and directors are required to disclose their shareholdings and additional directorships on an annual basis.
Principle 2: Organisational Ethics The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the Entity and its stakeholders. It is the primary body responsible for the corporate governance values of the Entity.	The employee code of conduct sets the minimum standards expected of all employees of the Joburg Market. Furthermore, the market by-laws set the minimum standards expected of the market agents and suppliers of the Joburg Market.
Principle 3: Responsible Corporate Citizenship The governing body should ensure that the organisation is seen to be a responsible corporate citizen.	The board approves the strategy and priorities of the business as set out in its annual integrated report. Through stakeholder engagement and collaboration, Joburg Market is committed to finding lasting solutions to sustainability challenges. The board, with the support of the Social, Ethics and Transformation Committee oversees and monitors how the Entity's activities affect its status as a responsible corporate citizen and reports annually on the Entity's sustainability and transformation activities.	Integrated Annual Report.
Governance Outcome Two: Performance and Value Operation		
Principle 4: Strategy and performance.	The board informs and approves Joburg Market's	Integrated Annual Report.

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy business model, performance and sustainable development are all inseparable elements of the value creation process.	strategy, which is aligned with the mandate of the Shareholder and the value drivers of Joburg Market's business. The board oversees and monitors management's implementation of the strategy and business plan on a quarterly basis.	
Principle 5: Reporting. The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects.	The board, through the Audit Committee, ensures that the necessary controls are in place to ensure and safeguard the integrity of all financial information and reporting documentation. The Entity ensures its financial statements are prepared in accordance with applicable accounting standards and legislative requirements.	Integrated Annual Report. Audited Financial Statements.
Governance Outcome Three: Adequate and Effective Control		
Principle 6: Primary role and responsibilities of the governing body. The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The board meets once a quarter. Should an important matter arise between scheduled meetings, additional meetings are convened once permission is granted by the respective Portfolio MMC.	The board has an approved charter, which it reviews annually. The charter sets out its governance responsibilities, including its role, responsibilities, membership requirements and procedural conduct. Group Shareholder Policy.
Principle 7: Composition of the governing body. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.	The shareholder assesses the adequacy of the board's composition annually to ensure that it is still fit for purpose, has the right balance of skills, experience, diversity, independence, and knowledge.	Board Assessments.
Principle 8: Committees of the governing body. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties.	Committees are to be established to assist the board in discharging its responsibilities. The committees of the board comprise: - The Audit and Risk Committee, - The Remuneration Committee as well as the Social,	Shareholder Compact. Committee Terms of Reference.

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
	Ethics and Transformation Committee and - The Strategy and Operations Committee	
Principle 9: Evaluations of the performance of the governing body. The governing body should ensure that the evaluation of its own performance and that of its committees, its chair, and its individual members, support continued improvement in its performance and effectiveness.	The effectiveness of the performance of the board, its committees, individual non-executive directors, and the Chairperson is assessed annually by the Shareholder.	Board Assessments.
Principle 10: Appointment and delegation of management. The governing body should ensure that the appointment of, and delegation to, management, role clarity and effective exercise of authority and responsibility.	The board plays a role in the appointment and recommendation of the CEO to the Shareholder.	Group Shareholder Policy.
Principle 11: Risk Governance. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	The ARC committee assists the board with the governance of risk. Joburg Market's enterprise risk management and combined assurance framework, together with other Group policies and procedures inform its risk management culture.	Integrated Annual Report.
Principle 12: Technology and Information Governance. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	Information management is an important part of Joburg Market's business and is essential to the strategy, performance, and sustainability of the Group.	ICT Policies. Integrated Annual Report.
Principle 13: Compliance Governance. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate	Joburg Market is committed to conducting its business in compliance with all applicable laws and regulations. Safety, health, and environmental laws are all identified as key legal compliance areas and therefore receive the	Group Policies and Procedures.

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
citizen.	necessary attention on an on-going basis.	
Principle 14: Remuneration Governance. The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term.	Independent approval and overseeing of the overall remuneration structure is delegated by the board to the Remuneration Committee.	Committee Terms of Reference.
Principle 15: Assurance. The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the external reports	The board, supported by the ARC committee, ensures an effective control environment, which supports the integrity of information.	Committee Terms of Reference. Audited Financial Statements. Integrated Annual Report.
Governance Outcome Four: Trust, Good Reputation and Legitimacy		
Principle 16: Stakeholders. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interest of the organisation over time.	Joburg Market has identified its stakeholder group and actively balances their legitimate and reasonable needs, interests, and expectations.	Group Shareholder Policy. Service Delivery Agreement. Shareholder Compact. Union Agreements.
Principle 17: Institutional Investors. The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and the creation of value by the companies in which it invests.	The Joburg Market is a Municipal State-Owned Entity and does not have any institutional investors; as such this principle does not apply.	Not Applicable

Table 13: KING IV Application Register

Section 3: High-level Organisational Structure

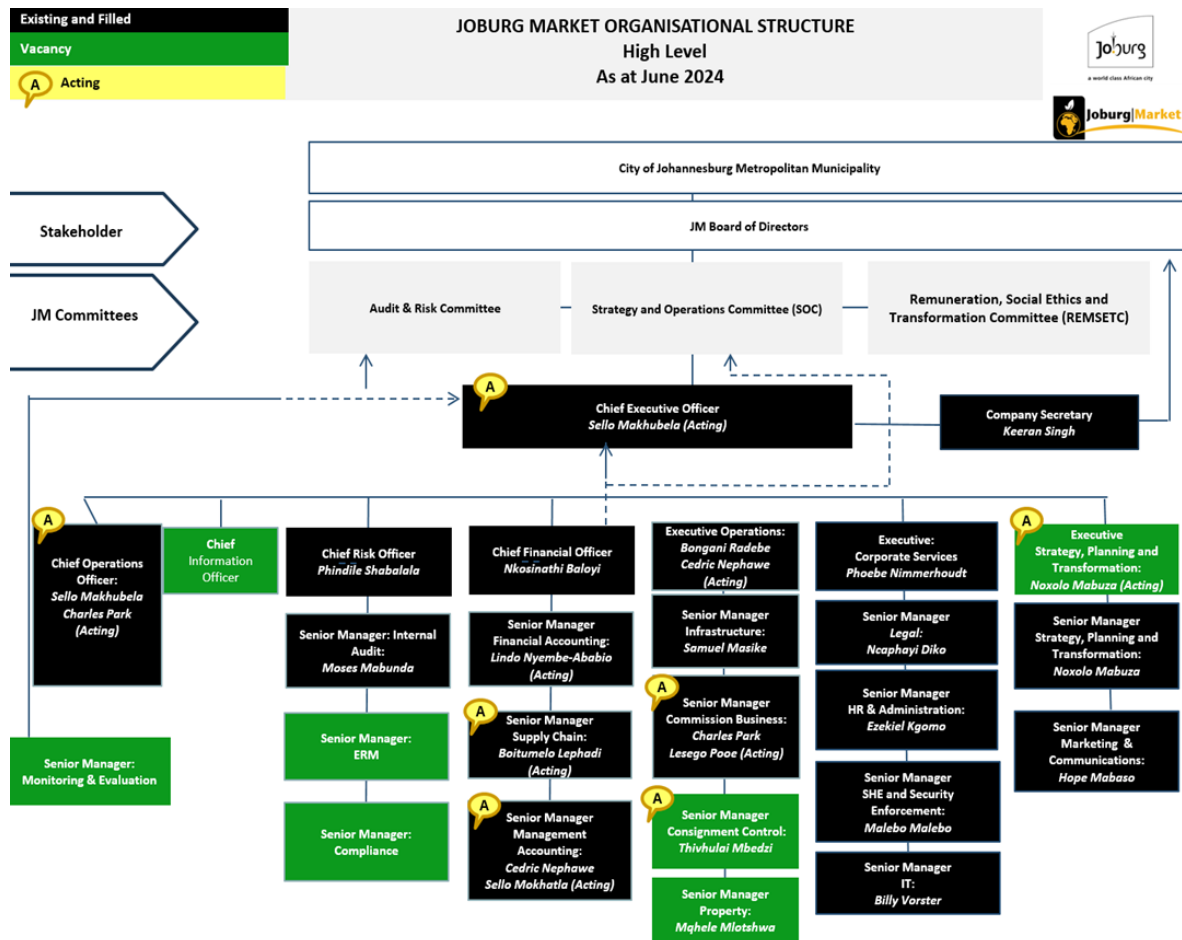


Figure 5: JM high-level Organisational Structure

EXECUTIVE MEMBERS

Mr. Sello Makhubela (Acting Chief Executive Officer)

Qualifications:

- Master in Business Administration
- Municipal Finance Management
- International Leadership Development Programme
- Project management
- National Diploma in Electrical Engineering

(Appointed on an acting capacity, 01 April 2024)

Mr. Junior Nkosinathi Baloyi (Acting Chief Financial Officer)

Qualifications:

- Bachelor in Accounting
- Bachelor in Accounting Hons
- Advanced Financial Accounting, advanced Taxation, Advanced Auditing
- Advanced Management Accounting and Financial management
- Chartered Accountant, CA (SA)

<ul style="list-style-type: none"> • Advanced Financial Management Certificate <p>(Appointed 01 April 2022)</p>
<p>Mr. Bongani Radebe (Executive Manager: Core Operations) Seconded to Metro Bus</p> <p>Qualifications:</p> <ul style="list-style-type: none"> • Masters in Management • Postgraduate Diploma In Management • B. Uiris (Law Degree) • Diploma in Criminal Justice and Forensic Investigations <p>(Appointed, 01 October 2020)</p>
<p>Ms. Phoebe Nimmerhoudt (Executive Manager Corporate Services)</p> <p>Qualifications:</p> <ul style="list-style-type: none"> • BA Industrial Psychology <p>(Appointed 07 September)</p>
<p>Mrs. Phindile Shabalala (Executive Chief Risk Officer)</p> <p>Qualifications:</p> <ul style="list-style-type: none"> • Masters in Business Management (MBA) • B.Tech Management • National Diploma: Accounting <p>(Appointed, 01 November 2023)</p>
<p>Mr Charles Park (Acting Executive Manager: Core Operations)</p> <p>Qualifications:</p> <ul style="list-style-type: none"> • Masters in Business Administration (MBA) • B-tech in Transportation Management focused on Logistic Management • National Diploma in Transport Management • Municipal Executives Finance Management: WITS Business School <p>(Appointed,1 April 2024)</p>
<p>Mr Cedric Nephawe (Acting Executive Manager CO-Operations)</p> <p>Qualifications:</p> <ul style="list-style-type: none"> • Masters in Business administration • Post graduate diploma in business administration • Municipal and finance management skills programme • Higher diploma in taxation • Bachelor of Accounting <p>(Appointed, April 2024)</p>

Table 14: Executive Committe Qualifications

Section 4: Governance of Stakeholder Relationships

Over the past 12 months, Joburg Market has executed a comprehensive strategy aimed at strengthening brand positioning, enhancing stakeholder engagement, and elevating its marketing efforts. These initiatives have significantly boosted the market's reputation, operational efficiency, and socio-economic impact, propelling it toward its transformation objectives.

A key focus has been on expanding the visibility of Joburg Market's activities through various communication channels, including internal newsletters, on-site screens, and social media platforms. This approach has ensured broader coverage and more effective engagement with all stakeholders.

Key Stakeholder and Marketing Initiatives:

- **Cleaning and Gardening Campaign:** Promoting sustainability and community involvement.
- **SAUFM Conference:** Hosting key industry discussions.
- **Ambassador of South Africa to Russia Site Tour:** Strengthening international relations.
- **Market Agents Site Visit:** Enhancing collaboration with key partners.
- **Merca Madrid Study Tour:** Gaining international insights to improve market operations.
- **6th Annual Young Farmers Summit:** Supporting the next generation of farmers.
- **Participation in the Executive Mayor's Accelerated Service Delivery Programme:**
Contributing to city-wide development goals.
- **Ivory Coast Investment Conference:** Exploring new investment opportunities.
- **Southern Farms Development Launch:** Boosting local agricultural growth.
- **IDP and Budget Regional Summits Participation:** Aligning market initiatives with broader city planning.

By strategically collaborating with the City of Joburg and other stakeholders, Joburg Market has not only solidified its brand but also created substantial value for its community and partners. These efforts have laid a robust foundation for continued growth and leadership within the global agricultural sector.



Figure 6: Stakeholder activities

Public accountability and Administration

Regional location and consultation

JM is located in Region F, Cluster no 4 in Ward 57. During April and May 2023 JM participated in various IDP and Budget Regional summits held in all the regions. Although no specific matters were raised for JM, Communities of Region F and ward 57 benefiting from the following programmes:

- Job creation for semi-skilled and EPWP earmarked for communities from region F
- Informal traders in Tshiamo Market are predominately from region F
- Vendors at JM predominately from region F
- Assist indigent and poor households with funeral donations

- Support NGOs and NPO, day care facilities through the provision of food parcels
- Preferential procurement of goods and services from service providers predominately from Region F



Bylaws

During the year under review JM has commenced with the promulgation process of its newly developed bylaw. The JM bylaw regulates trading and associated practices at the premises of JM. The new bylaw envisages unique new arrangements which *inter alia* include the introduction of a licensing system for market agents and service level agreements with the mentioned grouping. Public consultations and other formalities were completed. The new bylaw was promulgated on 05 January 2022. Bylaw information can be obtained from the JM website at www.joburgmarket.co.za

Public satisfaction on the services of JM

Joburg Market is embedding professionalism into all aspects of its services. We believe every visit to the Joburg Market should be a pleasant experience supported by an efficient customer services system. To continuously provide improved service delivery JM developed its performance against a set of service standards. A dedicated email address was maintained to provide easy access for the public towards the resolution of service difficulties. The email address is complaints@joburgmarket.co.za. Against the backdrop of the nature of its services and the trading of perishable products JM maintain customer service desks across its various trading halls.

Oversight through committees of Council

JM serves under the oversight provisions exercised by the Economic Development Committee (Section 79) of the CoJ. The committee duly executed quarterly oversight of its entities and departments and also conducted oversight in respect of JM activities.

JM also attended oversight meetings of and reported to the Group Performance Audit Committee (GPAC), Group Risk Committee (GRC) and Group Audit committees (GAC) of the parent municipality

Section 5: Corporate Governance

5.1 Governance Report

COMPANY SECRETARY'S CERTIFICATION

DECLARATION BY THE COMPANY SECRETARY IN RESPECT OF SECTION 88 (2) (E) OF THE COMPANIES ACT.

In terms of section 88 (2) (e) of the Companies Act 71 of 2008 (as amended), I certify that, to the best of my knowledge and belief, the company has lodged and/or filed, for the financial year ended 30 June 2024, all such returns and notices as required and that all such returns and notices are true, correct and up to date.



A handwritten signature in black ink, appearing to be 'K. Singh', written over a horizontal line.

Mr. Keeran Singh

Joburg Market (SOC) Ltd
Company Secretary

29/11/2024

Date

Section 6: Risk Management

This section contains a summary of JM's quarter four strategic risk performance of quarter against the objectives and scorecard as contained in the annual business plan for the 2023/24 financial year. The section gives highlights of the monitoring and review assessments conducted.

6.1. Risk Management Policy and Risk Register

Joburg Market has established and maintains a system of risk management in accordance with the provisions of ISO 31000, COSO Standards, the Municipal Finance Management Act, the King IV report on Corporate Governance and other Risk Management Standards as applicable. The provisions inform the JM Strategic Report. JM compliance to the King IV™ principals is tabulated under section 2.6 above.

Most of the risks are reliant on the SMART Market as a mitigation measure. The movement of the strategic risks in the financial year was not adequately achieved due to the unavailability of a funding model for the SMART Market.

The table below depicts the matrix rating (Legend: VH = Very high; H = high; M = Medium)

<u>Exposure Rating</u>	<u>Assessment</u>	<u>Action Required</u>
Very High 20 - 25	Unacceptable	Requires immediate attention from management on implementation of corrective measures
High 12 - 19	Unacceptable	Implementation of improvement opportunities and validation of current controls
Medium 6 - 11	Acceptable with caution	Evaluation and improvement of current controls
Low 1 - 5	Acceptable	Validation and optimization of controls

Table 15: Extract from 2023/24 JM Strategic Risk Register

#	Risk Name	Impact Rating	Likelihood	Inherent Risk	Control Effectiveness	Residual Risk Exposure
1	Inadequate Trading Space	Critical	Almost certain	Very High	Partially Effective	Medium
2	Unavailability of ICT critical systems to support the businesses	Critical	Almost certain	Very High	Partially Effective	Medium
3	Business Failure	Major	Almost certain	Very High	Partially Effective	Medium

#	Risk Name	Impact Rating	Likelihood	Inherent Risk	Control Effectiveness	Residual Risk Exposure
				Very High	Effective	Low
4	Fraud and Corruption	Major	Almost certain	Very High	Partially effective	Medium
5	Inadequate Stakeholder Engagement	Major	Almost certain	Very High	Partially effective	High
				Very High		Medium
6	Inadequate workforce planning and management, Unavailability of skills or inadequate skills, ability, and capability.	Major	Almost certain	Very High	Partial effective	Medium
7	Ineffective transformation programmes	Moderate	Almost certain	High	Partially effective	Medium
8	Governance: Ineffective Leadership in implementing controls	Moderate	Almost certain	High	Effective	Low

Table 16: Risk Tolerance Levels

In the new financial year JM will take a holistic approach to define the risk appetite and tolerant levels, aligning to all ERM processes.

Appetite &Tolerance Levels

#	Risk Categories	Risk Appetite	Risk Tolerance
1	Fraud and Corruption	Zero	Zero Tolerance
2.	Non-Compliance with Supply Chain Management Regulations:	Zero	Low Tolerance
3.	Regulatory Non-compliance	Zero	Low Tolerance
4	Financial Governance/Management risks	Low	Low Tolerance
5.	Financial under performance (% aligned to SDIP annual target)	Approved annual target	Low Tolerance
6	Service delivery and Operational Risks: (organisational performance indicators)	Approved annual Target	Low Tolerance

7	Organisational & governance risks (accountability)	Low	Low Tolerance
8	Information and Communication Technology (ICT) Governance and Delivery	Low	Moderate
9	Financial reporting -Adverse & Disclaimer audit outcome:	Zero	Zero Tolerance
10	Financial reporting –Unqualified audit (with matters of emphasis):	Low	Moderate
11	Non-Financial Reporting (AoPO/ Organisational Performance): Adverse & disclaimer audit outcome	Zero	Zero tolerance
12	Non-Financial Reporting (AoPO/ Organisational Performance): Unqualified audit outcome (with matters of emphasis)	Low	Moderate

Table 17: Risk Appetite and Tolerance

Internal Controls and Risk Management

The Board of Directors and the Acting CEO have maintained a rigorous understanding of the internal control environment and risk assessment processes. This comprehensive approach includes the development and implementation of robust information systems that are crucial for sustainability reporting. These systems allow us to closely monitor and manage the risks that could impact our operations and long-term sustainability.

Section 7: Anti-corruption and fraud investigations

The Anti-Fraud and Corruption Policy was approved and communicated to all staff in the organisation. The Policy includes procedures on reporting fraud and how to access the anti-fraud hotline. The Hotline is a 24-hour service centrally managed by CoJ with incident reports sent to the Senior Manager: Internal Audit for follow up.

The fraud hotline is an extremely useful tool in the fight against theft, bribery, misuse of property/company assets and other unlawful activities. The Hotline facility is available telephonically on 0800 00 25 87. Joburg Market is in the process of adding an email that can also be used in addition to the hotline number. No reports were received from the hotline during the period under review

Section 8: IT Governance

Joburg Market's Information Services Department is managed by the Senior Manager: Information Services. The IT governance structure at JM is depicted in the illustration below.

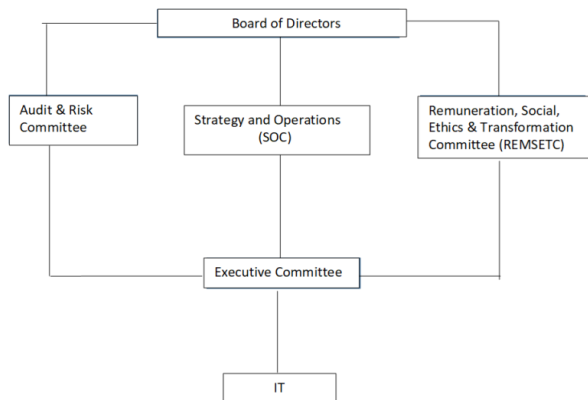


Figure 7: IT governance structure

In terms of IT governance, the department is also audited internally annually. The department's IT department and its systems are included in the AGSA external audit of the entity on an annual basis. The department reports quarterly on IT Risk Mitigation actions to the Risk department of the entity. Oversight by the JM Board is executed through the Audit and Risk Committee on a quarterly basis. Internally, governance oversight is provided by the Executive Committee (EXCO) with the operational accountability of governance matters residing with the Senior Manager: Information Services. The IT Department governance framework is the Information Systems Information Library (ITIL) framework, which is a subset of the Control Objectives for Information and Related Technologies (COBIT) framework which is widely used by governments internationally. The department intends aligning to the CoJ framework in line with the CoJ SAP implementation, when available after being reviewed pending the SAP rollout.

The Company has implemented internal service standards, incorporated into internal KPAs and is measured monthly and quarterly.

Section 9: Compliance with Laws & Regulations

The Board oversees the entity's compliance with applicable laws, rules, codes, and standards and this remains an important consideration in all its decision-making processes. Reported incidents of non-compliance with laws and regulations are addressed in accordance with relevant governance prescripts. JM has aligned itself to the CoJ; Group Compliance framework and is submitting its quarter

compliance report to the Shareholder as prescribed. The complete JM King IV™ checklist is published on the JM website, www.joburgmarket.co.za

JM operates within its Delegations of Authority, which is continuously reviewed in line with business and legislative requirements.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

Section 1: Highlights and achievements

During the financial year under review JM recorded a number of highlights and achievements which are illustrated below:

1. Financial Performance: Strong Growth amidst Challenges

Joburg Market (JM) demonstrated strong financial performance during the 2023/24 financial year, consistently surpassing its turnover targets:

- **Turnover Growth:** JM achieved a total turnover of R11.2 billion, exceeding the budget by R621 million and marking a 9.1% increase from the previous year. This growth was realized despite significant external challenges such as extreme weather conditions and frequent power disruptions.
- **Revenue Recovery:** Operational improvements, including the smart electricity meters and repair of 10 faulty ripening chambers, significantly contributed to revenue recovery, enhancing the overall financial surplus.
- **Efficiency:** JM maintained a 100% on-time invoice payment record, reflecting strong financial management. Additionally, the market met its BEE procurement targets, reinforcing its commitment to economic transformation.

2. Market Performance

Despite facing several challenges, JM managed to increase turnover across its primary trading halls, although overall volumes sold were down:

Market share: Joburg Market plays a critical role in determining the price of the fresh produce industry in South Africa as it represents a 45.9% market share of the National Fresh Produce Markets. Joburg Market's position means that it handles a larger share of the fresh produce trade than any other market in Africa. This market share indicates Joburg Market's dominance and influence in the African fresh produce sector.

3. Capital Expenditure and Strategic Projects: Building for the Future

JM made significant progress on its capital expenditure projects, focusing on key infrastructure upgrades:

- **Capex Utilization:** JM spent over 100 % of its budgeted R121.5 million on Capex projects, concentrating on essential upgrades such as building enhancements, sprinkler system installations, and alternative energy systems.
- **Capital expenditure** is a critical component of Joburg Market's strategy to maintain and improve its infrastructure, ensuring the facility's long-term sustainability and operational efficiency. These investments are pivotal in enhancing the Market's capacity to deliver high-quality services, meet increasing demand, and support economic growth within the region. By prioritizing key projects, Joburg Market continues to secure its position as a leading fresh produce trading platform in South Africa.

4. Social and Economic Impact: Empowering the Community

JM placed a strong emphasis on social and economic development, actively supporting employment and entrepreneurship:

- **Expanded Public Works Programme (EPWP):** JM recruited 119 employees through the EPWP, providing essential job opportunities and contributing to local economic development.
- **Support to SMMEs:** JM supported 108 small, medium, and micro enterprises (SMMEs), showcasing its commitment to fostering entrepreneurship within the community.
- **Internship Programme:** The recruitment of 8 interns provided valuable work experience and skill development opportunities, aligning with JM's broader commitment to capacity building.

Section 2: Service Delivery Challenges

In pursuing its deliverables over the reporting period, the entity had to contend with several challenges which are summarised below:

1. Inadequate Trading Space

Sufficient trading space remains a major challenge, as market agents continued to periodically store fresh produce on the platforms of some of the trading halls.

Resolution: JM is embarking on the Smart Market project that will lead to the development of the market with improved trading space. The conceptual designs have been concluded and Joburg market is working with the city, national Treasury and DBSA to secure the services of a Transactional Advisor to design a viable funding model for the project. BSC and BEC members have been appointed and awaiting sittings.

2. Shortage of Cold stores and Banana Ripening facilities

Joburg Market faces a shortage of functional cold rooms and banana ripening facilities. Of its 56 cold rooms, 20 have malfunctioned and 36 face repair challenges. EXCO (Executive Committee) decided to decommission 20 rooms. Among its 57 banana ripening facilities, 29 suffer from temperature fluctuations, water leaks, and door issues.

Resolution: Remedial actions include phased repairs of the cold rooms and banana ripening rooms. Management plans to construct new cold rooms near the watermelon section to enhance capacity.

Section 3: Response to Strategic Direction

This section should provide how the Joburg Market responded to the strategic objectives for the quarter under review and strategic alignment to the Mayoral Priorities.

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q4 PROGRESS REPORT
1. Provide a resilient, liveable, and sustainable urban environment - underpinned by smart infrastructure supportive of a low-carbon economy	1. Sustainable and integrated delivery of water 2. Sustainable and integrated delivery of sanitation 3. Sustainable and integrated delivery of energy 4. Sustainable and integrated delivery of waste 5. Improved eco-mobility 6. Sustainable human settlements 7. Climate change resilience and environmental protection	<ul style="list-style-type: none"> Green economy Infrastructure development 	<ul style="list-style-type: none"> Energy Generation through organic waste conversion Public trust in JM as food source Transformation in fresh produce market operating practices JM becoming a fresh produce market leader in innovation relevant to fresh produce 	<ul style="list-style-type: none"> JM was able to grow its market share to 45.9% which represents a better growth rate than its counterpart markets in turnover. Joburg market has its own water reservoir to be used as contingency during water disruptions; ensuring uninterrupted access to drinking water until normal services is restored. Capex spend as of 30 June 2024 is recorded at R121.5 million against a total approved adjustment budget of R121.5million. This represents 100.0% spent against the total budget.
2. Improved quality of life and development-driven resilience for all.	1. Reduce poverty and increase productivity 2. Food security that is both improved and safeguarded 3. Access to knowledge and lifelong learning 4. A society characterised by healthy living for all	<ul style="list-style-type: none"> Safer city 	<ul style="list-style-type: none"> Clean air and safe food Food safety assurance Safe marketplace 	<ul style="list-style-type: none"> Product samples are taken from the trading floor for laboratory testing to evaluate food safety risk and raise awareness with farmers where a food safety risk is considered.

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q4 PROGRESS REPORT
	5. A safe and secure city 6. A city characterised by social inclusivity and enhanced social cohesion		<ul style="list-style-type: none"> JM achieve compliant market facilities and services 	
3. An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.	1. Job-intensive economic growth 2. Promotion and support to informal and micro businesses 3. Increased competitiveness of the economy 4. A „Smart“ City of Johannesburg, that can deliver quality services to citizens in an efficient and reliable manner (cross cutting output	<ul style="list-style-type: none"> Smart city Sustainable economic development Job opportunity and creation 	<ul style="list-style-type: none"> Job creation through improved economic development opportunities at Joburg Market environment Continued produce supply and smart trading ensuring uninterrupted food supply to the community Johannesburg Market a Smart Market with enhanced service efficiencies and productivity Smart and effective service delivery maintained as the norm 	<ul style="list-style-type: none"> JM successfully contributed to the creation of 108 opportunities through Small, Medium, and Micro Enterprises (SMMEs), and 8 internship opportunities. 119 EPWP recruited and placed in various departments to strengthen operations The organization maintained a 100% compliance with Broad-Based Black Economic Empowerment (BBB-EE) spending, exemplifying its dedication to promoting economic transformation and inclusivity.
4. A high performing metropolitan government that proactively	1. Partnerships, intergovernmental & international relations 2. A responsive, accountable, efficient, and productive metropolitan government	<ul style="list-style-type: none"> Good governance Financial sustainability 	<ul style="list-style-type: none"> Meaningful state-society engagement 	<ul style="list-style-type: none"> There has been improvement in the resolution of audit findings with an 100% achievement for both AG and Internal audit findings

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q4 PROGRESS REPORT
contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region	3. Financially sustainable and resilient city 4. Meaningful citizen participation and empowerment 5. Guaranteed customer and citizen care and service	<ul style="list-style-type: none"> Active and Engaged 	<ul style="list-style-type: none"> Well informed and confident users of the JM and its services Efficient market systems and services maximizing user satisfaction and trust 	<ul style="list-style-type: none"> The magnitude of JM's position in the fresh produce industry is illustrated by the total turnover generated by the market of R11.2 billion which is R621 million (9.1%) above budget of R10.6 billion. The company achieved improved financial performance with: The net increase of R89.5 million (15.5%) in PPE is due to the capitalization of projects and additional assets. Intangible assets decreased by a total of R92 thousand (17.7%) due to asset amortization for the period. Cash and cash equivalents increased by R127.5million (26.9%) due to JM positive cash reserve and buyer's deposit and subsequent refund from SARS. Loan to shareholders increased by R95.6 million (43.4%).

Table 18: JM's response to Q4 Strategic Objectives

Section 4: Performance against Service Standards







NO	CORE SERVICE	SERVICE LEVEL STANDARD TARGET	ACTUAL	EVIDENCE	VERIFIED ACTUAL*	VARIANCE	VARIANCE EXPLANATION	MITIGATIONS / COMMENTS	REFERENCE TO EVIDENCE
1	Opening a new buyer account	20 minutes	6.78 minutes	SPS Report	No	13.22 minutes favourable		The Service Level Target was successfully met.	Account Creation Report
2	Electronic Sales Processing System disruptions	Mirror/back-up 12w system to go live: within 55 minutes	No downtime recorded for quarter 4	Data base Report	No	No downtime recorded for quarter 4		The Service Level Target was successfully met	Oracle Data Report
3	Time to resolve cashiering queries when clients are depositing money.	Resolution of depositing queries within 30 minutes.	No downtime recorded in quarter 4 during trading hours	SPS Report	No	28.41 minutes favourable		The Service Level Target was successfully met.	Cashier Turn-around Time Report
4	Repairs of infrastructure facilities	Commencement with repairs process on reported infrastructure breakdown within 24 hours	100%	100%	No	100% favourable		Work orders were attended to as soon as they were reported for repairs.	Core Operations Summary Report
5	Repairs to ripening facilities	60% Availability	65%	Daily Monitoring summary report	No	5% favourable		The Service Level Target was successfully met	Core Operations Summary Report
6	Cold Room facilities	Average temperature variance not greater than 2°C of agreed customer requirements	3.20°C	Average Set Daily Temperature Reading	No	1.2°C variance favourable		The Service Level Target was successfully met	Core Operations Summary Report

Table 19: JM Service Standards

Performance Status	Reporting Period – 2023/24				
	Q1 (Cum)	Q2 (Cum)	Q3 (Cum)	Q4 (Cum)	YTD Performance
Target Achieved	83.3%	77.8%	66.7%	100%	100%
Target Not Achieved	16.7%	22.2%	33.3%	0	0%
KPI not measured	0	0	0	0	0
Total no. of KPI's	6	6	6	6	6
Total no. of KPI's Measured	6	6	6	6	6

Table 20: JM Service Standard Performance Status

2023/24 FY Service standard performance

Joburg Market achieved 100% of its Services Level Standards for 2023/24 performance. All six (6) measured SLS were achieved. Improvement in the performance of the banana facility and cold rooms, which were a challenge in the previous quarter, are attributed to Operation Phendula.

Section 5: Performance against Predetermined Objectives

As part of its efforts to measure and where needed to adjust its strategies and practices JM conforms to the performance framework of its shareholder. The Scorecard is included under Section 8 below. The table below presents a summary of JM's performance against the 2023/24 Annual Targets for the period under review.

ITEM	Q4 OF 2022/23	Q4 OF 2023/24
Total no. of KPIs on scorecard	13	13
No. of KPIs due	13	13
Number achieved	11	12
Number not achieved	2	1
Percentage achievement	84.6%	92.3%

Table 21: Summary of JM's performance against the 2023/24 annual targets

Summary of the twelve achieved KPIs

KPI Achieved	Reason for achievement
% Targeted market share held by JM in relation to other FPMs	<p>Despite the high inflation rate and negative economic growth globally, JM was able to sustain and improve on its market share target.</p> <p>JM anticipated a market share of 45.8% market share which was affected by the stay away of the majority of buyers at JM as traders feared to fully trade as a result of the mentioned unrest and a final market share of 45.9% enabled the targeted market share.</p>
RBN Turnover achieved	The achievement of the turnover target was in main enabled through higher prices emanating from seasonal crop damages which in turn created undersupply conditions on markets and consequent higher prices and based on the positive variance turnover projection for Q4 derived by demand and supply.
%Spent on repairs and maintenance to PPE	JM has achieved 19.9% of the asset base line target in repairing and maintenance the PPE in accordance with national treasury guidelines (8% of Asset base line).
% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	The UIFWE Investigations conducted for the Irregular, fruitless and wasteful expenditure and finalised contribute to the reduction of UIFWE. This was as results of acceleration UIFWE strategy.
% Percentage of valid invoices paid within 30 days of invoice date	The JM has improved and enhance the payment of suppliers within 30 days.
% spent on capital budget against approved capital budget	JM was able to improve the processes within bid committees to enhance the procurement of relevant services. Oversight relative to service providers enhanced the completion of works awarded. The EXCO as forum conducted due management controls to enhance the performance of projects at JM.

KPI Achieved	Reason for achievement
Number of jobs created	JM also continued with its EPWP and internship programmes and was able to substantially increase its efforts to employ additional EPWP numbers especially in the refinement of cleansing services at its premises.
Number of SMME's supported	The JM has achieved 108 SMME's support compare to the target of 90 demonstrating the transformation and the support for the SMME's.
% resolution of Internal Audit findings	Internal audit conducts follow-up audits to ensure that the agreed action plans are implemented within agreed timeframes; root causes are identified and repeat findings are prevented. Efforts are focused in ensuring that findings classified as "high risk" receive adequate management attention. During the financial year, management was able to resolve all findings and the same was confirmed by the internal Audit.
% resolution of Auditor General findings	The targeted achievement of resolution of AG findings was in main enabled through the reintroduction of the Operation Clean Audit forum of the entity. Improved responses from divisional heads were achieved. During the financial year, management was able to resolve all findings and the same was confirmed by the internal Audit.
% resolution of Auditor General findings	The targeted achievement of resolution of AG findings was in main enabled through the reintroduction of the Operation Clean Audit forum of the entity. Improved responses from divisional heads were achieved. During the financial year, management was able to resolve all findings and the same was confirmed by the internal Audit.
% spent on operating budget against approved operating budget	Improved operational efficiency and the introduction of Operation Phendula was pivotal in address all infrastructure breakdowns
% achievement of service standards	JM achieved 100% of its service standards against the 83% target

Table 22: Summary of achieved KPIs

Section 6: Recovery Plan for Non-Achieved KPI

KPI NOT ACHIEVED	TARGET	ACTUAL	REASON FOR NON-ACHIEVEMENT	PROPOSED MITIGATION
Percentage implementation of the strategic risk management action plan findings resolved	100%	71%	<ul style="list-style-type: none"> -Most Risk mitigation measures are dependent on the SMART Market project - interdepend risks (IT and Legal) - Due to insufficient budget allocation leading no construction of the planned second Pack house 	<ul style="list-style-type: none"> -Continue to work with JDA and Office Chief Operation Officer on the SMART Market project - Escalate engagements through the office of the MMC on the implications of some the centralised contracts, i.e. centralised payment of legal fees, co-dependencies on projects implementation) - Joburg Market is in conversation with the Provincial Department of Agriculture, Land Reform And Rural Development) on the possible construction second pack house

Table 23: Recovery plan for non-achived KPIs

Five Year Performance Trend

Performance Trend: Joburg Market has shown a strong performance trajectory, particularly with an increase in the number of KPIs and consistently high achievement rates. Despite a slight decline from the perfect achievement in 2021/22 to 92% in 2023/24, the performance remains robust compared to previous years.

Growth and Improvement: The increase in the total number of KPIs and the high achievement rates suggest that Joburg Market has made significant progress in enhancing its operational effectiveness and strategic focus. The improvements in KPI achievement indicate the successful implementation of strategies and operational changes.

	2019/20	2020/21	2021/22	2022/23	2023/24
Total number of KPIs	7	7	7	13	13
KPIs achieved	5	5	7	11	12
% achieved	71.4%	71.4%	100%	84.6%	92.3%

Table 24: Comparison of 2023/24 annual performance with prior years

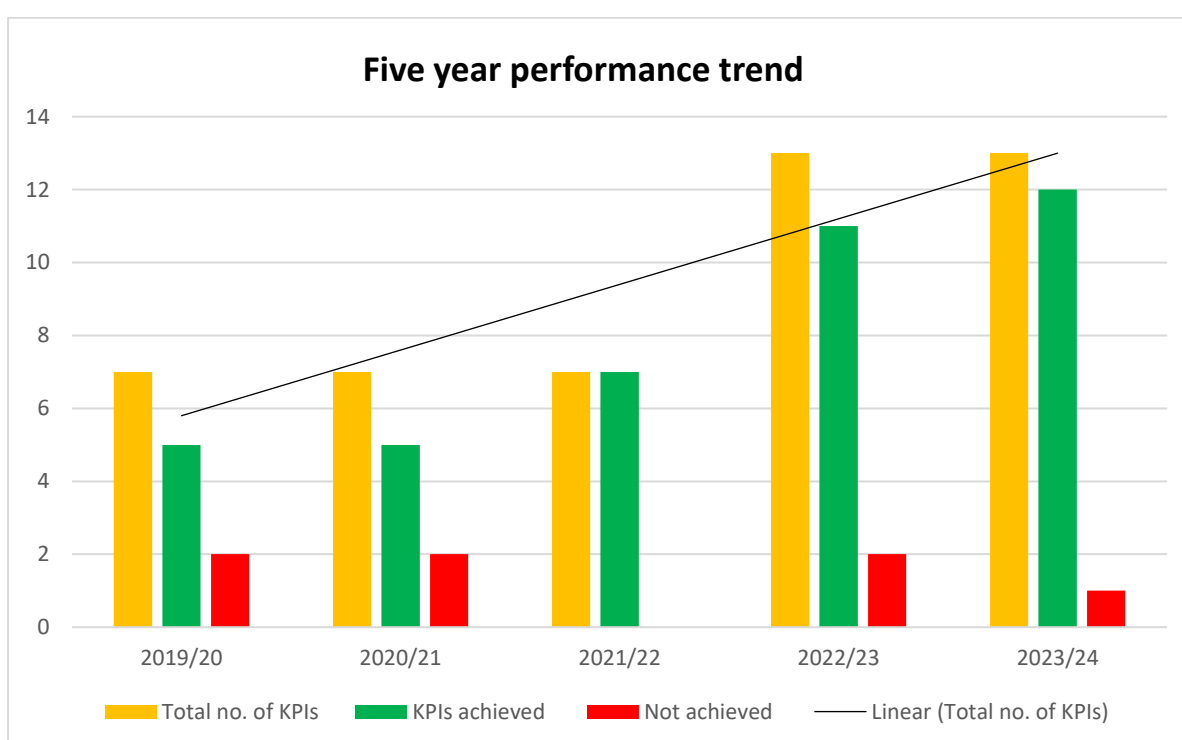


Figure 8: JM Five-year performance

PERFORMANCE REPORTING DISCLOSURES






1. The disclosures listed below serves as adjustments to quarterly results as indicated:
2. JM made 4 adjustments in the 2023/24 company scorecard;
3. JM did however refine the method of calculation applicable to the KPI measuring percentage Market Share. See below for a detailed breakdown;






NO	2023/24 KPI SUMMARY	NUMBER OF KPIS	ADJUSTMENTS CONDUCTED
1	No of KPIS' on approved scorecard (BP2023/24)	13	5
2	No of KPI's discontinued/removed	13	
3	No of KPI targets increased	3	
4	No of KPI targets reduced	1	
5	No of KPI targets improved	1	
6	% Targeted market share held by JM in relation to other FPMs	Method of calculation adjusted as follows: (Current Source / Collection of Data): " The indicator is calculated by dividing the turnover achieved at JM by the total turnover in 18 national fresh produce markets, multiplied by 100 to get the percentage market share"	Revise calculation
7	The below number of KPIS were adjusted upwards: - RBn turnover achieved - Number EPWP job opportunities created - Number of SMME's supported	The performance of the 3 KPIS was ahead as at the midterm, the Board approved the following increased: -The target for RBn Turnover achieved was moved from R9.55 RBn to R10.6 RBn - The recruitment drive for the EPWP job opportunities reflected a higher than plan target of 90 higher than the planned 65 - The target for SMME support was increased from 70 to 90	Upward adjustment
8	Percentage achievement of service standards	Annual Target reduced from 100% to 83% due to the prevailing challenges with ageing infrastructure in the cold rooms adversely affect the availability of banana ripening facilities, consequently impacting Service Standards performance	Downward adjustment

Table 25: Reporting disclosures

Performance against Predetermined Objectives

The Joburg Market organizational scorecard is a strategic management tool used to measure JM's performance against its strategic objectives. The scorecard typically includes 13 key performance indicators (KPIs) across various areas of the organization operations. The scorecard allows the Joburg Market to track its performance over time and identify areas of improvement. By doing so, the market can ensure that it is meeting its objectives in a balanced and sustainable manner. In the current financial year, JM met twelve of it thirteen service standards, this is displayed in the table below:

KEY PERFORMANCE INDICATOR	2021/22 BASELINE	2023/2024 TARGET	QUARTER 4 TARGET	2023/24 ACTUAL	PERFORMANCE INDICATOR	PORTFOLIO OF EVIDENCE REQUIRED	DEVIATION EXPLAINED	REPORTING CHAMPION
GDS outcome: An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens JM Strategic Objective: To Provide a Resilient and Premier Trading Facility								
1.1 % Targeted market share held by JM in relation to other FPMs	45.67% Targeted market share held by JM in relation to other FPMs	45.7% Targeted market share held by JM in relation to other FPMs	45,8% Targeted market share held by JM in relation to other FPMs	45.97% Targeted market share held by JM in relation to other FPMs		National market share report indicating JM in relation to other FPMs as measured by NDAF	The method of calculation adjusted as follows: (Current Source / Collection of Data): “ The indicator is calculated by dividing the turnover achieved at JM by the total turnover in 18 national fresh produce markets, multiplied by 100 to get the percentage market share”	Commercial Business
1.2 RBn turnover achieved	R8.76Bn Turnover achieved	R9.55Bn (initial target) R10.3Bn Turnover achieved (adjusted target)	R10.3Bn Turnover achieved	R11.236 Bn Turnover achieved		JM financial accounts	The performance of the indicator was ahead as at quarter 2, management adjusted the target as following: Revised target: R10.3 Bbn	Commercial Business
GDS outcome: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy JM Strategic Objective: To ensure compliance, Good Governance and Financial Sustainability.								
1.3 % of spent on repairs and maintenance to property, plant, and equipment	93%	8% of spent on repairs and maintenance to property, plant, and equipment	8% of spent on repairs and maintenance to property, plant, and equipment	10.3% of spent on repairs and maintenance to property, plant, and equipment		JM financial accounts	N/A	Finance
GDS outcome: An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens JM Strategic Objective: To Provide a Resilient and Premier Trading Facility								
1.4 % spent on operating budget against approved operating budget	New indicator	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	100.1% spent on operating budget against approved operating budget		JM financial accounts	N/A	Finance
GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive GCR Strategic Objective: To ensure compliance, Good Governance and Financial Sustainability.								
1.5 % reduction in unauthorized, irregular, fruitless and	New indicator	50% reduction in unauthorized, irregular, fruitless and	10% reduction in unauthorized, irregular, fruitless and	67 % reduction in unauthorized, irregular, fruitless and		JM financial accounts	N/A	Internal Audit

KEY PERFORMANCE INDICATOR	2021/22 BASELINE	2023/2024 TARGET	QUARTER 4 TARGET	2023/24 ACTUAL	PERFORMANCE INDICATOR	PORTFOLIO OF EVIDENCE REQUIRED	DEVIATION EXPLAINED	REPORTING CHAMPION
wasteful (UIFW) expenditure incurred citywide		wasteful (UIFW) expenditure incurred citywide	wasteful (UIFW) expenditure incurred citywide	wasteful (UIFW) expenditure incurred citywide				
1.6 % of valid invoices paid within 30 days of invoice date	New indicator	100 Percentage of valid invoices paid within 30 days of invoice date	100 % of valid invoices paid within 30 days of invoice date	100 % of valid invoices paid within 30 days of invoice date		JM financial accounts	N/A	Finance
GDS outcome: An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens JM Strategic Objective: To Provide a Resilient and Premier Trading Facility								
1.7 % spent on capital budget against approved capital budget	86.2 % spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100.% spent on capital budget against approved capital budget		JM financial accounts	N/A	Finance
GDS Outcome; An Inclusive, Job-Intensive, Resilient, Competitive and Smart Economy JM Strategic Objective: To Expand Opportunities to Historically Disadvantaged Groups								
2.1 Number EPWP job opportunities created	118 EPWP job opportunities created	65 EPWP job opportunities created (initial target) 85 EPWP job opportunities created (adjusted target)	90 EPWP job opportunities created	119 EPWP job opportunities created		EPWP Recruitment spreadsheet	Indicator target increased to 85 EPWP job opportunities created	Corporate Services
2.2 Number of SMME's supported	New indicator	75 SMME's supported (initial target) 90 SMME's supported (adjusted target)	90 SMME's supported	108 SMME's supported		Procurement document	Indicator target increased to 90 SMMEs supported	Finance
GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive GCR JM Strategic Objective: To ensure compliance, Good Governance and Financial Sustainability.								





KEY PERFORMANCE INDICATOR	2021/22 BASELINE	2023/2024 TARGET	QUARTER 4 TARGET	2023/24 ACTUAL	PERFORMANCE INDICATOR	PORTFOLIO OF EVIDENCE REQUIRED	DEVIATION EXPLAINED	REPORTING CHAMPION
3.1 Percentage resolution of AG findings	98% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings		AGSA audit letter	N/A	Internal Audit
3.2 % resolution of Internal Audit findings	85% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings		JM audit reports	N/A	Internal Audit
3.3 Percentage implementation of the strategic risk management action plan findings resolved	New indicator	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	71% implementation of the strategic risk management action plan findings resolved		JM Risk Management reports	N/A	CRO
3.4 % achievement of service standards	New indicator	100% achievement of service standards (initial target) 83% achievement of service standards (adjusted target)	83% achievement of service standards	100% achievement of service standards		JM audit reports	Annual Target reduced from 100% to 83% due to the prevailing challenges with ageing infrastructure in the cold rooms adversely affect the availability of banana ripening facilities, consequently impacting Service Standards performance	Strategy, planning, and transformation

Table 26: JM Scorecard

Section 7: Public Satisfaction on JM services

During the course of the past three financial years, JM was able to resolve most legacy matters identified during stakeholder consultations. Three items however remain listed as the resolution of the concerns requires major capital investment in infrastructure.

No	Listed concerns	Achieved resolutions, mitigation and on-going interventions to sustain achievements since the completion of the survey	Status
1	Construction of bigger loading bays Need for a bigger market place and space	<ul style="list-style-type: none"> - Completed the new Precinct Development Strategy and Plan which will address loading bays as required. JM is in the process of securing CAPEX Budget for this project; - Proposals will include doubling of Ramps at halls to separate human and mechanical traffic. 	Not Resolved
2	Construction of separate and designated roads and road signs for forklifts, trolleys and pedestrians.	<ul style="list-style-type: none"> - A new tender for Road signage and OHSA are undergoing procurement to address the identified challenge; - Proposals in the precinct design will include doubling of Ramps at halls to separate human and mechanical traffic. 	Not Resolved
3	Need for improvement of infrastructure, including the maintenance of leaking taps potholes on platforms and the inclusion of improved drainage systems	<ul style="list-style-type: none"> - This remains Work in Progress <ul style="list-style-type: none"> o Road rehabilitation was completed. o Ablution blocks refurbished; o Drainage System was unblocked and cleaned; o Exit Gate improvements implemented o Precinct Development Plan completed o Effectuated repairs and maintenance on the cold rooms and banana ripening plant o In excess of R9 million was spent on various repairs and maintenance interventions - Going Forward <ul style="list-style-type: none"> o Repairs and Maintenance Budget will be increased in line with shareholder guidelines. 	Ongoing

Table 27: Public Satisfaction listed concerns

Stakeholder engagements on service delivery

During the review period JM conducted amongst others the following focused consultations with stakeholders at JM.

- Tshiamo Market: Local community consultations on the construction works in progress;
- Market agencies: Refinement of communications and attending a forum with market agencies on market services and facility upgrading;
- Covid-19 compliance with all tenants;
- Service requirements of tenants and matters related to repairs and maintenance
- Farm Visits conducted to understand the needs and expectation of the farmers supplying the market.

JM has a broad universe of stakeholders, and they form an important part of the Joburg Market business that is essential for JM's long-term sustainability and growth, ensuring that all parties' needs and expectations are met.

Section 8: Recommendations and Plans for the next financial year

In the 2023/24 financial year, Joburg Market demonstrated a remarkable blend of resilience and strategic focus, successfully navigating significant challenges such as extreme weather, power disruptions, and infrastructure issues. The market consistently met or exceeded its financial, operational, and social targets, underlining its capacity to adapt to adversity. This adaptability, paired with a steadfast commitment to infrastructure development, community empowerment, and operational excellence, has laid a strong foundation for future success. Looking ahead, Joburg Market has outlined several key focus areas to ensure continued success and address ongoing challenges:

1. **Urgent Implementation of a Power Ring Feed and Additional Generators:** A critical priority to mitigate the business risks associated with power disruptions.
2. **Roll Out of the New Customer Charter:** Aiming to enhance customer satisfaction and service standards.
3. **CAPEX Spend Fast Tracking:** Accelerating capital expenditures to support key projects and infrastructure improvements.
4. **Special Focus on Preventative Maintenance Plan:** Ensuring the longevity and reliability of market infrastructure.
5. **Refinement of All Reporting:** Enhancing transparency and accuracy in performance tracking and reporting.

6. **Further Implementation of the Transformation Strategy and Framework:** Advancing the company's commitment to inclusivity and transformation.
7. **Pursuance of SMART MARKET Operations:** Leveraging technology and innovation to enhance operational efficiency.
8. **Execution of the Market Recapitalisation Programme – Phase 1 & 2:** Continuing efforts to modernize and upgrade market facilities.
9. **Intensification of Stakeholder Communications:** Strengthening engagement and communication with all key stakeholders.
10. **Improvement of Staff Morale:** Fostering a positive and productive work environment.
11. **Further Review of Various Policies & Procedures:** Regularly updating policies to reflect best practices and evolving needs.

9. Key Takeaways

- **Resilience:** JM's ability to navigate significant external challenges while maintaining financial growth underscores its resilience.
- **Infrastructure Investment:** Continued investment in infrastructure and alternative energy solutions was critical in maintaining operational stability and mitigating the impact of power disruptions.
- **Community Empowerment:** Through initiatives like the EPWP, SMME support, and internship programs, JM demonstrated a strong commitment to social and economic development.
- **Future Readiness:** The successful completion of key Capex projects, coupled with the strategic focus areas identified for 2024/25, positions JM for continued growth and operational sustainability.

Looking ahead, Joburg Market has outlined several key focus areas to ensure continued success and address ongoing challenges:

- **New Customer Charter:** Roll out the charter to enhance customer satisfaction and service standards.
- **CAPEX Spend Fast Tracking:** Accelerate capital expenditures to support crucial projects and infrastructure upgrades.
- **Preventative Maintenance Plan:** Focus on maintaining infrastructure to ensure longevity and reliability.

- Refinement of Reporting: Improve transparency and accuracy in performance tracking.
- Governance: Focus in Ethics, Compliance and Risk Management to ensure market's integrity, ensuring its long-term viability, and fostering trust among all stakeholders
- Transformation Strategy and Framework: review and implement strategy to promote inclusivity and transformation.
- SMART MARKET Operations: Address Infrastructure defect, enhance operational efficiency by leveraging technology and innovation.
- Market Recapitalisation Programme – Phase 1 & 2: Continue modernizing and upgrading market facilities.
- Stakeholder Communications: Intensify engagement and communication with key stakeholders.
- Policy & Procedure Review: Regularly update policies to align with best practices and evolving needs.

Policy Review and Adoption

For the year under review, the following policies were approved by the Board, as reflected in Table 18 below:

Policy description	Approval date	Implementation date
Working Hours Policy	June 2024	July 2024
HIV and AIDS Policy	June 2024	July 2024
Personal Protective Clothing	June 2024	July 2024
Tool of Trade	June 2024	July 2024
Remuneration Policy	June 2024	July 2024
Recruitment policy	June 2024	July 2024
Travel Subsistence Policy	June 2024	July 2024
Telephone Management Policy	June 2024	July 2024
Payroll Policy	June 2024	July 2024
Performance Management Policy	June 2024	July 2024
Sexual Harassment Policy	June 2024	July 2024
Leave Policy	June 2024	July 2024
Compliance Management Policy	April 2024	May 2024
Delegations of Authority Policy	April 2024	May 2024
Supply Chain Management Standard Operating Procedures	April 2024	May 2024
Petty Cash Policy	April 2024	May 2024
Accounts Receivable Policy	April 2024	May 2024
Trade Payables Business Policy	April 2024	May 2024
Delegations of Authority Policy	April 2024	May 2024
Assets management	April 2024	May 2024

Table 28: JM Approved Policies

CHAPTER FOUR: ORGANISATIONAL DEVELOPMENT

PERFORMANCE

Section 1: Employee Remuneration

Personnel costs are recorded at R223.9 million compared to the budget of R221.2 million which amounts to over budget of R2.8 million (1.3%).

ELEMENT	*Q4 ACTUAL (CUMULATIVE)
Employee cost actual	R223 982 000
Budgeted amount for Q4	R221 213 000
Variance	R2 769 000
Employee cost of the % of the budget	1.3%

Table 29: Employee costs for Q4

The summary below depicts remuneration of executive management members as at 30 June 2024.

Name	Designation	Total Basic Salary	Housing Subsidy	Cell and Data Allowance	Acting allowance	Pension fund	Medical Aid	Car allowance	Performance bonus	Other	Total
Leanne Williams	Chief Executive Officer	R 1 315 957	-	R21 700	R -	R139 387	R 59 032	R -	R -	R 556 329	R2 092 405
Nkosinathi Baloyi	Chief Financial Officer	R 1 956 265	-	R29 400	R -	R106 514	R -	R 120 000	R 292 016	R 121 537	R2 625 733
Sello Makhubela	Chief Executive Officer (A)	R 599 253	-	R9 800	R 74 240	R 33 762	R 10 833	R 48 000	R -	R 7 697	R783 585
Lulama Ndlovu	Chief Executive Officer (A)	R -	-	R -	R 79 298	-	-	-	-	-	R79 298
Phindile Shabalala	Chief Risk Officer	R 983 600	-	R19 600	-	R225 756	R 56 804	-	R -	R 11 618	R1 297 378
Phoebe Nimmerhoudt	Executive Manager: Corporate Shared Services	R 1 530 990	-	R24 000	-	R112 951	R 73 452	-	R 167 057	R 95 906	R2 004 356
Ezekiel Kgomo	Executive Manager: Corporate Shared Services (A)	R 199 113	R 2 133	R 3 800	R 18 609	R 27 684	R 9 465	-	R-	R 2 593	R 263 397
Charles Park	Chief Operations Officer (A)	R 514 354	-	R7 600	R 126 987	R 28 863	-	-	-	R 7 092	R684 896
Cedric Nephawe	Executive Manager: Core Operations (A)	R1 148 477	R 12 797	R29 400	R 229 162	R94 041	-	R 70 000	R 173 097	R 69 031	R1 826 004
Kieran Singh	Company Secretary	R 1 384 804	R 12 797	R 38 400	R -	R 285 038	R 38 262	-	R -	R 208 814	R2 061 116

Table 30: Executive Remuneration

Key: SDL = Skills Development BCL = Bargaining Council

Section 2: Key Vacancies

1.1 Annual Turnover Rates over the last 5 Years

Details	Total staff compliment at beginning of financial year	Terminations during financial year	Turnover rate
	No.	No.	%
2019/20	302	15	4.97
2020/21	313	15	4.79
2021/22	321	13	4.05
2022/23	328	10	3.0
2023/24	464	20	0.43

Table 31: Annual turnover rates over the last 3 years

1.2 Quarterly Turnover Rates for 2023/24

Quarterly	Total of employee	Total Appointments per Quarter	Terminations per Quarter	Turnover rate per Quarter**
	No.	No.	No.	%
Q1	464	50	7	1.5%
Q2	459	2	7	1.5%
Q3	458	3	4	0.8%
Q4	464	8	2	0.43%

Table 32: Quarterly turnover rates for 2023/24

1.3 Annual Staff Movements for 2023/24

STAFF MOVEMENTS	AFRICAN		COLOURED		INDIAN		WHITE		TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Appointments	19	38	3	1	0	0	1	1	63
Internal Appointments (upward mobility)	2	0	0	0	0	0	0	0	2
Dismissals	0	0	0	0	0	0	0	0	0
Retirements	1	5	0	0	0	0	2	0	8

Contract Expired	0	1	0	0	0	0	1	0	2
Resigned	3	1	1	0	0	0	0	0	5
Deceased	1	2	0	0	0	0	0	0	3
Medical Board	0	0	0	0	0	0	1	1	2
Transfers	1	2	0	1	0	0	0	0	4

Table 33: Annual staff movement for 2023/24

Filing of the vacant positions

- Eight (8) positions were filled during this period, as well as seven (7) interns and two (2) EPWP's taken on-board for quarter 4.
- In compliance with the City-wide strategic imperative to create job opportunities for unemployed youth and women, JM identified work programmes in Security Services, Maintenance, HR, Consignment Control and General Workers. The EPWP numbers as at March 2024 was recorded as 119.
- However, in June 2024 two (2) more beneficiaries were brought on board which bring the total to 119 EPWPs.

Section 3: Employment Equity

The table above reflects the Employment Equity Demographics status which includes the 67 insourced cleaners on the payroll of the CoJ.

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	3	0	0	0	1	1	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management	12	2	1	3	6	0	0	2	0	0	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	45	2	1	0	48	3	1	8	0	0	108

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision making	69	2	1	3	76	5	0	4	0	0	160
Unskilled and defined decision making	80	3	0	0	81	1	0	0	0	0	165
TOTAL PERMANENT	209	9	3	6	212	10	1	14	0	0	464

Table 34: Employment Equity Demographic status

Definition of occupational levels is aligned to job grade in terms of the EEA9 from the Dept. of Labour:

Top Management = Grade F (CEO); Senior Management = Grade E (Executive Managers); professionally qualified and mid-management = Grade D (Managers below Executives); Skilled technical and academically qualified workers = Grade C (Specialist workers); Semi-skilled and discretionary decision making= Grade B; And Unskilled and defined decision making = Grade A.

2.1 EE Targets vs. Actuals

OCCUPATIONAL LEVELS	TARGET TO BE ACHIEVED BY JUNE 2027 (THIS TARGET IS SET IN THE 5 YEAR EE PLAN 2022- 2027)									STATUS AS @ June 2024								
	MALE				FEMALE				TOTAL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W		A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0
Senior Manager	3	0	0	0	1	1	1	0	6	3	0	0	0	1	1	0	0	5
Mid Manager / Professional	12	2	1	5	16	0	1	2	39	12	2	1	3	6	0	0	2	26
Skilled Tech / Junior Manager	55	1	1	8	57	3	1	9	135	45	2	1	0	48	3	1	8	108
Semi- Skilled	70	2	1	6	74	4	1	5	163	69	2	1	3	76	5	0	4	160
Unskilled	78	4	1	9	77	4	1	0	174	80	3	0	0	81	1	0	0	165

Table 35: EE targets vs actuals

2.2 Staff Establishment

	APPROVED NO. OF POSTS	NO. OF EMPLOYEES	NO. OF VACANCIES	% OF VACANCIES
Top management	1	0	1	1
Executive management	6	5	1	0
Middle management	39	26	13	33
Skilled technical/junior management	135	108	27	20
Semi-skilled	163	160	3	2
Unskilled housekeepers/cleaners	174	165	9	5
Total	518	464	54	10

Table 36: Staff Establishment

* The number in this table excludes the 67 insourced cleaners on CoJ payroll. These employees are not on JM organisational structure even though permanently placed at JM

Section 4: Skills Development and Training

The report on learning and development interventions is recorded below:

Occupational Level	Males				Females				Training Intervention	Amount (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0	None	0
Senior Management	0	0	0	0	0	0	0	0	None	0
Senior Management	1	0	0	0	0	0	0	0	SASLAW Conference & Membership	2 932
Senior Management	0	0	0	0	1	0	0	0	EOH Training	3 817
Senior Management	1	0	0	0	0	0	0	0	IIASA	6 670
Senior Management	0	0	0	0	0	0	1	0	Advantage Training	36 742

Occupational Level	Males				Females				Training Intervention	Amount (R)
	A	I	C	W	A	I	C	W		
Middle Management	2	0	1	0	2	0	0	0	EOH Training	19 085
Middle Management	0	0	0	0	1	0	0	0	The Conference Hub	8 999
Middle Management	1	0	0	0	0	0	0	0	GRAP & ASSET Accounting Management	16 430
Middle management	1	0	0	0	0	0	0	0	DC procedures	8 999
Middle Management	0	0	0	0	1	0	0	0	Intelligence Transfer	7 998
Middle Management	0	0	0	0	0	0	0	1	Principles of Payday Report Writing	10 798
Middle Management	0	0	0	0	0	0	0	1	Principles of Payroll	6 209
Middle Management	0	0	0	0	1	0	0	0	QA South African National Accreditation System	15 395
Skilled Technical	2	0	0	0	8	1	0	0	EOH Training	41 987
Skilled Technical	1	0	0	0	1	0	0	0	QA South African National Accreditation System	25 776
Skilled Technical	1	0	0	0	2	0	0	0	Commerce Edge	27 225
Skilled Technical	1	0	0	0	0	0	0	0	The Conference Hub	8 999
Skilled Technical	0	0	0	0	2	0	0	0	Training Internal Auditors	13 808
Skilled Technical	1	0	0	0	0	0	0	0	IT CompTIA Fundamentals	7 417
Skilled Technical	0	0	0	0	1	0	0	0	Commerce Edge	9 602

Occupational Level	Males				Females				Training Intervention	Amount (R)
	A	I	C	W	A	I	C	W		
									Creating & Managing Service Level Agreements	
Skilled Technical	0	0	0	0	1	0	0	0	GRAP & ASSET Accounting Management	16 430
Skilled Technical	1	0	0	0	0	0	0	0	GRAP & ASSET Accounting Management	16 430
Skilled Technical	0	0	0	0	0	0	1	0	Project Scheduling & Cost	8 999
Skilled Technical	1	0	0	0	0	0	0	0	Operating Regulations for High Voltage systems for Authorized persons (ORHVS)	12 458
Skilled Technical	0	0	0	0	1	0	0	0	Advanced Contract and Management	14 999
Skilled Technical	0	0	0	0	1	0	0	0	SAMTRAC	30 446
Skilled Technical	1	0	0	0	0	0	0	0	Juta Annual Labour Seminar	6 248
Skilled Technical	1	0	0	0	0	0	0	0	Microsoft Advanced Training All in One	19 999
Skilled Technical	0	0	0	0	1	0	0	0	HR Data Analysis Excel Power Bi	25 873
Semi-Skilled	1	0	1	0	2	0	1	0	Advance Customer Care	39 999
Semi-Skilled	0	0	0	0	4	0	0	0	Reception & Switchboard	39 999
Semi-Skilled	1	0	0	0	0	1	0	0	DC procedures	17 998
Semi-Skilled	0	0	0	0	1	0	0	0	Principles of Payroll	6 209
Semi- Skilled	0	0	0	0	0	1	0	0	Principles of Payroll	10 798

Occupational Level	Males				Females				Training Intervention	Amount (R)
	A	I	C	W	A	I	C	W		
									Report Writing	
Semi-Skilled	0	0	0	0	1	0	0	0	Juta's Annual Labour update	6 248
Semi-Skilled	2	0	0	0	1	0	0	1	Records and Information Management	55 996
Semi-Skilled	0	0	0	0	1	0	0	0	Record and Information Management	13 999
Semi-Skilled	2	0	0	0	1	0	0	0	Forklift Training	16 181
Unskilled	0	0	0	0	1	0	0	0	EOH Training	3 817
Unskilled	0	0	0	0	2	0	0	0	The Conference Hub	8 999
Unskilled	13	0	1	0	0	0	0	0	Forklift license renewal	83 958
Unskilled	2	0	0	0	1	0	0	0	Clean and Maintain Work Area	13 500
Unskilled	1	0	0	0	3	0	0	0	Recruitment Practices	59 996
Unskilled	0	0	0	0	1	0	0	0	First Aid Level 3	2 310
TOTAL BENEFICIARIES	38	0	3	0	43	3	3	3	152	761 906

Table 37: Actual staff skills development schedule for 2023/24

3.2 Conferences

Occupational Level	Males				Females				Training Intervention	Amount (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0	None	0
Senior Management	1	0	0	0	0	0	0	0	SAIA Hybrid Conference	14 950
Senior Management	1	0	0	0	0	0	0	0	Institute of Internal Auditors	14 950

Senior Management	0	1	0	0	0	0	0	0	QA Food Safety Summit 2024	4 500
Senior Management	1	0	0	0	0	0	0	0	3 rd Annual Employee Mental Health	10 499
Middle Management	0	0	0	0	1	0	0	0	3 rd Annual Employee Mental Health	8 499
Skilled Technical	1	0	0	0	2	0	0	0	SAIA Hybrid Conference	44 850
Skilled Technical	0	0	0	0	4	0	0	0	QA Food Safety Summit 2024	18 000
Skilled Technical	0	0	0	0	2	0	0	0	Institute of Internal Auditors	29 900
Semi-Skilled	0	0	0	0	3	0	1	2	PA, Secretary Administrator Seminar	89 994
Semi-Skilled	1	0	0	0	0	0	0	0	3 rd Annual Employee Mental Health	10 499
Unskilled	0	0	0	0	0	0	0	0	None	0
TOTAL BENEFICIARIES	5	1	0	0	12	0	1	2	21	246 641

Table 38: Annual conference attendance schedule for 2023/24

3.3 Subsidised Study Assistance:

Occupational Level	Males				Females				Qualification	Amount (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0	None	0
Senior Management	0	0	0	0	0	0	0	0	None	0
Senior Management	0	1	0	0	0	0	0	0	MBA Direct	51 000

Occupational Level	Males				Females				Qualification	Amount (R)
	A	I	C	W	A	I	C	W		
Middle management	0	0	0	0	1	0	0	0	PGDBM	63 181
Middle management	1	0	0	0	0	0	0	0	PGD: General Management	49 322
Middle Management	0	0	0	0	1	0	0	0	Higher Cert Human Resources Management	22 450
Middle Management	1	0	0	0	0	0	0	0	Fundamentals of Project Management	13 740
Middle Management	0	0	0	0	1	0	0	0	Bachelor Business of Administration	36 020
Skilled Technical									QA Food Summit 2024	
Skilled Technical	0	0	0	0	1	0	0	0	Municipal Finance Management Program	58 000
Skilled Technical	0	0	0	0	1	0	0	0	Municipal Finance Management Program	58 000
Skilled Technical	0	0	0	0	1	0	0	0	Municipal Finance Management Program	58 000
Skilled Technical	0	0	0	1	0	0	0	0	Bachelor Law	26 800
Skilled Technical	0	0	0	0	0	0	0	1	Bachelor Law	26 800
Skilled Technical	0	0	0	0	1	0	0	0	BSc Honours Construction Health & Safety	39 060
Skilled Technical	0	0	0	0	1	0	0	0	BCom Supply Chain	26 800
Skilled Technical	1	0	0	0	0	0	0	0	PGD Information Technical	31 500
Skilled Technical	0	0	0	0	1	0	0	0	Honours Financial Management	37 250
Skilled Technical	0	0	0	0	1	0	0	0	Advanced Diploma Accounting	9 920
Skilled Technical	0	0	0	0	1	0	0	0	PGD in Risk Management	50 765
Skilled Technical	1	0	0	0	0	0	0	0	HC: Business Management	14 100

Occupational Level	Males				Females				Qualification	Amount (R)
	A	I	C	W	A	I	C	W		
Skilled Technical	1	0	0	0	0	0	0	0	Advanced Diploma in Financial Management	32 500
Skilled Technical	1	0	0	0	0	0	0	0	Strategic Brand Communication Honours	42 400
Skilled Technical	1	0	0	0	0	0	0	0	Bridging Course BTCA	25 000
Skilled Technical	0	0	0	0	1	0	0	0	CIPS Diploma	48 497
Skilled Technical	1	0	0	0	0	0	0	0	PGD in Sustainable Agriculture	69 017
Skilled Technical	1	0	0	0	0	0	0	0	BCom Honours	38 600
Skilled Technical	1	0	0	0	0	0	0	0	BCom Degree	30 300
Skilled Technical	0	0	0	0	0	1	0	0	BCom HR	24 900
Skilled-Technical	0	0	0	0	0	1	0	0	Medical Dispensing	4 200
Skilled-Technical	0	0	0	0	0	1	0	0	Bachelor of Public Administration	36 020
Skilled Technical	0	0	0	0	0	0	0	0	Bachelor of Public Administration	31 185
Skilled Technical	1	0	0	0	0	0	0	0	Higher Cert. Business Management	11 100
Skilled Technical	0	0	0	0	1	0	0	0	Honours Agri Rural Development	15 880
Semi- Skilled	0	0	0	0	1	0	0	0	PGD Business Management	50 765
Semi- Skilled	1	0	0	0	0	0	0	0	Data Science (IT)	40 810
Semi- Skilled	1	0	0	0	0	0	0	0	Business Administration	35 000
Semi-Skilled	0	0	0	0	1	0	0	0	Bachelor Public Management	28 865
Semi- Skilled	0	0	0	0	1	0	0	0	Advanced Diploma Management	41 800

Occupational Level	Males				Females				Qualification	Amount (R)
	A	I	C	W	A	I	C	W		
Semi-Skilled	0	0	0	0	1	0	0	0	PGD: Business Administration	39 877
Semi-Skilled	0	0	0	0	1	0	0	0	PGD Risk Management	50 765
Semi-Skilled	0	0	0	0	1	0	0	0	ND: Local Government Management	15 653
Semi-Skilled	0	0	0	0	1	0	0	0	Bachelor of Business Administration	30 990
Semi-Skilled	0	0	0	0	1	0	0	0	Bachelor of Public Administration	28 865
Semi-Skilled	0	1	0	0	0	0	0	0	Bachelor of Public Administration	30 300
Semi-Skilled	0	0	0	0	1	0	0	0	Diploma Local Government	38 544
Semi-Skilled	0	0	0	0	1	0	0	0	Bachelor of Business Administration	32 300
Semi-Skilled	0	0	0	0	1	0	0	0	B.com Commerce	35 800
Semi-Skilled	0	0	0	0	1	0	0	0	Bachelor of Commerce	30 400
Semi-Skilled	1	0	0	0	2	0	1	0	Bachelor of Public Administration	105 307
Semi-Skilled	0	0	0	1	0	0	0	0	HC: Business Management	25 200
Semi-Skilled	0	0	0	0	1	0	0	0	BCom: Accounting	29 500
Semi-Skilled	0	0	1	0	0	0	0	0	Cert: Digital Marketing	16 790
Semi-Skilled	0	0	0	0	1	0	0	0	HC: Marketing Management	10 450
Semi-Skilled	0	0	0	0	1	0	0	0	Advanced Diploma in Management	41 800
Semi-Skilled	1	0	0	0	0	0	0	0	None	-
Semi-Skilled	0	0	0	0	1	0	0	0	Bachelor of Business Management	29 755
Semi- Skilled	1	0	0	0	0	0	0	0	Business Communication Skills	17 825
Unskilled	0	0	0	0	1	0	0	0	Cert Occupational Health & Safety	26 450

Occupational Level	Males				Females				Qualification	Amount (R)
	A	I	C	W	A	I	C	W		
Unskilled	0	0	0	0	0	0	1	0	Higher Certificate Human Recourses	22 450
Unskilled	1	0	0	0	0	0	0	0	Bachelor of Commerce Human Resources	26 200
Unskilled	1	0	0	0	0	0	0	0	Bachelor of Science Information Technology	44 146
Unskilled	0	0	0	0	1	0	0	0	Occupational Health & Safety	26 400
Unskilled	0	0	0	0	1	0	0	0	Bachelor of Public Management	26 200
Unskilled	0	0	0	0	1	0	0	0	Matric upgrade	500
Unskilled	1	0	0	0	0	0	0	0	Matric upgrade	300
Unskilled	0	0	0	0	1	0	0	0	Cert Business Administration	22 450
Unskilled	0	0	0	0	1	0	0	0	BCom Human Resources	26 200
Unskilled	0	0	0	0	1	0	0	0	Occupational Health & Safety	26 450
Unskilled	1	0	0	0	0	0	0	0	BCom General	49 776
Unskilled	1	0	0	0	0	0	0	0	BCom SCM	27 850
Unskilled	1	0	0	0	0	0	0	0	BCom Supply Chain	30 300
TOTAL BENEFICIARIES	22	2	1	2	38	3	2	1	72	1 603 097

Table 39: Annual subsidised education schedule for 2023/24

EPWP Programme:

In compliance with the City-wide strategic imperative to create job opportunities for unemployed youth and women, JM identified work programmes in Security Services, Maintenance, HR,

Consignment Control and General Workers. The EPWP numbers as at March 2024 was recorded as 119.

No.	Project Name	Budget	Expenditure	EPWP WOs created	Current status as at 14 May 2024	Project status / proposed project start date
1.	Provision for security services on the Market platforms			20	20	February 2024
2.	General Worker			60	60	February 2024
3.	Office Assistant			09	09	February 2024
4.	Consignment Control			11	11	February 2024
5.	HR Assistant			3	2	February 2024
6.	Maintenance Workers			11	11	February 2024
7.	Property Assistant			1	1	February 2024
8.	IT			2	2	February 2024
9.	Cold Stores			3	3	March 2024
Total				120	119	

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No.	Project Name	Budget	Expenditure	EPWP WOs created	Current status as at 14 May 2024	Project status / proposed project start date
1.	Provision for security services on the Market platforms			20	20	February 2024
2.	General Worker			60	60	February 2024
3.	Office Assistant			09	09	February 2024
4.	Consignment Control			11	11	February 2024
5.	HR Assistant			3	2	February 2024
6.	Maintenance Workers			11	11	February 2024
7.	Property Assistant			1	1	February 2024
8.	IT			2	2	February 2024
9.	Cold Stores			3	3	March 2024
Total				120	119	

However, in June 2024 two (2) more beneficiaries were brought on board which bring the total to 121 EPWPs.

Section 5: Performance Management

Performance management Processes and Procedures

- The performance assessments for FY2022/23 were completed and bonus payments effected January 2024.
- The year-end performance assessment for FY2023/24 is underway and in the process of being finalised.
- The Supply Chain Management process for the appointment of a reputable service provider to conduct the work-study and organisational review was concluded in Q3. The successful service provider was appointed subject to agreement on the SLA; however, the service provider rejected the SLA, and the project could not be completed in Q4. Subsequently the process was resuscitated, and a new memo was compiled and approved with the BSC convening on 21st May 2024. The project is currently awaiting the conclusion of the SCM process for the appointment of a successful bidder.

Section 6: Disciplinary Matters and Outcomes

Internal Disciplinary Cases

Three disciplinary cases were concluded during this period:

PENDING INTERNAL DISCIPLINARY CASES IN Q4	THE MATTER/TRANSGRESSION	PROGRESS/OUTCOMES
1. Procurement Officer	<ul style="list-style-type: none"> The employee was charged for contravening the Supply Chain Management process. 	<ul style="list-style-type: none"> The employee filed a recusal application (point <i>in limine</i>) in the matter, for the recusal of the chairperson. The Chairperson has recused himself. Status: JM is in the process of appointing another chairperson.
2. Cashier	<ul style="list-style-type: none"> The employee was charged for contravening the Disciplinary Policy and Procedure and the Municipal Systems Act 32 of 2000. 	<ul style="list-style-type: none"> The employee received the charge sheet on the 18 June 2024. The employee received a suspension letter on the 19 of June 2024 Status: The disciplinary enquiry set-down date will be on the 10 July 2024.
3. Cleaner	<ul style="list-style-type: none"> The employee was charged for contravening the disciplinary policy and procedure. 	<ul style="list-style-type: none"> The employee received the charge sheet on the 19 June 2024 Status: JM is in the process of confirming with the chairperson availability for the set-down date for the commencement of the disciplinary enquiry.
4. Cleaner	<ul style="list-style-type: none"> The employee was charged for 	<ul style="list-style-type: none"> The employee received the charge sheet on the 19 June 2024

PENDING INTERNAL DISCIPLINARY CASES IN Q4	THE MATTER/TRANSGRESSION	PROGRESS/OUTCOMES
	contravening the disciplinary policy and procedure.	<ul style="list-style-type: none"> ▪ Status: <i>JM is in the process of confirming with the chairperson availability for the set-down date for the commencement of the disciplinary enquiry.</i>
5. Cleaner	<ul style="list-style-type: none"> • The employee was charged for contravening the disciplinary policy and procedure. 	<ul style="list-style-type: none"> ▪ The employee received the charge sheet on the 19 June 2024 ▪ Status: <i>JM is in the process of confirming with the chairperson availability for the set-down date for the commencement of the disciplinary enquiry.</i>
6. Cleaner supervisor	<ul style="list-style-type: none"> • The employee was charged for contravening the disciplinary policy and procedure. 	<ul style="list-style-type: none"> ▪ The employee received an amended charge sheet on the 12 December 2023 ▪ Status: <i>JM has finalised the disciplinary enquiry. JM is awaiting the outcome from the chairperson.</i>

Table 40: Disciplinary cases conducted in Q4

Commissioner for Conciliation, Mediation and Arbitration Cases:

The employee referred an Unfair Dismissal case to the CCMA. The employee was summary dismissed on 12th July 2023 and he referred the case to the CCMA, a default award was granted to the employee.

Status: *Joburg Market lodged a rescission application to the CCMA on the 12 September 2023 and we still await the outcome.*

Bargaining Council Cases

There are no cases at the bargaining council.

Labour Court Cases

JM currently has two (2) labour cases before the Labour Court.

- Executive Strategy and Transformation: The employee resigned from JM on 18 January 2018 and referred a case of Constructive Dismissal to the SALGBC. The employee lost the contractive dismissal case on 9 May 2019. Furthermore, the employee served JM with a Labour Court review application. JM opposed the application on 25 February 2021. Status as of June 2024: No new movement is recorded for this case
- Security Officer: The employee referred an Unfair Discrimination case that related to Equal Pay for Work of Equal Value to CCMA for Arbitration. The CCMA ruled in favour of JM in September 2016. The employee subsequently filed a review application with the Labour Court challenging the CCMA award. The employee has been changing attorneys and this has

significantly delayed the finalisation of this matter. Status as of June 2024: the case was held on 10 October 2023; the matter was postponed sine die.

Section 7: Leave & Productivity Management

TYPE OF LEAVE	Jul-23	Aug-23	Sep-23	Oct- 23	Nov- 23	Dec-23	Jan - 24	Feb- 24	Mar- 24	Apr- 24	May- 24	June- 24	Total
Annual Leave	907	378	284	274	262	1 005	726	257	302	446	513	684	6 038
Sick Leave	202	199	137	161	152	78	157	140	116	262	274	111	1 989
Family Responsibility Leave/Parental	13	29	24	19	99	8	17	27	33	36	43	33	381
Study Leave/ Exam	19	5	17	17	153	12	1	5	7	14	64	147	461
Leave Sold	65	226	59	33	62	291	537	593	0	38	0	23	1927
Long Service	55	18	40	28	0	16	10	20	36	18	8	26	275
Maternity	0	0	0	95	243	0	121	0	0	0	247	0	706
Special	0	0	0	0	0	8	0	0	0	0	0	5	13
Unpaid	4	0	0	5	0	0	0	7	0	4	3	4	27
IOD	1	1	0	0	0	0	2	4	4	0	0	0	12
TOTAL	1 266	856	561	632	971	1 418	1 571	1 053	498	818	1 152	1 033	11 831

Table 41: Leave analysis

The table above indicates the number of leave days either taken or sold captured in the payroll system. The reason for decimals in number of days is a result of the annual leave system design in the payday system

Section 8: Employee Benefits

Retirement Funds: JM's policy requires that all its employees are members of the retirement fund; and. JM currently has two retirement funds - City of Johannesburg Pension Fund and E-Joburg Retirement Fund with the following number of members:

Pension/Retirement Fund	Members
City of Johannesburg Pension Fund	6
E-Joburg Retirement Funds	388 plus 66 insourced

Table 42: Retirement funds

Section 9: Occupational Health & Safety Programmes

9.1 Employee Health management and administration

- The Clinic has attended to 771 patients for the period under review and treated 856 conditions attended to.
- The leading cause of clinic consultations are people with respiratory problems, followed by muscular-skeletal problems and gastro-intestinal conditions is the third highest.
- Patients with chronic conditions contribute significantly to the overall conditions attended to as this presents with multiple organ symptoms.
- 100 employees consulted with the clinic for family planning, both oral and contraceptives and intramuscular injections were administered. The EPWP beneficiaries are the biggest contributor to this increase as most of them are of childbearing years.
- 7 injuries on duty were attended to: Five (5) were treated as first aid cases and the other Two (2) treated as COID cases – the COID cases were taken to hospital for further treatment.
- 52 employees were assessed through the medical surveillance programme.
- The Candlelight Memorial event took place on 22nd and 23rd May 2024, with 57 employees participating in screening and testing, for diseases such as prostate cancer and cervical cancer, amongst others. There were no Covid-19 tests conducted or infections reported for this quarter.

9.2 Employee Wellness (Employee Assistance Programme)

Employee Engagement event:

- Joburg Market employees participated in the 3rd Annual Employee Engagement games hosted by COJ on 26th April 2024. JM employees took part in different sporting activities and are

proud to announce that JM soccer team won the tournament and are the current reigning champions of COJ Employee games 2024.

- South African National Blood Drive (SANB): The blood drive took place on 28th May 2024 and with 12 employees donating blood.
- JM supported two (2) of its employees who participated in the Comrades Marathon in KZN for the 5th time. We are proud to announce that our participants completed the race on time and received medals for their achievement.
- CEO Staff Address: The Acting CEO addressed the JM staff 14th June 2024; the THEME for the address was EMPLOYEE APPRECIATION. The event was also graced by a guest speaker, Mr. Thabiso Ramasike - Executive Chairperson at Transform Global.

9.5 Medical Aid Schemes

There are four medical aid schemes on offer to JM employees, with a breakdown below on the number of employees on each scheme:

MEDICAL AID SCHEMES	MEMBERS
1. Bonitas	298
2. Discovery Health	39
3. LA Health	9
4. SAMWUMED	0

Table 43: Medical Aid Schemes

9.6 Housing Allowances

The following are the housing allowances in operation within JM:

Housing: 98 beneficiaries

*Gap: 13 beneficiaries

*GAP Market employees are defined as employees whose income is regarded as too low to access bank funded housing finance (mortgage finance), but too high to qualify for the national government's free-basic housing subsidy scheme. This is regulated in terms of the SALGBC collective agreement reached from time to time at the Bargaining Council

Section 10: Corporate Social Responsibility

Joburg Market has long recognized its role as more than just a centre for fresh produce trading; it is a key player in the social and economic fabric of Johannesburg. The Market's contributions to the

indigent program and various social development events spearheaded by the Member of the Mayoral Committee (MMC) and the Mayor of Johannesburg reflect our deep commitment to addressing pressing societal challenges, fostering community well-being, and fulfilling our broader corporate social responsibilities.

These initiatives are not merely acts of charity; they are pivotal in creating a more inclusive and sustainable city. Through strategic partnerships with local government and social organizations, Joburg Market has channelled resources to support vulnerable populations, thereby contributing to the city's efforts to build resilient and self-sufficient communities.

Support for Indigent Programs and Social Development Events

Since the beginning of the financial year, Joburg Market has played an essential role in supporting various social development programs and events through its Food Support Centre. These initiatives include:

1. Support for Funerals:

Joburg Market has provided substantial support to bereaved families within the community. By supplying fresh produce for funerals, the Market has helped alleviate the financial burden on indigent families during times of loss, ensuring that these families could mourn with dignity. A total of 2,769 funerals have been supported through these efforts, highlighting our commitment to standing with the community in their times of need.

2. Event Support:

In alignment with the city's broader social development goals, Joburg Market has also provided resources for various community events. These events, often organized by local government or community groups, play a crucial role in fostering social cohesion and cultural celebration. Our contributions have supported 666 events, ensuring that they could be conducted successfully and enjoyed by participants without the constraint of resource limitations.

Impact on Community Well-being and Sustainability

The impact of these contributions extends far beyond immediate relief. By supporting such initiatives, Joburg Market is actively participating in the broader mission of creating a more resilient and inclusive city. The provision of fresh produce to those in need helps combat food insecurity and promotes healthier lifestyles. Additionally, by supporting funerals and community events, Joburg Market fosters

a sense of community solidarity and cultural continuity, which are essential for the social well-being of Johannesburg's residents.

These efforts also align with the Market's strategic objectives of sustainability and corporate citizenship. By addressing the needs of the indigent and supporting community events, Joburg Market is helping to build a stronger, more interconnected society. This not only enhances the quality of life for individuals but also contributes to the overall social and economic stability of the city.

Governance of Corporate Social Responsibility

The social responsibility of Joburg Market (JM) and the extent to which legal, ethical, and economic responsibilities are concerned, as established by shareholders, remain a focus for the organization. As a good corporate citizen, operations and project decisions are taken with due consideration of the myriad social responsibilities that affect society. This area of the business is overseen by the REMSEC Committee, with periodic feedback provided as and when required.

Joburg Market's CSR initiatives are particularly focused on providing critical support to indigent communities through the distribution of fruit and vegetable packs, ensuring access to nutritious food for those most in need. This program, targeting vulnerable households across Johannesburg, plays a vital role in enhancing food security and alleviating hunger. Additionally, Joburg Market extends its support to include funeral packages as part of the Expanded Social Package (ESP) program, offering dignified assistance to families during their times of loss.

The funeral packages are administered through a well-coordinated process involving local ward councillors, who serve as the essential link between the City of Johannesburg, Joburg Market, and the affected communities. To access this support, requestors are required to provide Proof of ESP, the Death Certificate, the deceased's ID, the requestor's ID, a councillor's letter requesting the donation, and, when necessary, an affidavit to clarify relationships in cases where the surnames differ. This comprehensive approach ensures that the most vulnerable are supported in a dignified manner during their most challenging times. Through these efforts, Joburg Market continues to demonstrate its commitment to corporate social responsibility, playing a vital role in the well-being of Johannesburg's communities and contributing to the city's social and economic sustainability.

CHAPTER FIVE: FINANCE PERFORMANCE RELATED ACTIVITIES

Section 1: Statement of Financial Position and high-level notes

Short Term Financial Strategy

JM appreciates the fact that its short-term financial goals should be achievable and adaptable to emerging circumstances in the fresh produce industry. As indicated under section 2.1 below 86.0% of JM income is derived from commission. This income source is constantly facing the risk of erosion practices within the value chain and hence JM will in the short term refine its central trading governance and systems to protect its -collection of revenue from this stream. The statement of JM's financial position is tabulated below.

STATEMENT OF FINANCIAL POSITION for the period ended 30 June 2024

	R'000 Actual 2024 June	R'000 Actual 2023 June
ASSETS		
Non-current assets	701 422	614 664
Property, plant and equipment	666 187	576 707
Investment property	25 718	27 185
Intangible assets	428	520
Deferred tax	9 089	10 252
Current assets	1 011 152	851 317
Receivables from exchange transactions	85 976	97 667
Loans to shareholders	316 161	220 547
Statutory Receivable	7 691	59 250
Cash and cash equivalents	601 324	473 853
Total assets	1 712 575	1 465 981
NET ASSETS AND LIABILITIES		
Net Assets and Liabilities	1 185 344	1 066 969
Contribution from owner	20 000	20 000
Accumulated funds	1 165 344	1 046 969
Non-current liabilities	15 165	13 486
Employee benefit obligations	2 662	2 530
Deferred tax	12 503	10 956
Current liabilities	512 065	385 526
Statutory payables	5 817	
Payables from exchange transaction	503 163	381 660
Provisions	3 085	3 866
Total equity and liabilities	1 712 575	1 465 981

Table 44: Statement of financial position for the period ended 30 June 2024

1.2: Statement of Financial Position Variance Analysis

- The net increase of R89.5 million (15.5%) in PPE is due to the capitalization of projects and additional assets.
- Intangible assets decreased by a total of R92 thousand (17.7%) due to asset amortization for the period.
- Cash and cash equivalents increased by R127.5 million (26.9%) due to JM positive cash reserve

and buyer's deposit and subsequent refund from SARS.

- Loan to shareholders increased by R95.6 million (43.4%).

Section 2: Statement of Financial Performance and high-level notes

	For the period ended 30 June 2024						
				Variance			
	<u>Actual</u>	<u>Budgeted</u>	<u>Last Year</u>	<u>Actual vs</u>	<u>Actual vs</u>	<u>Actual vs</u>	<u>Actual vs</u>
	<u>R '000</u>	<u>R '000</u>	<u>R'000</u>	<u>Budget</u>	<u>Last Yr</u>	<u>Budget</u>	<u>Last Yr</u>
				<u>R'000</u>	<u>R'000</u>	<u>%</u>	<u>%</u>
Turnover	11 236 456	10 600 000	10 300 624	636 456	935 832	6,0%	9,1%
Tonnage	1 354	1 434	1 280	(80)	74	-5,6%	5,8%
Rand/Ton	R 8 299	R 7 392	R 8 050	907	249	12,3%	3,1%
Revenue	653 377	644 625	604 428	8 752	48 949	1,4%	8,1%
Expenses	(555 622)	(555 006)	(454 959)	(616)	(100 663)	0,1%	22,1%
Surplus before interest & tax	97 755	89 619	149 470	8 136	(51 714)	9,1%	-34,6%
Net interest (paid)/earned	71 879	54 004	48 958	17 875	22 921	33,1%	46,8%
Internal Charges	-	-	-	-	-	-	-
Surplus before tax	169 634	143 623	198 427	26 011	(28 793)	18,1%	-14,5%
Taxation	(51 259)	(38 778)	(57 074)	(12 481)	5 815	32,2%	-10,2%
Surplus	118 375	104 845	141 353	13 530	(22 978)	12,9%	-16,3%

Table 45: JM high level performance

Joburg Market's financial performance year to date 30 June 2024 recorded a surplus of R118.4 million against a budgeted surplus of R104.8 million. Surplus after tax is above the budget by R13.5 million which has resulted in a positive variance of 12.9%. The entity's Revenue has increased by R48.9 million (8.1%) compared to the prior year's performance, total expenditure also increased by R100.7 million (22.1%) compared to the prior year's performance.

Turnover and Revenue Analysis for quarter 4

	Turnover & Revenue						
	For the period ended 30 June 2024						
				Variance			
	<u>Actual</u>	<u>Budget</u>	<u>Last Year</u>	<u>Actual vs</u>	<u>Actual vs Last</u>	<u>Actual vs</u>	<u>Actual vs</u>
	<u>R '000</u>	<u>R '000</u>	<u>R'000</u>	<u>Budget</u>	<u>Yr</u>	<u>Budget</u>	<u>Last Yr</u>
				<u>R'000</u>	<u>R'000</u>	<u>%</u>	<u>%</u>
Turnover	11 236 456	10 600 000	10 300 624	636 456	935 832	6,0%	9,1%
Tonnage	1 354	1 434	1 280	(80)	74	(5,6%)	5,8%
Rand/Ton	R 8 299	R 7 392	R 8 050	907	249	12,3%	3,1%
REVENUE	653 377	644 625	604 428	8 752	48 949	1,4%	8,1%
Cold storage facilities	4 803	3 865	4 111	938	692	24,3%	16,8%
Ripening facilities	2 732	1 546	2 260	1 186	472	76,7%	20,9%
Commission 5%	561 823	530 000	515 031	31 823	46 792	6,0%	9,1%
Direct Delivery Comm	9 510	3 868	10 425	5 642	(915)	145,9%	(8,8%)
Pallets	1 274	1 509	1 227	(235)	46	(15,6%)	3,8%
Prepaid Electricity	-	-	-	-	-	0,0%	0,0%
Cash Handling fee	7 197	6 318	6 536	879	661	13,9%	10,1%
EPWP	5 000	-	5 500	5 000	(500)	0,0%	0,0%
Trolley Rental Deposit	94	105	98	(11)	(4)	(10,5%)	(4,1%)
Electricity recovery	26 870	43 627	20 109	(16 757)	6 761	(38,4%)	33,6%
Water recovery	6 394	13 701	6 562	(7 307)	(168)	(53,3%)	(2,6%)
Rental Income	22 564	26 689	24 685	(4 125)	(2 121)	(15,5%)	(8,6%)
Floor storage fees	1 045	3 714	1 767	(2 669)	(722)	(71,9%)	(40,9%)
Sundry revenue - other	4 072	9 683	6 117	(5 611)	(2 045)	(57,9%)	(33,4%)

Table 46: JM revenue as at 30 June 2024

The revenue streams have contributed to revenue as follows:

- Commission income(including direct delivery commission) = 87.4%
- Rental income (including both water and electricity recoveries) = 8.5%
- Cold Storage and Ripening = 1.2%
- Sundry revenue =2.9%

Revenue Variance Analysis

Total revenue as of 30 June 2024 is recorded at R653.4 million compared to the budget of R644.6 million. This represents a positive variance of R8.8 million (1.4%) when compared to the budget.

- *Storage Facilities:* Cold Storage is recorded at R4.8 million compared to the budget of R3.9 million which amounts to a positive variance of R938 thousand (24.3%) and Banana Ripening is recorded at R2.7 million compared to the budget of R1.5 million which amounts to a positive variance of R1.2 million (76.7%) due to an increase in the volume of stock currently in cold rooms facilities.
- *Commission revenue and Direct Deliveries commission:* Commission income is recorded at R561.8 million compared to the budget of R530.0 million which amounts to a positive variance of R31.8 million (6.0%) because of higher price (demand vs. supply). Direct Deliveries are recorded at R9.5 million compared to the budget of R3.9 million which amounts to a positive variance of R5.6 million (145.9%) due to an increase in direct consignments received.
- *Electricity recovery* is under the budget by R16.8 million (38.4%).The smart meter project has been completed and commissioned and JM is in the process of realigning the billing process. Water recovery is under budget by R7.3 million (53.3%) due to a decrease in water consumption. This is evident in the reduction in water expenditure.

Operational Expenditure Analysis for quarter 4

	For the period ended 30 June 2024						
				Variance			
	Actual	Budget	Last Year	Actual vs. Budget	Actual vs. Last Yr	Actual vs. Budget	Actual vs. Last Yr.
	R '000	R '000	R'000	R'000	R'000	%	%
Expenses	555 622	555 006	454 959	616	100 663	0,1%	22,1%
Personnel costs	223 982	221 213	198 196	2 769	25 786	1,3%	13,0%
Human Resources	12 195	13 219	15 766	(1 024)	(3 571)	-7,8%	-22,7%
Marketing	6 365	6 707	3 715	(342)	2 650	-5,1%	71,3%
Repairs and Maintenance	70 697	61 436	31 244	9 261	39 453	15,1%	126,3%
Operations	149 529	166 367	131 770	(16 838)	17 760	-10,1%	13,5%
Information Technology	7 982	13 153	6 127	(5 171)	1 855	-39,3%	30,3%
Finance and administration	51 318	42 426	38 539	8 892	12 779	21,0%	33,2%
Depreciation	33 554	30 485	29 602	3 069	3 952	10,1%	13,3%

Table 47: JM operational expenditure analysis as at 30 June 2024

Operational Expenditure Analysis for the quarter ended 30 June 2024

Total operating expenditure for the period is recorded at R555.6 million compared to the budget of R555.0 million. This represents a variance of R616 thousand (0.1%) when compared to the budget.

- Personnel cost is over budget by R2.8 million (1.3%). This is a result of a surge in overtime hours due to a high volume of operational work demands.
- Operations Expenditure is below budget by R16.8 million (10.1%) due to a decrease in consumption of utility services particularly water-related costs. In nature, this line item is based on the estimated usage by our clients.
- Information Technology is R7.9 million compared to the budget of R13.2 million which represents an under budget by R5.2 million (39.3%) due to the Microsoft license project and other licenses not yet implemented. The procurement of Microsoft licenses is centralized through City Group Information Technology.
- Human Resources are below the budget by R1.0 million (7.8%) due to a service provider withdrawing from the appointed services due to intricacies with JM at the SLA stage.
- Repairs and Maintenance is over the budget by R9.3 million (15.1%). The increase is due to the entity implementing Operation Phendula projects that has expedited the repairs and maintenance expenditure to its fullest capacity while adhering to the austerity measures.
- Finance and Administration is over the budget by R8.9 million (21.0%) due to the adjustment for doubtful debt provision evaluated at the end of the financial year.
- Marketing cost is under budget by R342 thousand (5.1%) as the entity assesses every marketing engagement to consider if there is a value-added and if it will be in line with cost containment regulations.

Stakeholder Engagements

During the period under review, several tenants' engagements were held including engagements on collections and signing of lease agreements.

JM also continued to sustain a cordial relationship with CoJ Group Finance and municipal entities providing services to JM. The latter include amongst others project management engagements with JPC on the project management of the Tshiamo Market as well as Joburg Water on accounting of water consumption charges to JM. The Company wishes to express its appreciation for the cooperation and support enjoyed during these engagements.

Section 3: Cash Flow Statement

Cash flow statement for the period ended 30 June 2024

	R'000 Actual 30-Jun-24	R'000 Actual 30-Jun-23
Cash flows from operating activities		
Receipts		
Sale of goods and services	756 029	670 521
Interest income	74 608	43 442
Other receipts	55 554	
	886 191	713 963
Payments		
Employee costs	-220 177	-199 147
Suppliers	-283 973	-285 211
Statutory payment	-97 843	-56 473
	-601 992	-540 831
Net cash flows from operating activities	284 199	173 132
Cash flows from investing activities		
Purchase of property, plant and equipment	-85 054	-70 333
Loan to shareholder - Sweeping account	-71 609	173 320
Net cash flows from investing activities	-156 663	102 987
Cash flows from financing activities		
Repayment of post retirement benefits	-65	-62
Net cash flows from financing activities	-65	-62
Net increase in cash and cash equivalents	127 471	276 057
Cash and cash equivalents at the beginning of the year	473 853	197 796
Cash and cash equivalents at the end of the year	601 324	473 853

Table 48: Cash flow statement as at 30 June 2024

Section 4: Capital Projects & Expenditure

Capex spend as of 30 June 2024 is recorded at R121.5 million against a total adjustment budget of R121.5 million. This represents 100 % spent.

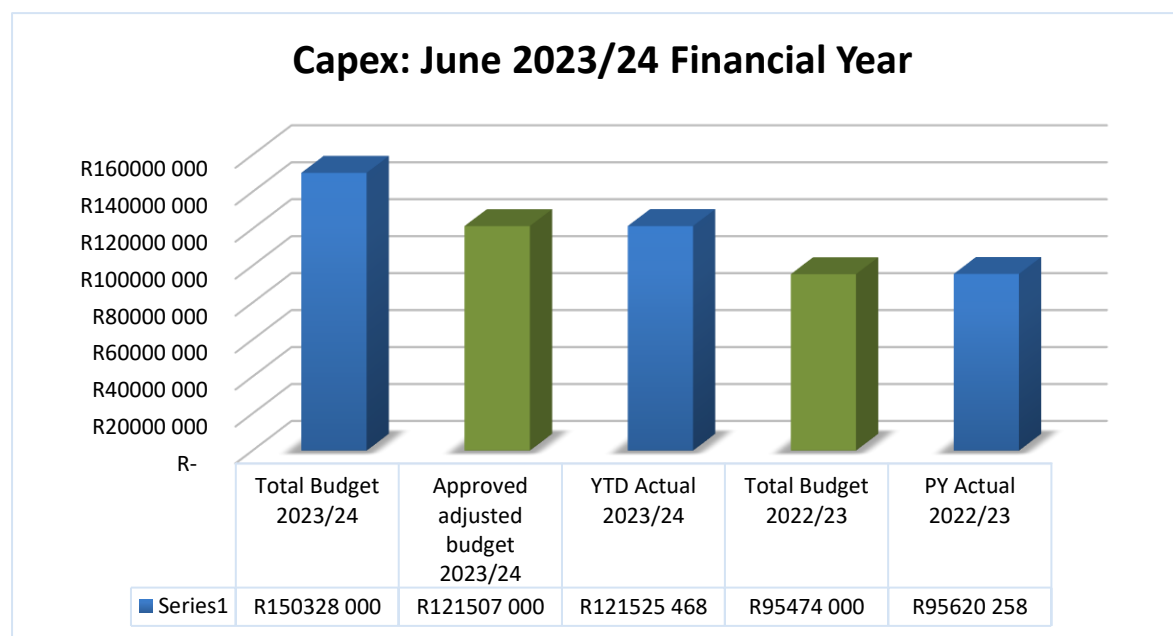


Figure 9: Capital Expenditure Analysis for the quarter 4th ended 30 June 2024

Capital Projects

The Entity's approved Adjustment Budget for the 2023/24 financial year amounts to R121.5 million compared to the approved budget 2023/24 of 150.3 million.

JSIP Number	Project Description	JFPM				
		Approved Budget	Adjustments	Adjusted Budget	Actual Spent	Actual against budget
		R	R	R	R	%
2598	Upgrades to the main building (Mandela market, cold rooms & food courtyard)	18 753 000	(10 081 000)	8 672 000	8 832 891	101,9%
3331	Installation of Sprinkler System(Fire Suppression System OHSA)	8 075 000	2 300 000	10 375 000	10 151 942	97,9%
22489	Upgrade of Banana Ripening and Cold Rooms	20 000 000	-	20 000 000	19 130 943	95,7%
22541	Smart market project	1 500 000	(960 000)	540 000	-	0,0%
22547	Alternative Energy Systems	40 000 000	-	40 000 000	44 000 000	110,0%
23093	Installation of smart meters - revenue protection	12 000 000	-	12 000 000	12 268 993	102,2%
24064	Rocker bins	2 000 000	(1 400 000)	600 000	-	0,0%
24065	Ring feed	26 000 000	-	26 000 000	27 140 699	104,4%
31060	Cashless project	20 000 000	(17 400 000)	2 600 000	-	0,0%
31063	Soweto market	2 000 000	(1 280 000)	720 000	-	0,0%
Total		150 328 000	(28 821 000)	121 507 000	121 525 468	100,0%

Table 49: 2023/24 Capital project expenditure

Section 5: Ratio Analysis (minimum: liquidity, solvency, cost coverage)

Key financial ratios for quarter 4

Key Financial Overview for Year ended 30 June 2024

Financial ratios	Norm	Q4-1
Liquidity (CA/CL)	1.5:1	2.0:1
Solvency (Total Assets/Total Liabilities)	2.0:1	3.2:1
Debtor's days (average collection period)	30	48
Cash Cover (days)	30 - 90 Days	641
Remuneration to expenditure ratio (Incl EPWP)	25-40%	40,3%
Remuneration to expenditure ratio (Excl EPWP)	25-40%	39,8%

Table 50: Q4 Analysis of key ratios

The Joburg Market remuneration to expenditure ratio is higher than the norm because of the continuous nature of its operations which includes 24-hour functions, night shift arrangements, and certain operations on public holidays. JM has a healthy Balance Sheet in terms of both liquidity and solvency; this indicates that the company has sufficient assets to cover its operations in the short term. It is worth noting that it takes 44 days for debtors to pay amounts owing to Joburg Market against the required norm of 30 days.

Analysis of Debtors Collections for the 4th quarter

An amount of R67.1 million has been collected during the reporting period against a billing figure of R74.9 million. The collection rate achieved year to date is 90% against a target of 95%.

Billing and collections rate Quarter YTD 2023/24													
Billing													
Descriptions	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	YTD
Total of Rental & Utilities	5 048 033	4 747 949	9 923 137	6 361 760	6 966 993	3 549 589	3 267 768	6 981 289	3 698 453	4 679 625	4 927 657	5 338 523	65 490 776
Total of Cold Storage & Ripening	167 833	986 138	-1 924 897	1 083 415	635 654	586 183	1 045 303	1 167 618	1 093 193	1 186 814	1 419 679	1 554 158	8 665 425
Total Billing	4 880 200	5 734 087	7 998 240	7 445 176	7 602 647	4 135 772	4 313 071	8 148 907	4 791 646	5 866 439	6 347 336	6 892 681	74 156 201
Collections													
Total of Rental & Utilities	4 326 746	4 472 878	2 307 362	3 042 328	4 009 287	4 039 110	4 532 761	6 710 191	3 845 573	5 729 560	5 570 440	5 216 655	53 802 891
Total of Cold Storage & Ripening	1 364 051	1 584 867	910 185	754 036	1 544 499	354 860	762 498	844 432	1 351 539	665 534	683 281	2 435 670	13 255 452
Total Collection	5 690 797	6 057 745	3 217 547	3 796 364	5 553 786	4 393 970	5 295 259	7 554 623	5 197 112	6 395 094	6 253 721	7 652 325	67 058 343
Collection percentages													
Descriptions													
Rental & Utilities Rate	86%	94%	23%	48%	58%	114%	139%	96%	104%	122%	113%	98%	82%
Cold stores & Ripening	-813%	161%	-47%	70%	243%	61%	73%	72%	124%	56%	48%	157%	153%
Total Average collection	117%	106%	40%	51%	73%	106%	123%	93%	108%	109%	99%	111%	90%

Table 51: Billing and collection rates as at 30 June 2024

Bad Debts

Provision for bad debts amounted to R45.7 million.

Analysis of Cash Collections 4th quarter ended 30 June 2024

Buyers Deposit

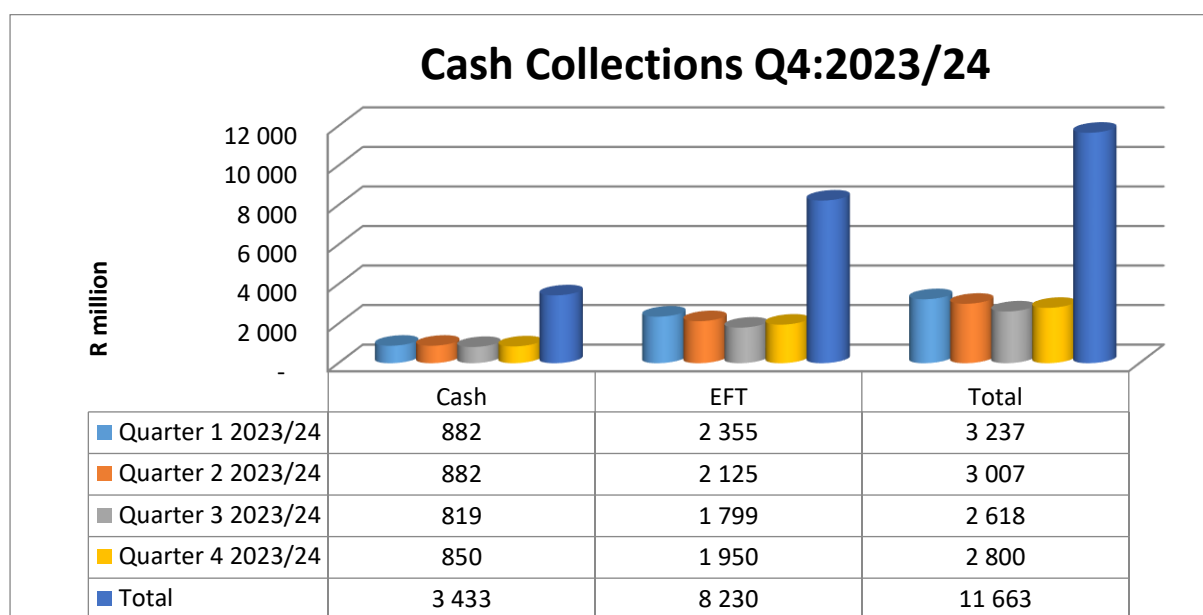


Figure 10: Cash collections for 4th quarter 30 June 2024

A total of R10.9 billion was collected on 30 June 2024.

Cashiering Shortages & Recoveries

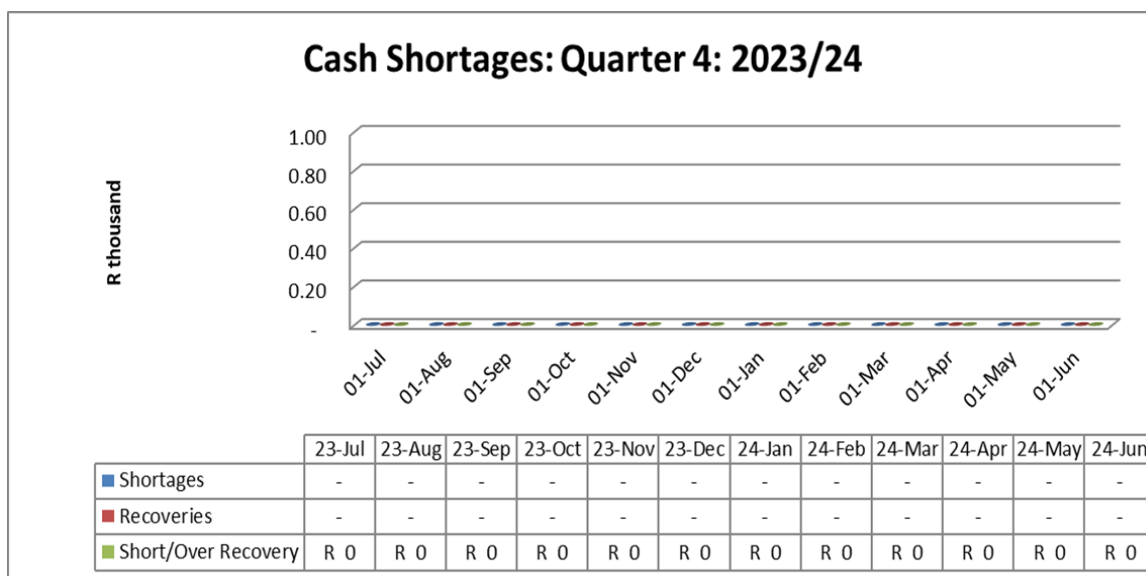


Figure 11: Cashiering shortages & recoveries 4th quarter ended 30 June 2024

- A total collection of R990 million was collected during the month of June 2023/2024 compared to R950 million collected in the month of June 2022/2023. There is a notable increase of about 4.2% compared to the prior year.
- The total shortages for June 2023/2024 are R0 against recoveries and the closing balance of R4 339. The department closing shortage for the month of June 2024 amounts to a R0 balance.

Section 6: Analysis of Supply Chain Management (SCM)

New Tender and Contract Awards

Overall Awards

The total overall awards for the year, including all commitments such as new tenders, additional funding, contract extensions, deviations, purchase orders via the request for quotation process, and appointments through panels—amounted to R394 million.

Tender Awards

Sixteen bids, totaling R140 million in value, were awarded. The tender register is updated and monitored on a weekly basis. The average time to evaluate and complete the award process ranges from 60 to 90 days, although the time required to finalize the appointment of a panel tends to be slightly longer.

Cancelled Tenders

During the year under review, the Entity experienced four non-awarded bids. The reasons for these non-awards include bids exceeding the approved budget, non-responsiveness, and failure to conclude the Service Level Agreement (SLA).

Disputed Awards

There were no disputed tenders. However, one bidder requested information under the Protection of Personal Information Act of 2013 (POPIA). This matter is currently being contested in a court of law. Disputed tenders are defined as instances where a tenderer raises a dispute, objection, or complaint concerning any decision made by Joburg Market during the implementation of its Supply Chain Management processes.

Awards to Black Designated Groups

The bids awarded during the financial year have been broken down into various designated groups, as outlined below. These amounts are part of the total awards made for the year and are reported to highlight the empowerment contributions made to various black designated groups.

- SMMEs: R125million
- 50 % or more Black Youth owned enterprise: R14.7 million
- 50 % or more Women owned enterprises : R3.7 million
- 50% or more Black-owned enterprises: R125million

Contractor Performance

No poor performances were reported for the year. A key performance indicator is the adherence of Service Providers to the specifications or terms of reference, as well as the timely reporting of any contract variations. Business Units are required to appoint a Contract or Project Manager to manage and oversee contracts. Both Business Units and the SCM share responsibility for ensuring that Service Providers meet their contractual obligations and that the Contract Management process is efficiently utilized.

Deviations

The accounting officer followed due processes in considering the need for deviations. The entity incurred the following deviations which are illustrated in the table below:

No	Service Provider	Type of Deviation	Reason/s	Approved Deviation amount excl. Vat	Approved Deviation amount Inc. Vat	Year Approved
1	Kya Guards(Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Additional security and equipment for a period of three(4) months. Security officers patrol outside the Joburg Market precinct in order to prevent crime.	14 095 413	16 209 725	2023-07-19 2023-10-27 2023-11-27
2	Serve Isizwe Holdings (Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Emergency repairs, re-program and re-calibrate the banana ripening ABB temperature monitoring system	377 482	434 105	18-Sep-23
3	Mojalefa Projects (Pty)Ltd Midic (Pty)Ltd and Ivyforever Trading (Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Jorburg Water could not supply water to the entire City of Joburg, entities as well as the city residents. Toilet rental is part of an essential service for business continuity at Joburg Market	899 000	1 033 850	30-Oct-23
4	Mailcomp (Pty)Ltd t/a Egis Software	Sole Suplier (MFMA section 36 (a) (ii))	License renewal on the Egis- software in the Joburg Market environment. Mailcomp (Pty)Ltd t/a Egis Software is the sole supplier and developer of Paper Trail Content management solutions and its surroundings tools	46 751	161 291	31-Oct-23
6	Elphash Trading Enterprise CC	Emergency (MFMA section 36 (a) (i))	Additional security to patrol outside the Joburg Market precinct in order to prevent crime on a month to month basis untill the security tender is finalized. 12 Additional security officers.	3 480 000	4 002 000	2023-11-27 2024-04-11

7	Ngwenyama Electrical CC	Emergency (MFMA section 36 (a) (i))	Emergency work of repairing the S56 High Tension (HT) switch at High voltage (HV) room including all safety control of the switch. Emergency request to replace a faulty transformer with our space transformer, further supply and fix High Tension (HT) chiller motor switch at HT plant room and replace the burnt hall 5 & 6 transformer.	1 619 270	1 862 161	2023-12-20 2023-12-21
8	Manxiwa Group (Pty) Ltd	Exceptional (MFMA section 36 (a) (v))	Genfarm has a warranty of 12 months and that is valid if the schedule maintenance and required services are conducted by the service provider that was installing the system. Intellectual Property (IP) support and maintenance of gen-farm for a period 36 months.	2 141 565	2 462 800	19-Jan-24
9	Dogan Exhibition and events (Pty)Ltd	Sole Supplier (MFMA section 36 (a) (ii))	Randshow Exhibition fees	170 932	196 571	27-Mar-24
Total				26 362 504		

Table 52: Q4 Deviation

Irregular Expenditure

No	Name of Supplier	UIFW	Reasons for the Deviation	Amounts
1.	Morubisi Technologies (Pty)Ltd	Irregular expenditure	COJ Promised to do insource and did not materialize. However, for the sake of business continuity the current service provider has been kept on board as they provide an integral service.	6 760 804
2.	Bash Electrical Contractors	Irregular expenditure	The tender was pproved to be advertised for less than 30 days and AG determined it as irregular	16 957 206
	Total			23 718 010

The entity did not incur new current year irregular expenditure.

Fruitless and Wasteful Expenditure

The company incurred no fruitless and wasteful expenses during the current financial year:

BBB-EE Expenditure for the Period

Expenditure	YTD -Actual JM Spend	Spent on related parties	Available Amount	YTD spent on BBB-EE	YTD % spent on BBB-EE
	(R)	(R)	(R)	(R)	
OPEX	298 086 383	-82 968 453	215 117 930	215 117 930	100%
CAPEX	121 525 468	-71 140 699	50 384 769	50 384 769	100%

Table 53: JM BEE Procurement spending during the acquisition of goods and services as at 30 June 2024

OPEX Expenditure: The total amount spent for OPEX is R298.1 M. Included in there is an amount of R83.0M which does not form part of the total actual expenditure on BBB-EE as it was spent on CoJ entities namely; JPC, MTC, City Power JWater and Pikitup.

CAPEX Expenditure: The total amount for CAPEX is R121.5M Included in that total is an amount of R71.1M which has been deducted from the total CAPEX expenditure as it was spent on projects that were carried out by CoJ-related entities namely; JPC and JDA.

Payments within 30 days

Payments of Creditors Within 30 Days	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	29-Feb	31-Mar	30-Apr	31-May	30-Jun	YTD
Total Payments	74	96	96	72	85	82	54	83	65	69	70	79	925
Paid Within 30 Days	74	96	96	72	85	82	54	83	65	69	70	79	925
Percentage Achieved	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 54: Payment of supplies within 30 days

The payment of suppliers within 30 days is recorded at 100% compared to the target of 100% required by the JM KPI.

Section 7: Pending Litigations and Possible Liabilities

DETAILS OF MATTER	AMOUNT (R/M)
Dispute with a company regarding professional fees in respect of road rehabilitation	1 080 017
Total	1 080 017

Table 55: JM contingent liabilities as at 30 June 2024

SMEC v Joburg Market

Background

- In 2017 JM appointed Gorogang Construction for road rehabilitation and resurfacing at the Market.
- Gorogang Construction in turn appointed SMEC in order to conduct quality assurance in respect of the works.
- Gorogang did not complete the road rehabilitation project as a result of financial distress. JM appointed Johannesburg Roads Agency to complete the work, which it did.
- In 2018 SMEC sued JM for the quality assurance service fee instead of suing Gorogang. The claim amount is R1.1 million
- JM defended the case because there was no cause of action.
- In April 2024 efforts to resolve the dispute amicably were unsuccessful.

Current status

- The matter is on-going and is set down for 06 October 2025.

Section 8: Insurance Claims

The Insurance claims were R39.9 million for produce damaged at cold and banana ripening rooms, loss of assets, damaged property, group personal accident cover, employment practice liability. Claims have been submitted to the Broker, African Dawn for payment.

Section 9: Statement on Amounts Owed by and to Government Departments and Public Entities

The entity wishes to disclose the following monies receivable from organs of government:

Amounts owing by related parties		
Name of department/entity	30-Jun-24	30-Jun-23
The City Of Johannesburg Metropolitan Municipality	322 940 369	238 165 737
Johannesburg City Parks and Zoo	407 987	370 298
Pikitup Johannesburg (SOC) Ltd	17 885	57 950
Johannesburg Social Housing Company	741 485	605 378
Johannesburg Tourism Company	-	183 755
Johannesburg Metropolitan Bus Services	711 660	-
Total	324 819 386	239 383 118
Amounts owing to related parties		
Name of department/entity	30-Jun-24	30-Jun-23
The City Of Johannesburg Metropolitan Municipality	176 495 897	166 799 609
Johannesburg Metro Trading Company	6 267 363	5 482 224
Johannesburg Property Company	60 082 852	58 519 412
Johannesburg City Parks and Zoo	206 498	590 974
Joburg Theatre (SOC) Ltd	288 559	159 965
City Power	72 975 907	-
Total	316 317 076	231 552 185

Table 56: Amounts owed by the government departments and other public entities

CHAPTER SIX: INTERNAL AND EXTERNAL AUDIT FINDINGS

Section 1: Progress on Internal Audit Plan

Internal Audit performs its duties in accordance with the S165 of the MFMA and other relevant legislation and frameworks.

The scope of Internal Audit work is to provide reasonable assurance on whether the organisation's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that, amongst others:

- There is effectiveness and efficiency of operations.
- There is adequate compliance to laws and regulations and significant legislative or regulatory issues impacting the organisation are recognised and adhered to.
- Safeguarding of assets.
- Risks are appropriately identified and managed.
- Significant financial, operating and performance information is accurate, reliable and timely.

The following is a summary of progress on the approved internal audit plan for 2023/24 as at 30 June 2024.

Progress status on the plan – Q4

Description	Project Allocation	Not started	Planning & Execution	Reporting	Completed
Planned audits for the year	17	0	6	0	11
Percentage	100%	0%	35%	0%	65%

Table 57: Planned auditd for 2023/24

The two audits still at the execution phase will be completed by 30 September 2024 before the start of the AGSA external audit

Detail of planned audits

The following table provides the detail of the planned audits for 2023/24 financial year and progress status at 30/06/2024.

NO	Planned Area of Coverage	Progress	Hours	Risk Rating
1	Auditing of Predetermined Objectives (Performance Information) (Q1, Q2 & Q4)	Complete	300	High
2	Unauthorised Irregular, Fruitless and Wasteful Expenditure (UIFWe)	Complete	300	Very High
3	Write off of UIFWe	Complete	300	Very High
4	SCM: Tendering and RFQ Process	Not started	400	Very High
5	Human Resources(Overtime, standby allowance, overtime, staff verification)	Complete	400	High

6	Wellness Centre	Complete	200	High
7	Fixed Assets	Complete	300	Very High
8	Service Standards (Q2 & Q4)	Complete	200	High
9	Probity audits (4 Audit assignments done)	Complete	400	Very High
10	Review of Interim Financial statements	Complete	300	High
11	Follow up audits (monthly reviews)	Complete	400	High
12	Information Technology General Controls (ITGC)	Not started	300	High
13	Information Technology JDE – Application Controls	Not started	200	Medium
14	Occupational Health and Safety- SHE (with emphasis on hygiene matters)	Complete	300	Very High
15	Marketing - Food support Centre	Complete	300	High
16	Infrastructure Maintenance	Complete	300	Very High
17	Quality Assurance with emphasis on food safety.	Complete	300	Medium
18	Ad- Hoc Audit assignments (Two additional probities than normally planned)	Complete	300	High

Table 58: Details of planned audits

Explanation of Risk Rating

Critical	Significant	Requires Improvement	Satisfactory
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Section 2: Progress on Resolution of Internal Audit Findings

Internal audit conducts follow-up audits to ensure that the agreed action plans are implemented within agreed timeframes; root causes are identified and repeat findings are prevented. Efforts are focused in ensuring that findings classified as “high risk” receive adequate management attention.

The following is a summary of movements in the 2023 Internal Audit findings up to 30/06/2024.

Internal Audit	Total finding	Q2	Q3	Q4	Total resolved	% Resolved	Closing findings
Internal Audit –23&24 FY	56	40	8	8	56	100%	0
Total	56	40	8	8	56	100%	0

Table 59: Internal audit findings

Section 3: Progress on Resolution of External Audit Findings (AGSA)

The following is a summary and status of audit findings at 30 June 2024. The following is a summary of movements in the AGSA Audit findings during Q4 up to 30/06/2024

External Audit	Total findings	Q2	Q3	Q4	Total resolved	% Resolved	Closing findings
AGSA- 2023 FY	15	10	2	3	15	100%	0
Total	15	10	2	3	15	100%	0

Table 60: AGSA audit findings

Section 4: UIFW Expenditure written-off during the year

The following table indicates investigated amounts that were recommended for write off. The consequence management and other actions that emanated from the investigations are dealt with separately.

	Irregular	Fruitless & wasteful	Total	Write off %
2022/23 FY				
Opening balance	245 596 538	50 944 644	296 541 182	
New UIFWe	12 901 090	0	12 901 090	
Written-off	(228 946 014)	(16 003 050)	(244 949 064)	83%
Closing balance - 30 June 2023	29 551 614	34 941 594	64 493 208	
2023/24 FY				
Opening Balance	29 551 614	34 941 594	64 493 208	
New UIFWe	23 718 010	0	23 718 010	
Write-offs	(17 374 803)	(26 069 091)	(43 443 894)	67%
Closing balance - 30 June 2024	35 894 821	8 872 503	44 767 324	

Table 61: UIFW Expenditure

Section 5: Overall State of Internal Controls

EFFECTIVENESS OF INTERNAL CONTROLS FOR Q4 ENDING 30 JUNE 2024

The evaluation of internal controls is critical in ensuring that JM has adequate and effective systems,

The overall assessment within JM is that the effectiveness of internal controls remained effective at the end of Quarter 4 ending 30 June 2024.

The internal controls are thus evaluated as adequately designed and partially effective, i.e. “require improvement” during the 2024 financial year. Below are some of the reasons for this assessment.

processes, policies and procedures that support the achievement of organisational objectives. Internal controls are designed and implemented by management in execution of day to day operations. Internal audit makes an assessment on the effectiveness of internal controls based on the results of audits conducted in various areas and other interactions within the entity. It is noteworthy to state that Joburg Market obtained a clean audit outcome from the AGSA’s audit outcome for the year ending 30 June 2023 and JM is working hard to maintain this achievement for the year ending 30 June 2024.

The evaluation of internal controls is critical in ensuring that JM has adequate and effective systems, processes, policies, and procedures that support the achievement of organisational objectives. Internal controls are designed and implemented by Management in the execution of day-to-day operations. Internal audit assesses the effectiveness of internal controls based on the results of audits conducted in various areas and other interactions within the entity.

Internal audit did not observe significant further improvement in the effectiveness of the internal controls up to quarter 4 ending 30 June 2024, however, some positives and some weaknesses were noted, and their effect are considered in evaluated the control environment during Q4 ending 30 June 2024.

Management continued providing measures to strengthen the capacity of crucial departments that recently had vacancies in key positions and some of the staff members that were on precautionary leave have been brought back to their positions.

This serves to improve the capacity of the entity and assists in the effectiveness of internal controls

JM currently has adequate capacity to deal with CAPEX and Repairs and maintenance because most of the panels of service providers have been in place since the 2021 financial year or were renewed. A combination of noted improved staff capacity and the various Panels on different disciplines serve to maintain control environment and effectiveness of operations of JM.

The internal controls are thus evaluated as adequate and partially effective, i.e. “require improvement” during the quarter ended 30 June 2024.

CONCLUSION

The 2023/24 financial year has been one of significant achievement and strategic advancement for Joburg Market, despite facing numerous external challenges. The organization has demonstrated resilience and agility, with notable progress in both financial performance and operational efficiency. Achieving a turnover of R11.2 billion, surpassing budget expectations, and making key infrastructure investments, Joburg Market has reinforced its position as Africa’s leading fresh produce trading hub.

However, the year was not without its challenges. The ageing infrastructure, particularly the shortage of cold storage and ripening facilities, and the need for more trading space, presented operational hurdles. Despite these challenges, Joburg Market has laid the groundwork for future success with strategic initiatives such as the Smart Market project, aimed at addressing these infrastructure concerns and enhancing the market’s capacity to meet growing demand.

The organization’s commitment to social and economic development was evident through its support for SMMEs, the Expanded Public Works Programme (EPWP), and the internship program, all of which contributed to local job creation and skill development.

Looking ahead, Joburg Market is poised to build on the successes of the past year by continuing to focus on operational efficiency, stakeholder engagement, and strategic infrastructure development. The initiatives planned for the 2024/25 financial year, particularly in advancing the Smart Market project, are expected to address existing challenges and position Joburg Market for sustained growth and competitiveness in the years to come.

ANNEXURE A: BOARD OF DIRECTORS; COMMITTEE ALLOCATION AND ATTENDANCE

Board Member Committees Allocated and Attendance				
Committee Members	Full Time / Part Time	Committees Allocated	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT		%	%
Mr. Sithole E (Chairperson)	FT	Chairperson of the Board	100%	N/A
Ms. Gumede V	FT	Remuneration, Social, Ethics and Transformation Chairperson	100%	N/A
Mr Vondo C	FT	Strategy and Operations Chairperson	71%	29%
Ms. Nkosi M	FT	Audit and Risk Committee Chairperson	100%	N/A
Ms. Ndlovu L	FT	Acting Chief Executive	74%	26%
Mr. Makhubela S	FT	Acting Chief Executive Officer	100%	N/A
Mr. Baloyi N	FT	Chief Financial Officer	77%	23%
Mr. Xalisa Z	FT	Non-Executive Director	100%	N/A
Mr Bolokang O	FT	Non-Executive Director	64%	36%
Mr. Ramabulana R	FT	Non-Executive Director	67%	33%
Mr. Tsotetsi G	FT	Non-Executive Director	100%	N/A
Ms. Mpongo N	FT	Non-Executive Director	100%	N/A
Ms. Vilakazi M	FT	Non-Executive Director	100%	N/A
Ms. Sicam N	FT	Non-Executive Director	100%	N/A
Mr. Shibambu M	FT	Non-Executive Director	93%	7%
Mr Son G (IAC)	FT	Independent Audit Committee Member	86%	14%
Mr. Karedi M (AIC)	FT	Independent Audit Committee Member	100%	N/A
Mr. Netshidzati G (AIC)	FT	Independent Audit Committee Member	86%	14%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them				T A

ANNEXURE B: COMMITTEE AND COMMITTEE PURPOSE

Committees and Purposes of Committees	
Entity Committees	Purpose of Committee
Audit and Risk Committee (ARC)	<p>The Committee has an independent advisory role with accountability to both the Board and the Shareholder.</p> <p>The main role of the Committee is to ensure the integrity of the financial reporting and audit process and to oversee the maintenance of sound internal control and risk management systems.</p>
Remuneration, Social, Ethics and Transformation Committee (REMSETC)	<p>The Committee is responsible ensure the company attends to all matters relating to Human Capital which includes to:</p> <ul style="list-style-type: none"> • Enhance, broaden and develop the skills and talents of current and future employees, • Recommend annual salary increases for staff as well as the salary scale, • Review of the performance evaluation assessments for executives and to recommend performance bonuses or remedial intervention, • Facilitate recruitment of executives of the company. <p>Further the Committee takes up the responsibility to develop and implement the Business Code of Conduct and Ethics. The Committee must monitor and report:</p> <ul style="list-style-type: none"> • On the Company's social impact, • That the Company acts as a responsible corporate citizen,
Strategy and Operations Committee (SOC)	<p>The main role of the Committee is to consider and recommend the Company's short, medium and long-terms strategy as recommended by management.</p> <p>Further the Committee will approve then Company's operational plans and</p>

ANNEXURE C: THIRD TIER ADMINISTRATIVE STRUCTURE

Joburg Market Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the CEO	Acting Chief Executive Officer: Mr. Sello Makhubela
Company Secretary	Company Secretary: Mr. Keraan Singh
Executive: Strategy, Planning and Transformation	Executive Manager: Ms. Noxolo Mabuza (Acting)
	Senior Manager Strategy, Planning and transformation: Noxolo Mabuza
	Senior Manager Marketing and Communications: Mr. Hope Mabaso
Executive Corporate Services	Executive Manager: Ms. Phoebe Nimmerhoudt
	Senior Manager Legal: Mr. Ncaphayi Diko
	Senior Manager HR and Administration: Mr Ezekiel Kgomo
	Senior Manager SHE and Security Enforcement: Mr Malebo Malebo
	Senior Manager IT: Mr. Billy Vorster
Executive Operations	Executive Manager: Mr. Bongani Radebe(Seconded to Joscho)
	Executive Manager (Acting): Mr. Cedric Nephaw
	Senior Manager Infrastructure: Mr. Samuel Masike
	Senior Manager: Commision Business: Mr. Charles Park
	Senior Manager: Consignment Control: Mr. Thivhulai Mbedzi
	Senior Manager Property: Mr. Mqhele Mlotshwa
Finance	Chief Financial Officer: Mr. Nkosinathi Baloyi:
	Senior Manager Financial Accounting: Mrs. Lindo Nyembe-Ababio (Actng)
	Senior Manager Supply Chain: Ms. Boitumelo Lephadi (Acting)
	Senior Manager Management Accounting: Mr. Cedric Nephaw and Mr. Sello Mokhatla (Acting)
Office of the Chief Operations Officer	Chief Operations Officer (Acting): Mr. Charles Park
	Senior Manager: monitoring and Evaluation
Audit Risk and Compliance	Risk Officer: Mrs. Phindile Shabalala: Chief
	Senior Manager Internal Audit: Mr. Moses Mabunda
	Senior Manager: ERM
	Senior Manager: Compliance
Office of the Chief Information Officer	Vacant

ANNEXURE D: FUNCTIONS OF ENTITY

Joburg Market Functions	
MUNICIPAL ENTITY FUNCTIONS	Function Applicable to Joburg Market (Yes / No)*
SDA functions:	
The provision and management of facilities and services for the distribution of fresh produce	Yes
Ensuring a competitive, resilient and sustainable fresh produce trading platform	Yes
Enabling market access, sustainable availability and affordable fresh produce	Yes
Enabling food security and safety and compliance to food quality standards	Yes
* If municipality: indicate (yes or No); * If entity: Provide name of entity	

ANNEXURE E: FUNCTIONALITY OF BOARD COMMITTEES

Functionality of Board Committees					
Committee Name	Name of committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to the committee	Number of quarterly committee meetings held during year
Audit and Risk Committee		Yes	N/A	N/A	7
Remuneration, Social, Ethics and Transformation Committee		Yes	N/A	N/A	5
Strategy and Operations Committee		Yes	N/A	N/A	4

ANNEXURE F: CAPITAL PROJECTS: SIX LARGEST

Joburg Market					
Capital Projects: Six Largest in 2023/24			(Full List: Appendix O)		
No.	JSIP Number	Project Name and details	Start Date	End Date	Total Value
1	2598	Upgrades to the Main Building (Mandela Market, cold rooms and food courtyard)			R8,672,000
2	3331	Installation of Sprinkler System (fire Suppression System OHSA)			R10,357,000
3	22489	Upgrade of Banana Ripening and Cold Rooms			R20,000,000
4	22547	Alternative Energy Systems			R40 000,000
5	23093	Installation of Smart Meters – revenue protection			R12,000,000
6	24065	Ring Feed			R26,000,000
TF.1					

ANNEXURE G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Independent Audit Committee Members

The independence of JM audit committee members are observed in compliance to the rules of the shareholder and the provisions of the King IV™ code. By providing an independent source of advice to the board, audit committees play a key role in an organisation's governance structure. To ensure the audit committee's independence, it is a leading practice by the shareholder to ensure that the majority of its members are independent from the organisation. The below table reflects the total number of meetings held and the recommendations made for the 2023/24 financial year;

Independent Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2023/24	Recommendations adopted (enter Yes) If not adopted (provide explanation)
14/07/2023	The Q4 Report for FY2022/23 be and is hereby recommended to the Board for approval.	Adopted
14/07/2023	The Compliance Management Policy be and is hereby recommended in principle to the Board for approval subject to the clarity-seeking questions being addressed.	Adopted
29/08/2023	The Audit Strategy as presented by the AGSA be and is hereby recommended to the Board for approval	Adopted
29/08/2023	The unaudited financial statement for the year ended 30 June 2023 be and is hereby recommended to the Board for approval.	Adopted
29/08/2023	The draft performance information for FY2022/23 be and is hereby recommended to the Board for approval.	Adopted
29/08/2023	The draft annual integrated report for FY 2022/23 be and is hereby recommended to the Board for approval.	Adopted
29/08/2023	The Draft Audit Strategy as presented be and is hereby approved, subject to amendments.	Adopted
16/10/2023	The Q1 Report for FY2023/24 be and is hereby recommended to the Board for approval.	Adopted
16/10/2023	Management to track OPEX and CAPEX projects on a continuous basis.	Adopted
16/10/2023	Management to provide quarterly updates on internal audit activities going forward.	Adopted
16/10/2023	Management to submit a comprehensive report on litigation matters detailing each case.	Adopted
28/11/2023	The Auditor General SA Audit report and Management letter –year ended 2022/23 be and is hereby recommended to the Board for approval, subject to dealing with matters of	Adopted

	consequence management and the disclosure note on “employee benefits”	
28/11/2023	The Audit and Risk Committee Report for the financial year ended 2022/23 be and is hereby approved subject to the report being improved per the recommendations made.	Adopted
28/11/2023	The audited financial statements for the year ended 30 June 2023 be and is hereby recommended to the Board for approval.	Adopted
28/11/2023	Management to compile a report on mitigation of risk exposure.	Adopted
28/11/2023	Management to compile a report on plans to increase the revenue base.	Adopted
28/11/2023	The annual integrated report for FY 2022/23 be and is hereby recommended to the Board for approval subject to the report being improved per the recommendations made.	Adopted
28/11/2023	The Mid-Year review report and scorecard be and is hereby recommended to the Board for approval subject to the report being improved per the recommendations made	Adopted
16/01/2024	The Q2 Report for FY2023/24 be and is hereby recommended to the Board for approval.	Adopted
17/04/2024	The Q3 Report for FY2023/24 be and is hereby recommended to the Board for approval.	Adopted
17/04/2024	<p>The following finance and supply chain management policies be and is hereby recommended to the Board for further approval:</p> <ul style="list-style-type: none"> • Delegations of Authority, subject to amendments suggested by the Committee • Supply Chain Management • Petty Cash • Accounts Receivable • Trade Payables 	Adopted
17/04/2024	The Asset Management Policy be circulated for round robin approval before the Board Meeting.	Adopted
17/04/2024	The Anti-Fraud and Corruption Policy be and is hereby recommended to the Board for approval.	Adopted
03/06/2024	The UIFW write-off be and is hereby recommended to the Board for approval, subject to comments adopted.	Adopted
03/06/2024	The Audit and Risk Committee Terms of Reference FY2024/25 be and is hereby adopted and recommended to the Board for approval.	Adopted

ANNEXURE I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule								
(a) Service Indicators	2021/22		2022/23			2023/24		
	Target	Actual	Target		Actual	Target		
	*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(b) Service Targets (ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
% Targeted market share held by JM in relation to other FPMs	45.4%	45.6%	45.6%	45.4%	45.6%	45.80%	48.22%	45.7%
RBN turnover achieved	R8.66Bn	R8.76Bn	R8.76Bn	R9.09Bn	R10.30Bn	R10.38n	R11.2Bn	R11 Bn
Percentage of spent on repairs and maintenance to property, plant, and equipment	85%	93.0%	93.0%	8%	8.6%	8%	19.9%	8.6%
Percentage spent on operating budget against approved operating budget	N/A	N/A	N/A	100%	100%	100%	100.2%	98%
Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	N/A	N/A	N/A	50%	99%	10%	67%	100%
Percentage of valid invoices paid within 30 days of invoice date	N/A	N/A	N/A	100	100%	100%	100%	100%
Percentage spent on capital budget against approved capital budget	85%	86.2%	86.2%	100%	97%	100%	100.2%	100%
Number EPWP job opportunities created	55	118	118	65	103	90	119	N/A
Number of SMME's supported	N/A	N/A	N/A	65	82	90	108	80
Percentage resolution of AG findings	85 to 95%	85%	85%	100%	100%	100%	100%	100%
Percentage resolution of Internal Audit findings	85 to 95%	85%	85%	100%	100%	100%	100%	100%
Percentage implementation of the strategic risk management action plan findings resolved	N/A	N/A	N/A	100%	100%	100%	71%	95%
Percentage achievement of service standards	N/A	N/A	N/A	100%	83.3%	83%	100%	83%
Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round.								T /

ANNEXURE J: DISCLOSURE OF FINANCIAL INTEREST

Disclosures of Financial Interests		
Period 1 July 2023 to 30 June 2024 of 2023/2024		
Position	Name	Description of Financial interests* (Nil / Or details)
Board Chairperson	Enos Sithole	Sabile Human Consulting Shareholder
		Sabile Human Consulting Executive Director
Member of the Board	Manini Vilakazi	JM Board Member BBMAT Group-Construction
	Vuyisa Gumede	JM Board Member Mangihlungca Company
	Nomveliso Mpongo	JM Board Member
	Chris Fuzile Vondo	JM Board Member Chris and Max Consulting (50%) Sisekelo Investments
	Odirile Ronnie Bolokong	JM Non Executive Director
	Mantombi Nkosi	JM Non Executive Director member
	Grant Son	JM Board SAWS Board Parliament CIC SARS Tax Court Department of Transport CMJAM Legal Ombudsman HPCSA SIBS Trust I AM Black Gold Trust
	Coffee Godfrey Tsotetsi	JM Board Member
	Nocolo Siviwe Sicam	JM Board Member AB in Bev SANV (Equities) Sasol Khanyisa (Equities) Khulasiwe (Equities) Moving Forward Trading & Projects (50%) Self Employed-Civil Engineering (MD)
	Musa Shibambu	JM Board Member Akila Africa Private Company- Oil & Gas (Director) Zariwa Private Company
	Ratshivumo Timothy Zamabulana	JM Board Member Department of Gauteng Provincial (D.D Legal) Department of Sports, Art & Culture and Creation Services
	Nomveliso Agnes Alicia	JM Board Member MTN (Ordinary Shares) Phuthuma nathi (Ordinary Shares)
IAC Member	Israel Motsamai Keredi	JM Board Member Zinine Trading Company (Ordinary 50%) Santacorp (Ordinary 37.5%) Payela Petroleum (PTY) LTD-Petrol Service Station
	Gift Tshirhiwa Netshidzati	JM Board Member Chidzati Group Net-RAD-Farming New Horizon-Bus Consulting Chidzati Trading &Projects-Trading in all aspects Heart Wood Independent College School
Company Secretary	Keeran Singh	ARC Investments (Ordinary Shares) African Dawn Cap Ltd (Ordinary Shares)
		JM Company Secretary
Chief Executive Officer (A)	Sello Makhubela	JM Chief Executive Officer (Acting)
Chief Financial Officer	Nkosinathi Baloyi	JM Chief Financial Officer
Executive Manager		
	Phoebe Nimmerhoudt	JM Executive : Corporate Services
	Charles Park	JM Executive: Chief Operating Officer (Acting)
		Phuthumani Shares
	Phindile Shabalala	JM Chief Risk Officer
Other S57 Officials	Cedric Nephawe	JM Executive Manager (Acting)

* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

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ANNEXURE N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

Capital Project	Responsible Department	Project Number	Original Budget	Adjustment Budget	Actual	Variance adjusted budget %
upgrades to the main building (Mandela Market, cold rooms & food courtyard)	PMO	2598	R 18 753 000	R8 672 000	R 8 832 891	101.9%
Installation of Sprinkler System (fire Suppression System OHSA)	PMO	3331	R 8 075 000	R10 375 000	R 10 151 941	97.9%
Upgrade of Banana Ripening and Cold rooms	PMO	22489	R 20 000 000	R20 000 000	R 19 130 942	95.7%
Smart Market Project	PMO	22541	R 1 500 000	R540 000		0.0%
Alternative Energy Systems	PMO	22547	R 40 000 000	R40 000 000	R 44 000 000	110%
Installation of Smart meters-revenue protection	PMO	23093	R 12 000 000	R12 000 000	R 12 440 993	103.7%
Rocker bins	PMO	24604	R 2 000 000	R600 000		0.00%
Ring feed	PMO	24065	R 26 000 000	R26 000 000	R 27 140 699	104.4%
Cashless project	PMO	31060	R 20 000 000	R2 600 000		0.00%
Soweto Project	PMO	31063	R 2 000 000	R720 000		0.00%

Annexure 1 – KPI Definitions

KPI NO.	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
1.1	% Targeted market share held by JM in relation to other FPMs	<p>This KPI aims at Joburg Market achieving a set quarterly target market percentage share rating in relation to the 18 fresh produce markets of which the national statistics are published monthly by the SAUFM.</p> <p>* SAUFM– South African Union of Food Markets for member markets.</p> <p>*NDAFF – National Department of Agriculture, Forestry and Fisheries for Cape Town Market.</p>	This information comes from Monthly National Statistical Reports generated by the South African Union of Food Markets	The indicator is calculated by dividing the turnover at JM by the total turnover in 18 national fresh produce markets, multiplied by 100 to get the percentage market share	<p>JM is dependent on statistical information received from SAUFM.</p> <p><u>MOV</u>: For the 17 member markets use monthly markets return to populate JM control sheet</p> <p>For Cape Town Market use the Monthly official NDAFF report to populate the JM control sheet.</p> <p>The JM control sheet produces the exact calculation of</p>	The indicator is measuring outcomes	The reported performance is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Snr. Manager Strategic planning

KPI NO.	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
					JM market share.						
1.2	RBN turnover achieved	The KPI measures the value of produce sold on the JM through its SPS system.	The KPI is intended to indicate progressive growth in turnover	The information is derived from SPS	Monthly and Quarterly Sales figures are aggregated to produce a cumulative figure <u>MOV</u> : Generate the monthly report for turnover on JM from the SPS central trading system	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Operations & CFO
1.3	Percentage of spent on repairs and maintenance to property, plant, and equipment.	It measures the level of Repairs & Maintenance to prevent breakdowns and interruptions to service delivery.	JM financial accounts	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	None identified	Cumulative	Monthly	Yes	8%	Percentage of spent on repairs and maintenance to property, plant, and equipment.	It measures the level of Repairs & Maintenance to prevent breakdowns and interruptions to service delivery.

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
1.4	Percentage operating budget spent against approved budget	Operational costs spent by the organization against the allocated budget the organization against the allocated budget. The objective is to improve, stabilize and sustain a positive financial position	JM financial accounts	Actual costs /Allocated budget *100	None	Cumulative	Monthly	No	100%
1.5	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	Percentage reduction on UIFWE compared to the previous financial year AG finding.	JM financial accounts	The UIFW Expenditure closing balance of the current financial year against (will be compared with) the closing balance of the previous financial year.	None	Non-Cumulative	Quarterly/ Annually	No	50%
1.6	Percentage of valid invoices paid within 30 days of invoice date	It measures the percentage of valid invoices paid within 30 days. The objective is to increase the number paid within 30 days	JM financial accounts	Total number of invoices processed for the month/Number of invoices paid within 30 days *100	None identified	Non-cumulative	Monthly	No	100%
1.7	Percentage capital budget spent against approved capital budget	The Capex spent on projects against the approved budget. The objective is to improve, stabilize and sustain a positive financial position	JM financial accounts	Total Capex spend divide by the budget Capex spend* 100	None identified	Cumulative	Monthly	No	100%
2.1	EPWP job opportunities created	Beneficiaries of job opportunities through EPWP	JM Payroll	Number of jobs created per annum	None identified	Cumulative	Quarterly	No	90

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
2.2	Number of SMME's supported	The number of SMMEs participating in City Power available job opportunities.	JM SCM report	Total number of SMME's doing business with City Power	None identified	Cumulative	Quarterly	No	90
3.1	Percentage resolution of AG findings	It measures the number of audit findings resolved against the total number of audit findings issued by the AGSA	Internal Audit Reports	Total number of Auditor General findings resolved/total number of Auditor General findings (excluding findings that are less than 60 days) *100	None identified	Cumulative	Annually	Yes	100%
3.2	Percentage resolution of Internal Audit findings	It measures the number of audit findings resolved against the total number of audit findings issued by the internal audit	Internal Audit Reports	Total number of internal audit findings resolved/total number of internal audit findings (excluding findings that are less than 60 days) *100	None identified	Cumulative	Annually	Yes	100%
3.3	Percentage implementation of the strategic risk management action plan findings resolved	The percentage of strategic risk action plans implemented compared to the total number of strategic risk action plans.	Governance Report; Strategic Risk Plan; Strategic Risk Register and Audit Report	Number of implemented strategic risk action plans divided by total number of strategic risk action plans multiplied by 100	None identified	Cumulative	Quarterly	Yes	100%
3.4	Percentage achievement of Service Level Standards (SLS)	The percentage of Service Level Standards achieved of the total approved number of Service Level Standards	JM service level reports	The number of KPIs achieved in the Service Level Standards Agreement against total no of Service Level Standards achieved multiply by 100	None identified	Non-cumulative	Monthly	No	83%

ANNEXURE B: STRATEGIC RISK REGISTER

[illegible]