



JOBURG MARKET (SOC) LTD
Company Registration No: 2000/023383/07



Mid-Year Report 2020/21

Tabled in terms of Section 57 (d): Local Government: Municipal Finance Management Act, Act no 56 of 2003

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

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City Deep
2049

Municipal Erf Number: Erf 117 & 118 City Deep

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Website: www.joburgmarket.co.za

Bankers: Standard Bank

Auditors: Auditor-General of South Africa

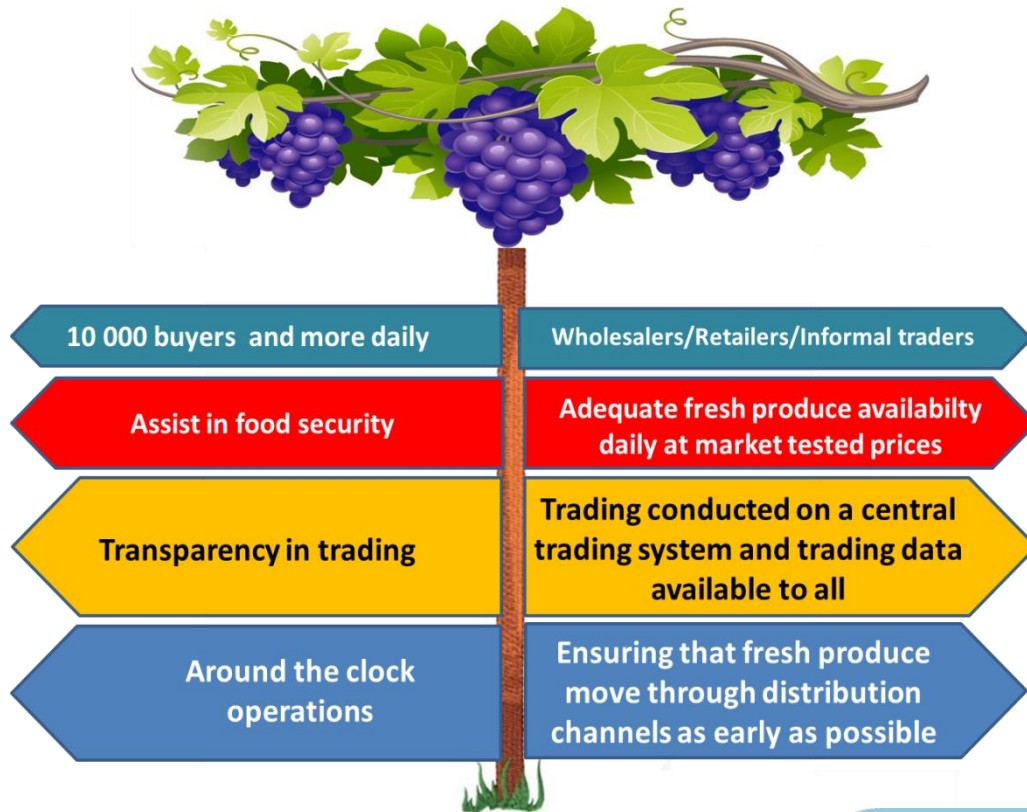
E-mail: info@joburgmarket.co.za

Anti-Fraud Hotline: 0800 002 587

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

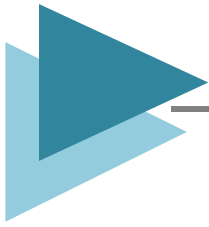


<p>Mission</p> <p><i>A trading complex that catalyses the growth of the City's economy through an inclusive business environment.</i></p>	<p>Vision</p> <p><i>A smart fresh produce trading hub that is globally competitive</i></p>	<p>Values</p> <ul style="list-style-type: none"> • Transparency • Service excellence • Integrity • Innovation
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✓ Joburg Market is fighting the resurgence of Covid 19





SIGN OFF PAGE: MID-YEAR REPORT 2020/21

Charles Hamilton

Senior Manager: Strategy

26/01/2021

Date

Boy Manqoba Ngubo

Chief Financial Officer

26/01/2021

Date

Leanne Williams

Chief Executive Officer

26.01.21

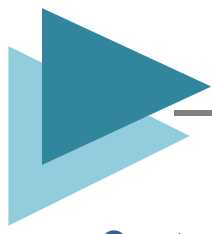
Date

Simon Clarke

Chairperson: Board of Directors

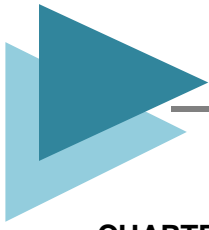
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GLOSSARY OF TERMS

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
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 Systems Infrastructure
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
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
REMCO	Remuneration 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
YTD	Year to date

CHAPTER ONE: LEADERSHIP AND CORPORATE PROFILE

Section 1: Chairperson's Foreword

The Joburg Market is an organisation in transformation. Having reached the end of the mid-year period JM also looks back on its exercises conducted in revisiting the methodologies of its operations and refining its systems. Giving JM a 'DNA' redesign is part of its new focus and this will be representing the hallmark of the newly created market environment as embodied in the Smart Market of the Future concept. In particular making the Market more accessible to targeted communities will emerge as a vital element of this vision.

The redesign of JM in principal embodies the thrust to ensure participation by the previously disadvantaged across the agricultural value chain. In short, more and more emerging farmers must be assisted to achieve fully-fledged sustainable farming enterprises. A key outcome for emerging agents and traders must be that they are enabled to trade with large corporates in the food services and distribution logistics chain. JM will continue to seek the co-operation of key stakeholders in the fresh produce industry to forge partnerships facilitating the establishment of a healthy fresh produce sector, representative of the people of this country.

A vital function of JM is to ensure food security to the citizens of Johannesburg. The company will continue diligently with its efforts to create new generation market amenities of world class quality. Against the backdrop food security JM continues to serve as a physical enabler of the CoJ food security plan. Over the past months, great strides were made in serving more people in need especially against the backdrop of the Covid 19 pandemic. The exceptional growth in food parcel prepping as well as execution of SLA with CoJ: Social Development contributed in the main to the success of the programme.

A shortage of fresh produce is being experienced partly because of adverse weather conditions and the Covid 19 pandemic, which represents one of the worst natural disasters in decades and is also seriously affecting the distribution of fresh produce. The latter mentioned continuing challenges caused substantial increases in produce prices and consequently lower supplies to markets. In the circumstances, I would like to thank every fresh produce producer for their continued efforts to keep our markets stocked with as much as possible quantities of fresh produce. In these difficult times, I would like to assure you of our well wishes and sincerely hope that all producers and fresh produce trading entities will be able to overcome their setbacks.

I would further like to extend the Boards' sincere gratitude to the Agents, Wholesalers and Traders who worked tirelessly to serve the large client base, resulting in the timeous distribution of fresh produce, also during the past festive season.

JM remains the fastest growing market in Africa/SADC. Looking back at the midyear review stage, I would like to commend the management and staff of JM for their contributions, commitment and the execution of sound market management practices, which ensured a healthy and sustainable business.



Simon Clarke
Chairperson

I would also like to convey the Board's best wishes towards all our stakeholders for the year 2021. May our mutual endeavours be rewarded with success and may all your undertakings grow from strength to strength.

Simon Clarke
Chairperson: Board of Directors

Section 2: Chief Executive Officer's Report

The mid-year review coincides with the summer fruit season. In relation to the same period the previous year, the prices of fruit and other basic commodities like potatoes have escalated strongly. The latter is attributable to adverse weather conditions being experienced in a number of production areas. As a consequence, overall prices outperformed budgeted prices by 14.9% in the second quarter. The effect of the Covid 19 pandemic remains an important factor further contributing to the higher prices of food.



Leanne Williams
Chief Executive Officer

The impact of such sharp price increases also adversely affected the consumer and the small entrepreneur trading in such commodities. The small trader has limited funds available to buy and resell during times of high prices. The trader would therefore have to introduce measures enabling him/her to continue trading. A first response is *inter alia* to trade in fewer lines of commodities, which unfortunately affect the competitiveness of the trading stall where the end consumer cannot easily access the entire basket of required commodities. The higher prices also affected wholesalers serving the food services industry which is still struggling with the aftermath of the Covid 19 control measures which instituted lock down measures. It is foreseen that the resurgence of Covid 19 infections will place further strain on the hospitality industry.

The substantial growth of JM in relation to other conventional markets is amongst others indicative of the sustained good level of trust amongst producers and traders in the services of JM. With the dedication of managers and staff shown towards business optimisation and cost controls, the company was able to achieve a turnover of R4.6Bn at the end of December 2020. The latter exceeded the budgeted turnover by R11.0%

The effort to improve the fabric of the Market, which was constructed during 1973 to 1975, is also reaping results. Following intensive evaluations, preventative maintenance programmes were identified and roll out commenced. Contractors have been appointed through the system of supplier panels and whilst it would still require a period of time to show more visible results, JM management is confident that it will exceed the targets set in this regard. The capital implementation plan of the company was further enhanced through better planning and the appointment of service provider panels. JM will be able to spend up to 98% of its planned capex.

Against the backdrop of the festive season JM also continued with its CSI programme and supported the CoJ: DSD food parcel programme as part of the City's Covid 19 response. In excess of 204 000 food hampers were produced over the past six months. JM also continued to support indigent families during bereavement with fresh produce parcels. JM conducted as part of its community outreach programme on 9 December 2020 with the Sparrow Village which operates a Hospice and place of care for mothers with HIV/AIDS and the orphans left behind. I would like to thank Cllr. Lawrence Khoza, MMC for Economic Development and MMC for Health and Social Development, Cllr Eunice Mgcima for their participation in this event and their tireless commitment to communities in need.

In closing I would like to extend my gratitude to the Board of Directors and all our stakeholders from farm level to the Market and the traders for their tremendous support over the past six months to the Joburg Market. I would like to wish all a most blessed festive season and a prosperous 2021.

Leanne Williams
Chief Executive Officer

Section 3: Chief Financial Officer's Report

The 2020/21 financial year will only be as great as the work that we put in as the Joburg Market.

The results that the Market was able to achieve during this quarter indicate that a substantial amount of work has gone into the markets ability to improve its financial performance, even as we were still weathering the Covid-19 storm.

The gradual easing of Lockdown restrictions from level 4 (at the beginning of the quarter) to level 1 (at the end of the quarter) helped increase both number of people who visited the market during the period as compared to the previous quarter.



Boy Manqoba Ngubo
Chief Financial Officer

The following represents some of the highlights for the quarter (Q2) under review:

- Loan to shareholder (Sweeping Account) and Cash and Cash Equivalents increased from R631.4m to R745.1M. (R'000)
- Total assets increased to R1 182 394 from R1 077 (R'000)
- Revenue recorded is R255.7m which represents 2.1% increase compared to the budget amount of R250.5m.
- Net surplus of R82.6m which represents a 34.9% growth rate compared to the budget of R61.2m. The increase in surplus attribute to an over performance on commission received.
- The liquidity and the solvency position of the entity remains consistently above the norm. This is mainly because the entity is highly cash generative with minimal debt.

Panel of service provider have been appointed to accelerate expenditure on both Capex and Opex projects. This is in a drive to address the risk identified in the previous period of an aging fleet which wasn't being adequately maintained.

When the Roman Empire was being enhanced from what it originally was to the mighty empire it would be, very few people believed it would be as great and powerful as it eventually was at its height. The CEO, her Executive Team and all the employees are building something magnificent at Joburg Market. This quarter is a reflection of the trajectory the market is current on.

We give all the credit for this improved performance to the employees on the ground. Nisenze abantu! Izandla zedlula ikhanda!

Boy Manqoba Ngubo
Chief Financial Officer

Section 4: Corporate Profile and 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) emerge 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 313 employees. JM trading facilities are provided to farmers across South Africa and beyond, whose produce is marketed and exposed daily to 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 44.9% 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 5: Strategic Objectives

5.1: Strategy Overview

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.



Figure 1: Overview of the JM Smart Market Strategy

These key organisational priorities are fully aligned to the development objectives of CoJ. They include the following;

- A **CLEAN** market:
 - Physical cleanliness; and
 - Promotes good governance
- A **SAFE** market:
 - Secure business and customer environment;
 - OH&S compliance
 - Food safety compliance
- A **SMART** Market:
 - Modern Technological systems and services
 - Optimized floor space

- Responding to evolving needs of stakeholders

The company's business strategy consists of the following key strategic elements as captured in the sections to follow.

5.2: Strategic Objectives

Achievement in the short term

JM intends implementing the following interventions to achieve its short-term strategic goals:

- In conjunction with Market Agents, the Joburg Market has embarked on a space rationalisation project, which is meant to optimise the use of space at JM with the view to increase revenue generated per square metre.
- This project is in initiation phase and will be kick started in July 2020.

Achievement in the medium term

JM intends implementing the following operational interventions to achieve these medium-term strategic objectives;

- The Joburg Market has finalised the Precinct Development Strategy and Plan, which is being utilised to motivate for the recapitalisation of the company. Arising out of this intervention, an appropriation of R 304 million has been allocated in the medium term to fund the completion of priority projects. These projects will see the market becoming a resilient premier marketing and trading facility;
- The Joburg Market will develop a skills plan. The skills plan seeks to fast-track the training and development of employees and enhances competencies. To ensure that staff remains engaged CEO Engagements with staff and organised labour are planned to strengthen relations. The establishment of labour-management forums will be a critical avenue for engagement.

Achievement of long term strategic objectives

JM intends implementing the following operational interventions to achieve these long-term strategic objectives:

- JM has embarked on two key projects that are targeting historically disadvantaged individuals, namely, the construction of a Pack-house for emerging farmers.
- JM has also adopted the Smart Market Strategy, which seeks to seamlessly integrate people, systems and processes that would improve both people and company performance.

CHAPTER TWO: GOVERNANCE

Section 1: Composition, Key Activities & Remuneration of Board of Directors

1.1: 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 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).

1.2: Company Directors

Members – New	Appointment Date
Mr. Simon Clarke (Chairperson)	March 2020
Mr. Rajen Chetty	March 2020
Pr. Stanley Botha	March 2020
Mr. Tony Ferreira	March 2020
Ms. Mary Liebenberg	March 2020
Mr. Andre Smith	March 2020
Ms. Omolemo Mathebe	March 2020
Mr. Mzwandile Phupha	March 2020
Mr. Aubrey Mokwena (IAC)	April 2019
Mr. Victor Chepape (IAC)	March 2020
Mr. Madzikane Diko (IAC)	March 2020
Mr. Lionel Brenner (IAC)	August 2020

Table 1: List of Non-executive Directors and Independent Audit Committee members as per the resolutions of the COJ AGM held on 11 March 2020

Section 2: Corporate Governance

2.1 Governance Report

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

		Board Meeting		Audit & Risk Committee		REMCO & SEC Committee	
		A	B	A	B	A	B
Directors/ IAC Members	Clarke S	5	5	-	-	-	-
	Chetty R *	-	5	-	4	-	-
	Botha S	5	5	-	-	2	2
	Ferreira T	5	5	4	4	-	-
	Liebenberg M	5	5	-	-	2	2
	Smith A	5	5	-	-	2	2
	Mathebe O	5	5	-	-	2	2
	Phupha M***	-	5	-	-	-	2
	Mokwena A (IAC)	2	5	4	4	-	-
	Chepape V (IAC)	-	-	3	4	-	-
	Diko M (IAC) *	-	-	-	4	-	-
	Brenner L (IAC) #	-	-	3	4	-	-
Executives	Williams L (Chief Executive Officer)	5	5	3	4	2	2
	Dlamini S (Chief Financial Officer)**	-	5	-	4	-	2

Table 2: Schedule of Meetings as at 31 December 2020

Key:

Meetings attended by the Board and its Committees		
A = Meetings attended	* = Resigned	# = New member
B = Number of meetings scheduled	** = Special Leave	
IAC = Independent Audit Committee Member	*** = Removed	

2.2 Board Committees

During the 2020 AGM, the Shareholder approved the following two Board Committees:

- Audit and Risk Committee (ARC); and
- Remuneration, Social and Ethics Committee (REMSEC).

2.3 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.

2.4 Remuneration of Non-Executive Directors

Member			Q2	YTD
1	Simon Clarke	Chairperson	52 000	98 000
2	Rajen Chetty	Member	0	0
3	Stanley Botha	Member	38 000	82 000
4	Tony Ferreira	Member	18 000	60 000
5	Mary Liebenberg	Member	18 000	48 000
6	Andre Smith	Member	18 000	48 000
7	Omolemo Mathebe	Member	18 000	48 000
8	Mzwandile Phupha	Member	0	42 000
TOTAL			162 000	426 000

Table 3: Schedule of the remuneration of Non-Executive Directors as at 31 December 2020

Non-Executive Director Remuneration is inclusive of all Board and Board Committee meeting attendances (ordinary, special & recruitment panel).

2.5 Remuneration of Independent Members

Member			Q2	YTD
1	Aubrey Mokwena	IAC	66 000	124 000
2	Victor Chepape	IAC	6 000	18 000
3	Madzikane Diko	IAC	0	6 000
4	Lionel Brenner	IAC	6 000	18 000
TOTAL			78 000	166 000

Table 4: Schedule of the remuneration of Independent Audit Committee members as at 31 December 2020

The Director Remuneration expenditure as at 31 December 2020 was R592 000 against a budget of R3 132 412 for the 2020/21 financial year. This equates to 18.9% expenditure for the financial year.

Section 3: High-level Organisational Structure

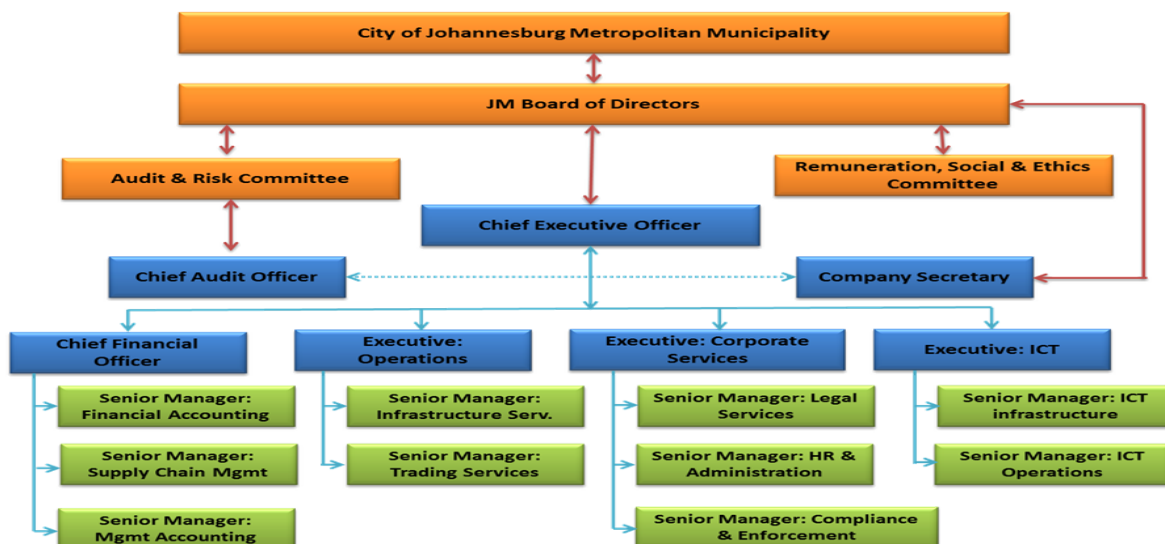


Figure 2: The JM High-Level organisational structure.

Section 4: Risk Management

The Audit and Risk Committee of Joburg Market has adopted an integrated approach to risk management and utilises the CoJ Group Risk Management Framework, the Group Risk Management Policy as well as the CoJ's Compliance Framework. Risk Management processes are reviewed annually to continuously align to the City's Risk Management and the Compliance Monitoring Frameworks.

The Audit and risk committee and the Board of Directors held a joint risk session during the period under review. The JM strategic risk register was updated and is attached to this report as Annexure 1.

Section 5: 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 tip-off hotline. The Hotline is a 24-hour service centrally managed by CoJ with monthly incident reports sent to the Senior Manager: Internal Audit for follow up.

The fraud hotline is a very useful tool in the fight against theft, bribery, misuse of property/company assets and other unlawful acts. The Hotline facility is available telephonically on 0800 00 25 87. No tip-offs were received from the facility during the period under review.

Fraud risk management / fraud prevention

JM's fraud prevention plan is embedded in the entity's approved business plan.

In order to actively mitigate fraud, corruption and theft, the following activities are performed at JM:

- Suspected fraudulent activities are audited by Management, internal audit, Group Forensic Investigation Services (GFIS) and other external service providers.
- Where applicable, cases are subjected to disciplinary and criminal processes. A number of cases are currently at various stages of auditing, investigation and disciplinary processes.
- A Fraud hotline is available and widely publicized in Joburg Market's facilities including the website.
- A Fraud awareness campaign is planned for November annually in order to encourage whistle blowing.
- The entity's exposures to the risk of fraud, corruption, and /or theft is currently medium to low, however the above measures will be kept in place to reduce the risk even further.

5.1: Forensic Investigations

Period	Matter	Progress
June 2020	COVID-19 Emergency expenditure	Investigation conducted by GFIS in progress:
March 2020	Q2 Performance information	Investigation concluded: Investigation done by GFIS, concluded report shared with the board
April 2019	SCM irregular expenditure	Investigation concluded: Hearing date set for July 2020
October 2017	Water tanks	Information on sent to GFIS for investigation. Awaiting response
November 2020	Resurfacing of platforms	GFIS currently evaluating documentation

Table 5: Schedule of forensic investigations in progress as at 31 December 2020

Section 6: 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 operates within its Delegations of Authority, which is continuously reviewed in line with business and legislative requirements.

Item of non-compliance	Nature	Remedial Action
MFMA	30 Day Payments	Details are captured in Chapter 5
Companies Act	Appointment of Cossec	Recruitment process under way.
MFMA	Irregular Expenditure	Details are captured in Chapter 5

Table 6: Summary of instances of non-compliance and remedial actions

Section 7: Compliance and enforcement

The role of Compliance & Enforcement Department is to render integrated institutional support services within the framework of the Organizational Business Plan/Budget to enable the Organization to pursue the goals and objectives as articulated in the Strategic Plan for the Joburg Market.

Within the Joburg Market the Compliance & Enforcement Department is made out of the following Business Units:

- Safety Health and Environment (SHE)
- Safety and Security/CCTV
- Fleet Management
- Risk Management
- Compliance

The performance milestones that are reported herein will reflect the achievements or non-achievements of targets set by each Business Unit. Also strategic deliverables by the Department will reflect the alignment with the Organizational Strategic Objectives.

Safety, Health and Environmental

Safety, Health and Environmental (SHE) Department is a compliance department, ensuring compliance according to the OSHACT 85 1993. Among the functions of the Unit is to ensure establishment and functionality of Health and Safety Committee in terms of the Act.

Having established a viable Health and Safety Committee and Sub-Committees, the unit is currently conducting training of the second Batch of SHE Reps, First Aiders and Safety Committee members (Pending SHE committee training). The follow training group 2 was conducted 20&24th Nov 2020 – 18

Fire Fighting, 23rd Nov 2020 – 14 SHE Reps and 25&26th Nov 2020 – 20 First Aiders awaiting certificates

Highlights for the Unit - Period under review

Having established a viable Health and Safety Committee and Sub-Committees, the unit is currently conducting training of the second Batch of SHE Reps, First Aiders and Safety Committee members.

Covid 19 - PPE distributed

During the quarter under review the following PPE were distributed within the various services units of JM:

No	Item	October 2020	November 2020	December 2020	Total
1	Surgical Face Mask	6 (50 per Box) 300	26 (50 per Box) 1300	6 (50 per Box) 300	1 900
2	Hand Sanitiser (25Lt)	21	16	7	44
3	Hand Sanitiser (1L)	-	5	-	5
4	Gloves	43X (100 per Box) 430	116 (100 per Box) 11 600	15 (100 per Box) 1 500	13 530
5	Counter screens	-	-	-	-
6	Hand Sanitiser 500ml)	7	24	7	38

The following Sub-Committees will be established subsequent to the completion of training:

- Vegetable Hall
- Fruit Hall
- Consignment
- Complementary Services
- Security

Hygiene Services Tender has been advertised and Briefing Conducted. Tender to Close on the 09th October 2020. Hygiene Services Tender has been advertised and Briefing Conducted. BEC took places on the 9th Dec 2020 which was concluded on evaluation pending due diligences and recommendation on BAC.

Covid 19 consumables Panel (Tender) have been conducted at BEC 9 & 10th Dec 2020 a total of 66 companies was reviewed pending adjudication.

Two scrubbers machines have been successfully leased which elevated manual scrubbing. The process of acquiring two more machines is currently underway.

Operational difficulties experienced in the security environment for the Unit - Period under review

- Insufficient number of security personnel to enforce Market by-laws;
- Appointment of in-house security as Peace officers;
- Lack of physical security barriers at entrance and Exit gates such as Booms and Spikes;
- Delays in receiving CCTV parts due to COVID 19.

Safety and Security

The various Joburg Market stakeholders require an atmosphere of assured safety and tranquillity through innovative and improved security performance standards. This business unit exists precisely to provide safety and security for the Joburg Market community, i.e. staff, agents, business associates, customers and property. The Unit is tasked with strategic planning and installation of security measures and facilities.

The Unit continued with crime reduction strategy which ensured success during the period under review. There were no major incidents reported during the first quarter of the year as a result of the collective effort by both internal and external security components. The Unit embarked on a number of activities to combat crime and other associated activities to ensure a safe and secure market facility for all stakeholders. The following were the areas of focus:

- Contract management
- Incident management
- By-law enforcement
- Patrolling of premises
- Strategic deployment of staff

Specific security interventions

- Security continues to maintain a low crime profile during the 2020 festive season till to date
- The new security service provider started on the 1st of November 2020 and is showing commitment in providing satisfactory security services at Joburg Market;
- New EPWP wardens started on 1st of December 2020 are getting familiar with Joburg Market site;
- The presence of EPWP personnel and the increased security personnel on the security contract has culminated into improved security visibility on hall platforms and the parking areas;
- The implementation of pre-determined security initiatives for the festive season period is well on track and being monitored on a daily basis;
- Adherence to Covid-19 Protocols at the identified JM hotspot areas such as Mandela Market and Unity Market is closely monitored by security and fines are being imposed in cases of non-adherence by the lease store owners;
- A joint night shift raid by SAPS, JMPD, KYA Guards and Joburg Market was conducted on the 17th of November 2020 and undesired elements were warned and escorted out of the Market premises.

Areas of focus in Quarter 2

During quarter 3 of 2020/21, the department will be focusing on the following areas:

- Preparation of festive season security plan and stakeholder consultation;
- Forklift compliance inspection and enforcement;
- Illegal pottering and pallet runners operations.

Security Projects

Item No	Project name	Project status
1.	Security tender	Awarded on 01 November 2020
2.	Security Policies and Procedures	Still in draft (the department is updating security Policy procedures).
3.	Identification of Forklifts	A total of 408 forklifts were registered. There are still a number of forklifts on the market that needs to be issued with identification numbers.

CCTV system is the nerve centre of the security operations. The Unit uses the monitoring capacity of the CCTV system to render effective security services within the Joburg Market precinct. The system has 258 cameras which covers the entire precinct of Joburg Market.

During period under review, bylaw enforcement produced the following results:

Period Covered	October 2020	November 2020	December 2020	Total
No of fine issued	26	59	30	115
Amount generated	R2 820 - 00	R9 200 - 00	R3 650	R15 670 - 00

Risk Management

Joburg Market has established and maintains a risk management system in accordance with the provisions of the Municipal Finance Management Act, COSO Framework, ISO 31000 and the King IV™ report on Corporate Governance and risk management standards as applicable.

There is an oversight in governance and management at Joburg Market which is carried out by the Audit & Risk Management Committee, a sub-committee of the Board of Directors. The Audit & Risk Management Committee (ARC) operates in accordance with approved terms of reference in the Audit and Risk Committee Charter. Framework, and was approved by the Risk Management Committee and Board of Directors.

Risk Management Framework and Policy and the Compliance Monitoring Framework

The Risk Management Committee of Joburg Market has adopted an integrated approach to risk management and has therefore adopted the CoJ Group Risk Management Framework and Group Risk Management Policy as approved by Council.

- Joburg Market has developed a draft risk management policy which has been aligned to the CoJ Group Framework will be submitted to Exco and Board for approval
- Similarly, the Municipal Entity's Compliance Framework has been aligned to the CoJ Group Compliance

Legend: VH = Very high; H = high; M = Medium

Extract from the JM Strategic Risk Register - 2020/21						
#	Risk name	Impact Rating	Likelihood	Inherent Risk	Control Effectives	Residual Risk Exposure
1	Business Failure	Critical	Almost Certain	Very High	Partially effective	High
2	Diminishing Staff Morale	Critical	Almost Certain	Very High	Partially effective	High
3	Financial Instability	Critical	Almost Certain	Very High	Partially effective	High
4	Failure to Implement the Smart Market Strategy	Major	Almost Certain	High	Partially effective	Medium
5	Failure of Transformation Programs	Major	Likely	High	ineffective	High
6	Loss of Stakeholder Confidence	Major	Likely	High	Partially effective	High
7	Covid 19 Pandemic	Critical	Almost Certain	Very High	Partially effective	High

ICT risk governance & ICT risk management

In terms of governance, the JM IT department is audited internally at least annually by Internal Audit. The department's governance is included in the AGSA audit of the entity annually. IT has an operational risk register and the risks are continuously monitored and mitigated. Internally governance is provided by Exco with the operational accountability of governance matters residing with the Senior Manager of the department.

The IT department governance framework and a 3- 5 year ICT Strategy has been submitted to EXCO and has been approved. These will be submitted for JM Board Approval in Q3.

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

Risk transfer – exposures

Joburg Market is insured for Motor and Non-Motor insurance through the City of Johannesburg group insurance. African Dawn Risk Solutions (Pty) Ltd is the Broker for Non-Motor and AON for Motor fleet.

The claims registered with Insurers are constantly monitored and followed up, although there have been delays due to the appointment of new Service Providers. The oversight by the Board is also conducted through a schedule and progress monitoring on matters of litigation.

Suitable property assessments are conducted annually to ensure there is insurance coverage of the facilities operated by Joburg Market. The current risk exposure is the fire insurance cover that was suspended in 2019/2020 financial year. Joburg Market is mitigating risks to ensure that the cover is activated.

Legal and Regulatory Compliance

The Entity has established the following mechanisms to monitor compliance with applicable laws and regulations:

- A compliance checklist is completed annually in order to assess the level of adherence to applicable laws governing the entity.
- Draft Compliance Universe
- Employee Declaration of Interest (DoI) Process for FY 2020/2021. Required documentation includes the following:
 - Employee DoI Registers – All JM disclosures was duly submitted
 - Employee listing from the Human Resource Department
 - Approved Declaration of Interest Summary Report
- MFMA Circular 68 UIFW Expenditure Declarations; Corrective action plans identified and/or implemented to address areas of non-compliance, and ensure the prevention of UIFW expenditure
- MFMA Section 65 30 Day Supplier Payment Reports
- Priority legislation monitoring and profiling
- Corrective action plans developed and implemented to address areas of priority regulatory non-compliance
- Status of legislated Tax Compliance
- Itemised and consolidated quarterly reporting on UIFW expenditure incurred, and the current status of UIFW expenditure in terms of National Treasury Circular 68
- Consolidated quarterly reporting on 30 day supplier payment requirement
- Corrective action plans identified and/or implemented to address instances and areas of non-compliance, and ensure the prevention of late payments of valid supplier invoices
- Quarterly 30 day supplier payment compliance rate and trend analysis
- Where applicable. MFMA Compliance Checklist
- Where applicable, the status of compliance with relevant City By-Laws
- Where applicable, grants monitoring in terms DORA Section 33

Key risk deliverables for Q3 of the 2020/21 Financial Year

- Development of the Business Continuity Plan;
- Risk Assessment of Operational risk registers;
- Updating the Strategic Risk register with Exco;
- Submission of Compliance Universe to Exco and Board for approval;
- Compilation of the Valuation report for the Market - (assessment of movable & immovable assets);
- Payment of Short- term insurance (motor and non-motor invoices);
- Submission of Risk Policy and Standard Operating Procedures to Exco and Board for approval;
- Development of Insurance Standard Operating Procedures and Insurance Covers to Exco and Board for approval;

- Development of Business Continuity Policy and Standard Operating Procedures and submission in Q4 to Exco and Board for approval;
- Development of Compliance Policy and Standard Operating Procedures and submission to Exco and Board for approval.
- Risk Policy
- SHE policy
- Fire insurance cover restored

Information on emerging / new risks

During the quarter under review the following emerging risks were identified:

Risk name	Causes/background to the risk	Impact on the entity	Treatment plan
The risk of communicable disease (Coronavirus – resurgence and new virus variant)	The effect on staff and the business in case of infections	The JM bottom line can be affected with possible loss of life and reputational damage	Joburg Market follows the prescribed Covid 19 protocols
The risk of insourcing	Not aligned to basic conditions of the Labour and that of the business.	Can lead to conflict within staff and JM struggling to plan shift work	To review contracts in during budget reviews.

Key Stakeholder Engagement

The Department has engaged with the following functionaries and authorities during the quarter under review.

Functionary	Engagement Activity	Outcome / Results
Moffatview SAPS, JMPD, CPFs, Joburg Market Security Management	Crime Statistics Analyses Strategic Planning and Development	Joint Operations Information Data Base and Communiqué Area Crime Reduction
COJ GRAS Insurance	Meetings held in quarter 1 (Teams)	Calculation of premiums to be finalized
COJ GRAS Risk Registers	Meeting held in quarter 1	Development of policies and risk updates
CoJ Group Risk Group Governance & Risk Committee	Meeting held to be held on the 16 th October 2020 on Teams (attending CEO, ARC Chairperson & Mr Malebo)	The meeting focused on the Auditor General and the performance of the Municipal Entities and Departments. Capex projects and alignment of reports
JM Board strategic risk workshop	Held on the 24 th June 2020	JM Strategic risk register approved

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

Section 1: Highlights and Achievements

1.1. Trading Halls Performance Overview

In the second quarter, the overall financial, operational, and technical performance of the Core Operations was considered to be satisfactory in midst of the Covid -19 pandemic.

Joburg Market (JM) achieved a turnover of R2.3 billion, which represents a positive growth of 5.05% compared to the same period last year. The increase in turnover can be attributed to the positive performance of Potatoes (17.77%), Tomatoes (7.11%), Butternut (20.28%) and Avocados (17.85%). The overall tonnage for the second quarter decreased by 8.57% due to unfavorable weather conditions (extreme heat and heavy rains) in some production regions which resulted in reduced yields. In the prior quarter the reduced volumes received was as a result of frost damage which reduced potential yield.

In the Potato hall, turnover increased by 14.14%, mass decreased by 8.75% and R/kg increased by 25.10%. The increase in turnover was as a result of fewer volumes available for sale due to low yields realised as a result of unfavourable weather conditions in production areas.

In the Fruit Hall, turnover decreased by 2.81%, mass decreased by 13.96% and R/kg increased by 12.95%. The decrease in mass can be attributed to unfavourable weather condition in the winter and warmer months, decreases in Apples (4.15%), Bananas (23%) and Watermelons (24.57%).

In the Vegetable Hall, turnover increased by 4.29%, mass decreased by 5.09% and R/kg increased by 9.89%. The increase in turnover can be attributed to high prices realised on some commodities especially tomatoes, butternuts and carrots. Mass decreased as a result of the extreme hot and rainy weather conditions which damage crops during production.

Hall	Turnover (R,000)			Mass (,000 Tons)			Avg. p/kg		
	2020/21	2019/20	%	2020/21	2019/20	%	2020/21	2019/20	%
YTD	2020/21	2019/20	%	2020/21	2019/20	%	2020/21	2019/20	%
Pots	794 400	695 959	14.14	153 622	168 360	(8.75)	5.17	4.13	25.10
Fruit	708 249	728 746	(2.81)	66 979	77 842	(13.96)	10.57	9.36	12.95
Veg	832 639	798 388	4.29	122 889	129 483	(5.09)	6.78	6.17	9.89
Q2	2 335 288	2 223 094	5.05	343 491	375 687	(8.57)	6.80	5.92	14.89
YTD	4 601 983	4 144 892	11.03	680 268	746 079	(8.82)	6.76	5.56	21.77

Table 1: The table below indicates the second quarter performance per Trading Hall.

Key:

JM is divided into 3 trading halls

Pots = Potato Hall

Fruit = Fruit Hall

Veg = Vegetable Hall

In terms of the year to date (YTD) performance, turnover and the average price show increases of 11.03% and 21.77% respectively. However, mass decreased by (8.82%) compared to the corresponding period in the previous financial year. This is mainly due to unfavourable weather

condition in production regions which had a negative impact on potential yield. It is anticipated that farmers will recover and more volumes will be received in the remaining period of the financial year.

1.2 JM FOOD SUPPORT CENTRE

The Food Service Centre is responsible for the preparation of funeral packages for indigent families as approved by DED. The JM also provides a service to DSD. JM signed an SLA with DSD to purchase fresh produce on behalf of DSD. A total of 107 326 vegetable parcels were packed and distributed and the total value purchased from the sales floor was R12.2 million for the period under review.

Period	Total packaged	Value R/M
6 Months	107 326	12 200 000
TOTAL	107 326	12 200 000

Table 2: DSD expenditure and the number of indigent families supported:

1.3 STAKEHOLDER ENGAGEMENTS

STAKEHOLDER	ENGAGEMENT ACTIVITY	OUTCOME / RESULTS
Monthly IMASA meetings with Market Agents	Discuss and address fresh produce industry challenges, opportunities and performance. Address day-to-day market operational activities	Develop a partnership approach to adequately manage market and fresh produce industry activities
Wildeklaar (Farmer)	Producer visited Grow market agent on the trading floor	Producer expressed satisfaction in sending produce to JM and was concerned about threats of other direct marketing channels opening up.

Table 3: Stakeholders engaged for the second quarter in the 2020/21 financial year.

1. INFRASTRUCTURE DEPARTMENT

1.1. Repairs and Maintenance Program

The JM Repairs and Maintenance (R&M) Budget for the 2020/21 financial year is R 24.126 million. In the period up to end of November, total expenditure is R 3.319 million which represent 13.76% of the total allocated budget. It is anticipated that R&M expenditure will be R3.537, representing 14.7%, since December to January is the construction break, expenditure will improve drastically during the third and final quarter of the 2020/2021 financial year since the panel of contractors has been appointed and works in all 5 disciplines will be executed.

Description	Value (R)
Quarter 1 Expenditure	2 432 000
Quarter 2 Expenditure	3 318 976
YDT Expenditure	3 537 000

Table 4: Repairs and Maintenance performance

During the second quarter R&M works were undertaken for Planned and Emergencies under electrical, mechanical, plumbing and civil/building works performed as follows:

Emergency Works

- Repairs and Maintenance of the air conditioners at the main building offices;
- Refilling and test running the Generators as well as restarting and monitoring the Gen-farm during power outages;
- Paintwork at the Halls' offices, Banana Ripening and Security offices;
- Manually adjusting the temperature at the Cold rooms when there is a malfunction;
- Grass cutting and general gardening around the Market;
- Repairs and replacing nonfunctional electrical utilities (plugs, tubes, downlights, DB's etc.);
- Unblocking and cleaning of blocked drains and manholes.

Planned Works

Repairing of Cold rooms

There have been temperature fluctuations at the cold rooms that make the produce vulnerable to damage. This has resulted in insurance claims. However, a service provider has been appointed in this quarter to address the temperature control system and any other defects (like damaged doors).

Repairing of Banana rooms

The Banana rooms have malfunctioned in this quarter. The malfunction was caused by different challenges such as broken doors, temperature not indicating on the SCADA system which controls the rooms' temperature fluctuations as well as faulty motors. A service provider was appointed in the first quarter and is busy addressing the identified problems and challenges.

The availability of banana ripening rooms have increased to 80%.

Photos of Repairs and Maintenance activities:

Fixing of roof leaks and unblocking of storm water channels at the watermelon section:



There was problem at the Watermelon section, whereby a roof was leaking and storm-water was spilling over as a results roof gutters being blocked because of objects on top of the roof,

this resulted in the drainage system also getting blocked and causing water flowing into the produce (at the watermelon section), a service provider was appointed to do the repair works and the area is fully functional.

Fixing of blocked pipeline at the Butchery Ablutions



There was a blockage at the Butchery Ablution Block which needed attention, the maintenance team went with the small jet (Pressure) machine and used it to unblock the pipeline.

Repairing and servicing of transformer



There was planned shutdown at Mandela Market to connect new pipeline, Electrical team assisted with 11KV Minisub switch off and switching on again

2. FOOD QUALITY ASSURANCE

The Food Quality Assurance Department (QA) undertakes food quality inspections for the purposes of quality control compliance, product testing for compliance monitoring and food safety risk evaluation; and hygiene inspections to ensure hygiene compliance and prevention of food contamination.

2.1. Food Inspections and Food Testing (Laboratory analyses)

Quality Control Inspections	Quarter 2 (includes forecasted figures for Dec 2020)	Comments
Volume Received	372 625 tons	

Quality Control Inspections	Quarter 2 (includes forecasted figures for Dec 2020)	Comments
Volume Inspected	26 176 tons	The general quality of produce received for sale for the quarter appeared to be relatively good; however some vegetables did not retain sufficient shelf-life after receiving.
Volume Rejected	173 tons	
Volume Destroyed	4693 tons	This represents 1.25% of the volume received that was destroyed. The increase in the number of rejections and destroyed produce can be attributed to the warmer temperatures and rainy weather in the production regions whereby fresh produce held on the market tends to decay quicker in the warmer summer months of the year.
Volume Returned to Farmer	831 tons	Returned to farmer due to quality reasons or request to return from farmer.
Volume Downgraded	545 tons	Mostly Potatoes were downgraded by Prokon at the time of receiving due to quality not be complying with the class /grade marked on the container.
Food Transport Vehicles Inspected	1565	Vehicles were inspected for hygiene compliance, condition of containers (packaging) and condition of products during the time of offloading. 16 consignments were found to be non-compliant with marking requirements. One (1) consignment of watermelons and one (1) consignment of cabbage was rejected on arrival and returned to farmer due to decayed products received.
Food Safety Laboratory Testing	Quarter 2	Comments
Microbiological testing ((E.coli, Salmonella & Listeria bacteria).	46 samples	100% of samples tested complied to microbiological guidelines for the bacteria analysed
Pesticide residue testing	124 samples	22 samples tested positive for pesticide residues; however pesticide residue concentrations were found to be within the national regulated Maximum Residue Limits (MRLs). There are no South African and CODEX MRLs for some of the residue detections – the matter will be referred to the National Department of Health Directorate Food Control for guidance.
Heavy Metal testing (Lead & Cadmium)	52 samples	98% of samples tested complied to Maximum Limit (ML) for the heavy metals analysed. One (1) sample of garlic showed the presence of Lead that was marginally in excess of the permissible ML for lead in bulb vegetables. Additional sampling of garlic will take place to determine the extent of transgression and food safety risk.

2.2. Food Hygiene Activities

QA Inspection division performed hygiene inspections of the three Trading Halls (Vegetable, Fruit & Potato Halls) and Food Support Centre. Inspection reports with findings on non-compliances were issued to the relevant Hall Managers and Supervisors for further action. Follow-up inspections and monitoring is ongoing to improve the level of hygiene in the trading halls and markets food storage facilities.

3. CONSIGNMENT CONTROL

The table below shows the Consignment Control statistics for the 2nd Quarter Y20/21 (Comparison of direct deliveries to total deliveries)

No	Description	Oct 20	Nov 20	Dec 20 (average)	Q2 Totals
1	Number of Trucks/delivery vehicles	9960	9476	9718	29154
2	Number of Delivery Notes (DN) captured on SPS	18717	17991	18354	55062
3	Number of Delivery Notes queried for Returns and other matters at Market Agents	487	496	491	1474
4	<i>Percentage of queries on total of DN</i>	2.6%	2.7%	2.6%	
5	Number of Delivery Notes queried for Direct deliveries at Wholesalers	466	529	497	1492
6	<i>Percentage of direct deliveries reconciled</i>	100%	100%	100%	100%
7	<i>Percentage of direct deliveries on total deliveries</i>	2.4%	2.9%	2.7	2.6%

4. SERVICE DELIVERY CHALLENGES

A number of challenges which include but are not limited to the following:

- Vacancies of Managers in the Property Department;
- The COVID-19 outbreak continued to present management with challenges in behavioural change required by all Market users. In the first week of December 2020 the second wave of the virus was declared. The Operations team started to reinforce and increase Covid-19 protocols awareness in key areas of the Market, such as Trading Halls, Mandela Market and Unity Market;
- Cold Stores and Ammonia Plant repairs: Service provider has been appointed, Service Level Agreement has been signed and repairs have commenced;
- Banana rooms' temperature fluctuation continues to be a challenge especially when there are power outages;
- Power outages experienced resulted in the some cold room malfunctioning and not functional;
- Construction at the Mandela Market has caused power outages that lasted 3 days due to the contractor's damaging of cables.

5. THE FOLLOWING ARE KEY FOCUS AREAS FOR THE NEXT REPORTING PERIOD:

- Finalize appointment of a penal of service provider for repair and maintenance work and QA & Lab consumables;
- Finalize the urgent repair works at Banana Rooms and Ammonia plant;
- Finalise appointment of service providers in key service delivery area: Watermelon section and Unity market, Hall 1 offices, banana rooms, cold rooms and pest control;

- Finalize SOPs for the division;
- Improve on cleaning and hygiene standards;
- Conduct required paint work around the JM precinct;
- Continued adherence to Covid-19 protocols.

Section 2: Corporate Social Investment

2.1 JM food Support Centre

Put the foodbank details here as in the core ops report

2.2 Community outreach

JM conducted as part of its community outreach a programme on 9 December 2020 with the Sparrow Village which operates a Hospice and place of care for mothers with HIV/AIDS and the orphans left behind. Cllr. Lawrence Khoza, MMC for Economic Development and MMC for Health and Social Development, Cllr Eunice Mgcima attended the event.

In addressing the event Lawrence Khoza, MMC for Economic Development, spoke from the heart in his brief address, saying, "This is an exciting initiative. It is difficult to celebrate with our families and not care about the destitute. There can be no greater privilege than investing in the betterment of others." MMC for Health and Social Development, Eunice Mgcima echoed her colleague's message and commitment to a lasting relationship with Sparrow Village. "We welcome this with both hands. We know that together we can do more," said MMC Mgcima.



CoJ MMC's - Cllr Lawrence Khoza, Cllr Eunice Mgcima, Reverend Corine McClintock of the Sparrow Village and JM: CEO Leanne Williams (Picture: Courtesy of Roodepoort Record newspaper)

Section 3: Response to Strategic Direction

The complete 2020/21 JM Business Plan can be accessed on link below:

<https://www.joburg.org.za/documents /Documents/Joburg%20Market%202018-19%20Business%20Plan.pdf>



Table 11: Depicts how JM aligns to the COJ’s Strategic Priorities and Programmes

Section 4: Performance against Service Standards

Core Service	Service Level Standard Target	Actual	Evidence	Verified Actual*	Variance	Variance Explanation	Mitigations / Comments
1.Opening a new buyer account	20 minutes	26.62 Minutes	Yes	No	6.62 Minutes Unfavourable	Target not achieved	The section has been understaffed for the period due to the resignation of Customer Service Manager and employees who took leave.
2.Electronic Sales Processing System disruptions	Mirror/back-up12w system to go live: within 55 minutes	100% uptime recorded	Database Report	No	0%	Target achieved	There were no SPS disruptions for the quarter.
3. Time to resolve cashiering queries when clients are depositing money.	Resolution of depositing queries within 30 minutes.	1.64 Minutes	Yes	No	28.36 minutes Favourable	Target achieved	The Service Level Target was successfully met.
4.Repairs of infrastructure facilities	Commencement with repairs process on reported infrastructure breakdown within 24	100% Completed within 24 hours	Work Order Sheet	No	0%	Target achieved	Work orders were attended to as soon as they are reported for repairs.

Core Service	Service Level Standard Target	Actual	Evidence	Verified Actual*	Variance	Variance Explanation	Mitigations / Comments
	hours						
5.Repairs to ripening facilities	90% Availability	79% Availability	Daily Monitoring summary report	No	25% YTD Favourable	Target achieved	Electromechanical failures which resulted in higher room temperature.
6.Cold Room facilities	Average temperature variance not greater than 2°C of agreed customer requirements	4.54°C	Average Set Daily Temperature Reading 3.29°C	No	1.25°C Favourable	Target achieved	There is constant monitoring of temperature variation.

Table 12: Service standards performance

Monthly moving average is as depicted on the table below.

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Total Targets Achieved	62.50%	83.33%	83.33%	83.33%	83.33%	83.33%
	☺	☺	☺	☺	☺	☺
Moving Total Targets Achieved	62.50%	145.83%	229.16%	312.49%	395.82%	479.15%
Average Monthly Achievement	62.50%	72.92%	76.39%	78.12%	79.16%	80.00%
	☺	☺	☺	☺	☺	☺





☺Achieved

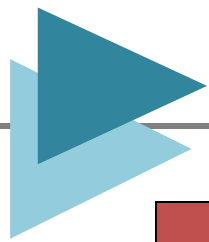
⊖ Not Achieved

Section 5: Performance against Predetermined Objectives

Item	Quarter 1
Total no. of KPIs on scorecard	7
No. of KPIs due	5
KPI's not due	2
Number achieved	4
Number not achieved	1
% achievement	80%

5.1 Detailed Organisational Scorecard

KEY PERFORMANCE INDICATOR	BASELINE	2020/2021 TARGET	QUARTER 1 ACTUAL	QUARTER 2 TARGET	QUARTER 2 ACTUAL	PERFORMANCE INDICATOR
<ul style="list-style-type: none"> CoJ Strategic priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021 Joburg Market Strategic Objective: Ensuring the financial sustainability and growth of the entity 						
(1.1) % Targeted market share held by JM in relation to other FPMs	44.02% Targeted market share held by JM in relation to other NFPMs	45.0% Targeted market share held by JM in relation to other NFPMs	45.91% Targeted market share held by JM in relation to other NFPMs	44.5% Targeted market share held by JM in relation to other NFPMs	45.45% Targeted market share held by JM in relation to other NFPMs	Achieved 
(1.2) Turnover achieved	R 7.9 Billion	R8.412 Bn Turnover achieved	R2.264Bn Turnover achieved	R4.206bN Turnover achieved	R4.601 Bn Turnover achieved	Achieved 
(1.3) % of repairs and maintenance budget spent	70% of repairs and maintenance budget spent	85% of repairs and maintenance budget spent	41.9% of repairs and maintenance budget spent	25% of repairs and maintenance budget spent	33% of repairs and maintenance budget spent	Achieved 
(1.4) % of Capital Budget Spent	85% of Capital Expenditure Spent	85% of Capital Expenditure Spent	5% of Capital Expenditure Spent	25% of Capital Expenditure Spent	5.23% of Capital Expenditure Spent	Not achieved 
<ul style="list-style-type: none"> CoJ Strategic priority 2: Ensure pro-poor development that addresses inequality and provides meaningful redress 						




KEY PERFORMANCE INDICATOR	BASELINE	2020/2021 TARGET	QUARTER 1 ACTUAL	QUARTER 2 TARGET	QUARTER 2 ACTUAL	PERFORMANCE INDICATOR
<ul style="list-style-type: none"> Joburg Market Strategic Objective: Become an agent for socio-economic transformation 						
(2.1) Number of jobs created	200 Jobs created by JM	90	0	Not due	Not due	N/a
<ul style="list-style-type: none"> CoJ Strategic priority 3: Create a culture of enhanced service delivery with pride Become a high performance organisation 						
(3.1) % resolution of Auditor General findings	76% resolution of Auditor General Findings	85 to 95% resolution of Auditor General findings due as at time of reporting	Not due	Not due	Not due	N/a
(3.2) % resolution of Internal Audit findings	89% resolution of Internal Audit findings due	85 to 95% resolution of Internal Audit findings due as at time of reporting	89% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolution of Internal Audit findings due as at time of reporting	89% resolution of Internal Audit findings due as at time of reporting	Achieved 

Table 14A: JM KPI performance as at 31 December 2020

KPI not Achieved	Reason for non-achievement	Recovery Plan
% of capital budget spent	<ul style="list-style-type: none"> Continued project management implementation challenges with contractors – capacity to supply Slower delivery rate by contractor at the Mandela Market 	<ul style="list-style-type: none"> Intensified Implementation of CAPEX projects Revisit project management approaches

Table 14B: JM KPI's not achieved as at 31 December 2020.

The key focus areas of the Company for the next reporting period include the following;

- Finalise appointment of remaining panels of service providers i.e. Quality assurance supplies QA & Lab consumables;
- Finalize the urgent repair works at Banana Rooms and Ammonia plant;
- Finalise appointment of service providers in key service delivery areas such as the Watermelon section, Unity market, Hall 1 offices, banana rooms, cold rooms and pest control;
- Intensified execution of the Market Recapitalisation Programme.
- Finalize SOPs for the entity;
- Improvement on cleaning and hygiene standards;
- Conduct required painting and urgent repair works around the JM precinct;
- Continued and intensified adherence to Covid-19 protocols under the new Level 3 arrangements
- Improvement of staff morale through the #GreatPlace2Work drive.
- Extension of efforts towards enhancing the CoJ: DSD food support programme aimed at alleviating hunger during the Covid 19 pandemic
- Further improvement of staff morale through the #GreatPlace2Work drive



CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

Section 1: Employee Remuneration

1.1 Executive Management composition

Executive Management operates within the ambit of the approved company policies and procedures as well as all applicable regulations and legislation and takes responsibility for the overall management of the company.

Executive Members

Ms. Leanne Williams (Chief Executive Officer)

Qualifications:

- Master of Commerce Banking and Financial Risk Management
- Honours Bachelor of Commerce Industrial and Organisational Psychology
- Bachelor of Commerce Industrial and Organisational Psychology

(Appointed, 18 May 2020)

Mr. Bongani Radebe (Executive Manager: Core Operation)

Qualifications:

- Masters in Management
- Postgraduate Diploma In Management
- B. Uiris (Law Degree)
- Diploma in Criminal Justice and Forensic Investigations

(Appointed, 01 October 2020)

Mr. Billy Vorster (Executive Manager Corporate Services - Acting)

Qualifications:

- MBA

(Appointed: 13 October 2020)

Mr. Boy Ngubo (Acting Chief Financial Officer)

Qualifications:

- Chartered Accountant (SA)
- Master of Business Administration (MBA)
- Post Graduate Diploma in Management and Leadership
- Post Graduate Diploma in Accounting Science (PGDA)
- Bachelor in Accounting Science

(Appointed, 18 June 2020)

3.2 Remuneration of Executive Management

NAME	DESIGNATION	SALARY	PENSION	MEDICAL AID	CELL PHONE	ACTING	LEAVE PAY	INSURANCE	SDL	BARGAINING COUNCIL LEVY	BONUS	TOTAL
Sifiso Dlamini	CFO	790 336	104 820		19 500			744	6 393	50		921 842
Josiah Mazibuko	Core-Operations Executive	287 034	15 457	14 284	4 900		287 420	297	-	20		609 412
Charles Park	Acting Core-Operations Executive	208 122	13 413		4 900	24 912		297	1 131	20		252 796
Leanne Williams	CEO	1 002 619	108 846	4 009	18 600			892	6 480	59		1 141 505
Sydney James	Core-Operations Executive	176 633			3 430		10 451	149		10		190 673
Boy Ngubo	CFO	914 484			15 680			892	5 759	59		936 875
Phoebe Nimmerhoudt	Executive Manager Corporate Services	134 047	11 853	5 028	2 710			201	1 335	13		155 188
Billy Vorster	Acting Executive Manager Corporate Services	278 791	59 121		6 705	38 934		393	3 322	26		387 293
Bongani Radebe	Core-Operations Executive	319 983	42 458		6 000			446	3 087	30		372 003
Keeran Singh	Acting Company Secretary	264 056	55 730	14 700	11 833	39 679		892	2 936	59	51 602	441 487
		4 376 106	411 698	38 021	94 258	103 525	297 871	5 205	30 441	347	51 602	5 409 074

ANNUAL OPEX VS PERSONELLE COSTS (UP TO 30 SEPTEMBER 2020)

Quarter	OPEX	PC	%
Q1	83 538 528	39 102 987	45.91
Q2	67 227 671	38 295 090	56.96
Total	150 766 199	77 398 077	51.34

ANNUAL TURNOVER RATE

Details	Total appointments at beginning of financial year	Terminations during financial year	Turnover rate
	No.	No.	%
2016/17	319	19	5.01
2017/18	327	22	6.73
2018/19	314	26	8.28
2019/20	302	15	5
2020/21	313	6	1.92

QUARTERLY TURNOVER RATES FOR 2020/21

Quarterly	Total appointments per Quarterly	Terminations per Quarter	Turnover rate
	No.	No.	%
Q1	4	4	100
Q2	6	2	33
Total	10	6	60

STAFF MOVEMENTS (CUMULATIVE FOR FINANCIAL YEAR 2020/21)

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	4	2	2	2	0	0	0	0	10
Dismissals	0	0	0	0	0	0	0	1	1
Retirements	1	0	0	0	0	0	0	0	1
Contract Expired	1	0	0	0	0	0	0	0	1
Resigned	0	0	2	1	0	0	0	0	3
Deceased	0	0	0	0	0	0	0	0	0
Seconded	0	0	0	1	0	0	0	0	1
TOTAL	6	2	4	4	0	0	0	1	17

Section 2: Key Vacancies*Recruitment of Executives:*

The following positions were finalised for appointment to the Company's executive level:

1. Operations Executive joined JM on 1 October 2020.

A service provider was appointed to assist with the administration and coordination of the recruitment and placement for the CFO and Company Secretary positions. The recruitment and selection process for the CFO position is currently on hold.

The Company Secretary position was re-advertised on 29th October 2020 and closed on the 7th November 2020. Shortlisting took place on the 24th November 2020 and interviews are scheduled for the 11th December 2020.

Recruitment of Senior Management:

1. Senior Manager Budget and Reporting ,internal candidate successful for the position, appointment effective October 2020

Recruitment of Management:

1. Manager Complimentary Services-internal candidate successful in application for the position, appointment effective October 2020.
2. Manager Maintenance-internal candidate successful in application for the position, appointment effective November 2020.
3. Manager SHE- Joined JM on 1 November 2020.

Recruitment of Junior Positions:

Supply Chain Department:

1. Bid Committee Officer- Joined JM on 1 October 2020.
2. Bid Committee Officer- Joined JM on 1 December 2020.
3. Procurement Specialist- internal candidate successful in application for the position, appointment effective November2020.
4. Procurement Specialist- Joined JM on 1 November 2020.

Finance Department:

Management Accountant- To Join JM on 2 January 2020.

Fixed Assets- an internal candidate was successful in the application for the position, appointment effective 1 December 2020.

Credit Collection Analyst- an internal candidate was successful in the application for the position, appointment effective 1 November 2020.

Operations Department:

Fruit Hall Inspector - internal candidate successful in application for the position, appointment effective 1 December 2020.

Banana Ripener- an internal candidate was successful in application for the position, appointment effective 1 December 2020.

Forklift Driver- Joined JM on 1 December 2020.

Forklift Driver internal candidate successful in application for the position, appointment effective 1 December. Joined JM on 1 December 2020.

Section 3: Employment Equity

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	1	0	0	0	0	1
Executive Management	3	0	0	0	0	1	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	10	2	2	5	8	0	0	1	0	0	28

Occupational levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	30	2	1	1	31	3	1	7	0	0	76
Semi-skilled and discretionary decision making	71	2	0	4	74	4	0	7	0	0	162
Unskilled and defined decision making	24	0	0	0	22	0	0	0	0	0	46
TOTAL PERMANENT	138	6	3	10	135	9	1	15	0	0	317
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	138	6	3	10	135	9	1	15	0	0	317

EMPLOYMENT EQUITY DEMOGRAPHICS STATUS AS AT 31/12/2020

OCCUPATIONAL LEVELS	Target as @ June 2021									Status as @ 31 December 2020								
	MALE				FEMALE				TOTAL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W		A	C	I	W	A	C	I	W	
Top Management	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1
Senior Manager	3	0	0	0	1	0	0	1	5	3	0	0	0	0	1	0	0	4
Mid Manager / Professional	20	2	3	8	13	0	2	4	52	10	2	2	5	8	0	0	1	28
Skilled Tech / Junior Manager	56	2	2	12	45	3	4	11	135	30	2	1	1	31	3	1	7	76
Semi- Skilled	66	2	1	5	68	5	0	8	155	71	2	0	4	74	4	0	7	162
Unskilled	19	0	0	2	21	0	0	0	42	62	1	0	0	53	0	0	0	116
TOTAL	165	6	6	27	148	8	6	24	390	176	7	3	10	166	9	1	15	387

TABLE 8: EE TARGETS AS AT 2021 V STATUS AT 31/12.2020. THE EE STATUS INCLUDES INSOUCED CLEANERS ON COJ PAYROLL

Local Labour Forum

The LLF serves as a platform to discuss matters that affect JM employees with organised Labour. The forum meets monthly, however it has not been able to meet due to the limitations imposed by Covid-19 pandemic.

TABLE 2: STAFF ESTABLISHMENT

Description	2020/21			
	Approved no. of posts	No. of employees	No. of vacancies	% of vacancies
Top management	1	1	0	0
Executive management	4	3	1	25
Middle management	40	28	12	30
Skilled technical/junior management	103	78	25	24
Semi-skilled	140	160	(20)	(14)
Unskilled housekeepers/cleaners	40	45	(5)	(12.5)
Total	328	315	13	3.96

*Plus Seventy (70) Insourced Cleaners paid by the COJ, originally seventy one (71), one passed away.

Section 4: Skills Development and Training

The 2nd Quarter report on learning and development interventions is recorded below:

Skills Development	Males				Females				Total	Amount (R)
	A	I	C	W	A	I	C	W		
ORHVS	1	0	0	0	0	0	0	0	1	9 075
Contract Management	1	0	0	0	0	0	0	0	1	9 199
MFMA Minimum Competency	0	0	0	0	0	0	1	0	1	58 000
End User Computing	3	0	0	0	4	0	0	0	7	10 500
Forklift training	16	0	0	0	0	0	0	0	16	23 200
Advanced Leadership	0	0	0	0	0	0	1	0	1	7 990
Effective Business Continuity	0	0	0	0	1	0	0	0	1	6 950
Procurement and SCM in Public	0	0	1	0	1	0	0	0	2	15 600
Electrical Construction Learnership	4	0	0	0	3	0	0	0	7	287 980
Fire Fighter training	22	0	0	0	9	0	0	0	31	19 391
OHS Representative	10	0	0	0	8	0	0	0	18	12 897
First Aider	11	0	0	0	8	0	0	0	19	11 885
Total Beneficiaries	68	0	1	0	34	0	2	0	105	472 667

Conferences:

Conferences & Seminars	Males				Females				Total	Amount (R)
	A	I	C	W	A	I	C	W		
Effective Business continuity	0	0	0	0	1	0	0	0	1	6 950
Food Safety Summit	0	1	0	0	2	0	0	0	3	3 885
TOTAL BENEFICIARIES	0	1	0	0	3	0	0	0	4	10 835

Subsidised Study Assistance:

INSTITUTION	Males				Females				Total	Amount (R)
	A	I	C	W	A	I	C	W		
Boston	1	0	0	0	1	0	0	0	2	62 430
Regent	0	0	0	0	1	0	0	0	1	11 400

University of Witwatersrand	0	0	0	0	2	0	0	0	2	84 665
Milpark Business School	1	0	0	0	1	0	1	0	3	111 170
UNISA	0	0	0	0	1	0	0	0	1	3 270
MANCOSA	1	0	0	0	2	0	0	0	3	91 960
University of Pretoria	0	0	0	0	1	0	0	0	1	46 373
TOTAL BENEFICIARIES	3	0	0	0	9	0	1	0	13	411 268

- 68 employees earmarked to be trained for SHE representatives, First Aiders and Fire Marshals, were trained in November 2020;
- 14 Electrical Construction Learnerships – 7 Learners attended contact training sessions in October. The remaining group will be trained in 2021. Formal training is expected in February 2021 where after practical training has to be completed. The learnership contract with WR SETA was extended until May 2021 and learners were moved back to maintenance to complete practical training;
- 8 Horticulture Skills programme – No extension from the WRSETA was forthcoming and the learnerships ended on the intended date – 5 December 2020.

Section 5: Performance Management

Performance agreements were signed for level 1 to level 4 employees for FY2020-2021.

FY2020-2021 Mid-year reviews will take place in January 2021.

Performance assessments were duly concluded for final terms, for 2019-2020 for senior managers and executives.

Section 6: Disciplinary Matters and Outcomes

Disciplinary Cases

JM currently has seven (7) disciplinary cases:

- Three (3) suspensions pending finalisation of investigation,
- One (1) suspension pending finalisation of disciplinary enquiry.
- One (1) suspended employee was cleared allegation of wrongdoing and suspension has been lifted.
- One (1) suspension pending a decision to either prosecute or uplift suspension, due to unavailability of company key witnesses.
- One (1) case pending finalization of disciplinary enquiry while physically at work.

Cases at South African Local Government Bargaining Council (SALGBC)

There are currently six (6) cases at the SALGBC:

- Three (3) waiting for the set down date for arbitration,
- Three other cases are scheduled as follows:
 - One (1) hearing started on 8 & 9 December 2020,
 - One (1) was heard on the 15 December 2020 – awaiting outcome
 - One (1) arbitration case which the SALGBC ruled had no jurisdiction; the SALGBC subsequently rescinded the case. The case was then scheduled and heard on the 26th November 2020. The case could not conclude and was rescheduled to the 24, 25 and 26 January 2021.



Labour Court cases

Three (3) Labour cases are pending before the Labour Court:

- One (1) involving an employee who retired in 2015, with the case only heard by the Labour Court on the 28th January 2020. The matter to be decided by the court was a prescription point raised by JM. The court ruled in favour of the employee. The attorneys advised that the matter should be settled out of court. The attorneys engaged the insurer with the view of agreeing to a proposed settlement. We are still waiting for the insurer to respond to the proposal. The parties are unable to agree on a settlement, the matter was set down before the Judge for Pretrial conference on the 1st December 2020. The matter is likely to be heard mid-2021.
- No further developments on the other case that involves a review application filed by the Security Officer after losing his CCMA case against JM.
- The company received Labour Court papers from the attorneys who represented the Executive: Strategy and Transformation on 8 December 2020. The erstwhile employee lost a case of constructive dismissal against JM on 8 May 2019.

Local Labour Forum

This forum is intended to serve as a platform to discuss matters that affect JM employees with organised Labour, and LLF meetings are held on a monthly basis.

HR Policies

HR is currently reviewing seven (7) policies. Input was received by EXCO to further revise. This is due for Q3.

Section 7: Leave & Productivity Management

LEAVE ANALYSIS – END SECOND QUARTER 2020/21 (OF LEAVE CAPTURED UP TO 31/12/20)

Type of Leave	7*	8*	9*	10*	11*	12*	Total Days Taken
Annual Leave	408.93	248.44	345	420.96	888.31	690.25	3001.89
Sick Leave	183	83	91	205	241	99	902
Family Responsibility Leave/Parental	24	20	40	34	51	19	188
Study Leave	24	21	15	47	48	-	155
Leave Sold	0	44	45	76	85	287	537
Long Service	8	0	8	32	11	8	67
Maternity	63	0	180	31	93		367
Special	17	197	0	0	69		283
Unpaid	6	2	0	1	11	-2	18
TOTAL	733.93	615.44	724	846.96	1497.31	1101.25	5518.89

Section 8: Employee Wellness

- The Clinic has attended to a total number of 755 patients for this quarter, of which 68 consulted for family planning.
- Chronic cases were sent home and some on rotational shifts according to their different departments.
- The total number of injuries in the premises is as follows; 1x COID case for JM, 1 x reported injury from the Agents, no injuries from Customers was reported.

Trends and interpretation

The Clinic recorded a back to normal change in consultation patterns where people with Respiratory conditions topped the list, followed by Musculo-skeletal conditions on the second spot with Gastro-intestinal conditions taking the third spot, this pattern is expected.

Covid-19 progress

The Joburg Market is a designated **Covid-19 Testing Site of the City of Joburg and**, as a result tests staff from all entities.

Daily Covid-19 screening is on-going and testing is done to employees who fail the screening test and also those who are suspected contacts of a Covid-19 positive patient. Daily screening is conducted to an average of 300 staff members per day.

4 JM Employees were tested during quarter 2. All results were negative.

The COJ Covid screening staff are still on the premises after their contract was extended to end January 2021 and the JM has already trained its own staff to take over the screening service in February 2021.

Report on activities

NO	ACTIVITIES	DETAILS OF WORK DONE
1	World Aids Day event was commemorated on the 1 st Dec. 2020	18 employees did HIV test 4 males did PSA screening 18 employees did Glucotest. 18 screened for Hypertension.
2	Medical surveillance	Spirometry was done on 33 permanent staff members from High risk areas such as Cold Stores and Banana Ripening department. Pre-employment medicals were done on 14 EPWP staff there is still 16 outstanding.

Key: C=Consultations; INJ=Injury on premises; COID=Reportable cases

MONTHS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Consultations	538	267	212	212	198	197	312	177	235	262	276	217	3103
COID	1	0	1	0	0	0	0	0	0	1	0	0	3
INJURIES													
<u>JM</u>	1	1	0	0	0	1	1	1	1	1	0	0	7
<u>AGENTS</u>	0	0	0	0	0	0	0	1	0	0	1	0	2
<u>CUSTOMER</u>	2	0	3	1	2	0	0	0	0	0	0	0	8
QUARTERLY TOTALS													
Consultations			1017			607			724			755	
Injuries			7			4			1			2	

Section 9: Employee Benefits

Pension and Retirement Fund Schemes:

- City of Johannesburg Pension Fund: 12 Members
- Momentum Provident Fund: 176 Members
- E-Joburg Retirement Fund: 127 Members



Medical Aid Schemes:

The following are three medical aid schemes in operation within JM from which employees can make a selection:

- Discovery Health - 24 Members
- Bonita's - 232 Members
- LA Health - 8 Members

The following are the housing allowances in operation within JM for employees:

- Housing - 69 beneficiaries
- *Gap - 36 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.

GAP Market employees who earn a basic salary of R9, 000.00 per month or less, as at 1 July 2018, and who do not own or receive any form of housing assistance or do not participate in the current or any other home owners allowance scheme shall be paid a non-pensionable allowance for the duration of this agreement, provided that only one (1) benefit is paid per household.

The non-pensionable allowance shall increase by the same percentage as the salary and wage increase (6.25%) from R372.75 per month to R396.05 per month with effect from 1 July 2020.

CHAPTER FIVE: FINANCE PERFORMANCE RELATED ACTIVITIES

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

STATEMENT OF FINANCIAL POSITION

	R'000 Actual 2020 Dec	R'000 Actual 2020 June
ASSETS		
Non-current assets	356 820	355 170
Property, plant and equipment	322 462	319 087
Investment property	16 685	17 330
Intangible assets	2 844	3 924
Deferred tax	14 829	14 829
Current assets	910 368	722 039
Trade and other receivables	40 123	59 270
Loans to shareholders	527 208	436 709
Current tax receivable	74 615	28 546
Current VAT receivable	4 812	2 862
Cash and cash equivalents	263 610	194 652
Total assets	1 267 188	1 077 209
NET ASSETS AND LIABILITIES		
Net Assets and Liabilities	705 466	788 797
Contribution from owner	20 000	20 000
Accumulated funds	685 466	768 797
Non-current liabilities	16 154	18 207
Loans from shareholders	2 153	4 206
Employee benefit obligations	2 453	2 453
Deferred tax	11 548	11 548
Current liabilities	264 707	270 204
Trade and other payables	253 447	259 258
Loans from shareholders	5 181	6 100
VAT	-	-
Provisions	6 078	4 826
Bank Overdraft		20
Total net assets and liabilities	986 327	1 077 208

Table 20: Statement of Financial Position of JM as at 31 December 2020

Statement of financial position variance analysis

- The property plant and equipment movement is due to Capital expenditure of R10.4m, and depreciation for the year.
- Investment property and intangible assets movement is due to depreciation of R1.7m.
- Loan to shareholder (sweeping account) increased by R90.5m and cash and cash equivalents increased by R68.9m respectively.
- Current tax receivable increase by R46m due to provisional tax payment made in December 2020.
- Trade and other payable decreased by R5.8m mainly due to payments to suppliers and related parties creditors during the period.

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

	Quarter ended 31 December 2020						
	Actual	Budget	Last Year	Variance			
				Actual vs Budget	Actual vs Last Yr	Actual vs Budget	Actual vs Last Yr
R '000	R '000	R'000	R'000	R'000	%	%	
Turnover	4 601 893	4 072 718	4 145 148	529 175	456 745	13,0%	11,0%
Tonnage	692	717	632	(25)	60	-3,5%	9,4%
Rand/Ton	R 6 647	R 5 678	R 6 555	969	92	17,1%	1,4%
Revenue	255 654	250 473	244 030	5 180	11 624	2,1%	4,8%
Expenses	(150 766)	(172 135)	(143 653)	21 369	(7 113)	-12,4%	5,0%
Surplus before interest & tax	104 887	78 338	100 377	26 549	4 511	33,9%	4,5%
Net interest (paid)/earned	12 349	16 898	(13 859)	(4 549)	26 209	-26,9%	-189,1%
Internal Charges	(563)	(8 538)	(2 576)	7 975	2 014	-93,4%	-78,2%
Surplus before tax	116 674	86 698	83 941	29 976	32 733	34,6%	39,0%
Taxation	-34 062	-25 471	-23 504	(8 591)	(10 558)	33,7%	44,9%
Surplus	82 612	61 227	60 438	21 384	22 174	34,9%	36,7%

Table 21: JM high level performance of the entity

Joburg Market's overall financial performance as at 31 December 2020 is pleasing despite the challenges experienced by the economy due to the COVID-19 pandemic. Surplus was over budget by R82.6m which a 34.9% positive variance when compared to the budget. This was mainly due to an over-performance on commission received.

2.1 Turnover and Revenue Analysis for quarter ended 31 December 2020

The turnover generated by JM was R4.6bn due to higher than budgeted price per tonne of produce sold. The tonnage was below budget by 25 tons and price per ton increased by R969 per tonnage compared to budget.

Turnover & Revenue							
	Quarter ended 31 December 2020						
				Variance			
	Actual	Budget	Last Year Q2	Actual vs Budget	Actual vs Last Yr Q2	Actual vs Budget	Actual vs Last Yr Q1
	R '000	R '000	R'000	R'000	R'000	%	%
Turnover	4 601 893	4 072 718	4 145 148	529 175	456 745	13,0%	11,0%
Tonnage	692	717	632	(25)	60	(3,5%)	9,4%
Rand/Ton	R 6 647	R 5 678	R 6 555	969	92	17,1%	1,4%
REVENUE	255 654	250 473	244 030	5 180	11 624	2,1%	4,8%
Cold storage facilities	1 085	2 823	1 122	(1 738)	(37)	(61,6%)	(3,3%)
Ripening facilities	443	2 204	905	(1 761)	(462)	(79,9%)	(51,0%)
Commission 5%	230 095	210 298	207 257	19 797	22 837	9,4%	11,0%
Direct Delivery Comm	2 058	1 343	2 000	715	57	53,2%	2,9%
Pallets	541	655	540	(114)	1	(17,4%)	0,2%
Cash Handling fee	2 458	1 746	2 242	712	215	40,8%	9,6%
Trolley Rental Deposit	50	89	54	(39)	(4)	(43,4%)	(7,5%)
Electricity recovery	10 966	12 901	11 520	(1 935)	(554)	(15,0%)	(4,8%)
Water recovery	(6 738)	3 273	2 911	(10 012)	(9 649)	(305,8%)	(331,5%)
Rental Income	13 621	12 750	12 658	871	963	6,8%	7,6%
Floor storage fees	529	697	797	(167)	(268)	(24,0%)	(33,6%)
Sundry revenue - other	546	1 694	2 021	(1 148)	(1 475)	(67,8%)	(73,0%)

Table 22: JM Revenue as 31 December 2020.

Revenue composition of JM is made up of:

- Commission income = 90% which is predominantly cash;
- Rental income (including both water and electricity recoveries) =7% and
- The balance = 3% made up of the various other small items.

Revenue variance analysis

- Commission income is R230.1m compared to a budget of R210.3m. This equates to a 9.4%.
- Rental lease income (including both water and electricity recoveries) was R17.8m compared to budget of R28.9m. This represents a performance of 38% less than budgeted for.
- Cold Storage and banana ripening facilities were under budget by R3.5m collectively due to a decline in demand for the cold storage and banana ripening facilities and equipment as a result of high stock turnover rate and poor state of these facilities.

2.2 Operational Expenditure Analysis for the second Quarter ended 31 December 2020

SUMMARISED INCOME STATEMENT

	Expenditure - Quarter ended 31 December 2020							
				Variance				
	Actual	Budget	Last Year (Q1)	Actual as % of Total	Actual vs. Budget	Actual vs. Last Yr. (Q1)	Actual vs. Budget	Actual vs. Last Yr.
	R '000	R '000	R'000	Expenses	R'000	R'000	%	%
Expenses	-150 766	-172 135	-143 653	100%	21 369	-7 113	-12%	20,20
Personnel costs	-77 398	-77 196	-69 968	51,3%	-202	-7 430	0,3%	10,6%
Human Resources	-3 158	-7 101	-2 512	2,1%	3 943	-646	-55,5%	25,7%
Marketing	-523	-2 251	-964	0,3%	1 727	441	-76,7%	-45,7%
Repairs and Maintenance	-4 496	-12 063	-1 367	3,0%	7 567	-3 129	-62,7%	228,8%
Operations	-41 988	-42 141	-43 970	27,8%	153	1 982	-0,4%	-4,5%
Information Technology	-3 954	-3 861	-3 349	2,6%	-93	-606	2,4%	18,1%
Finance and administration	-6 313	-13 539	-9 274	4,2%	7 226	2 961	-53,4%	-31,9%
Depreciation	-12 936	-13 983	-12 248	8,6%	1 047	-688	-7,5%	5,6%

Table 23: Operational Expenditure Analysis for the second Quarter ended 31 December 2020

Total operating expenditure as at 31 December 2020 was recorded at R150.8m compared to the budget of R172.1m This represents a performance of 12% less than budgeted for.

- Human Resources expenditure is under budget by R3.9m due to changes in the management structure and COVID19 restricting the planned expenses that would have been incurred for Training and Development and IR Workshops.
- Under spending on market research, advertising and communication expenditure of R1.7m
- Repairs and maintenance is under budget by R7.6m due to Maintenance (JM – SCM) has appointed panel of service providers to address the backlog for repairs & maintenance. It is anticipated that the procurement process will be concluded by the end of February 2020.
- Finance and administration expenditure is over budget by R7.2m as a result of the budget for Audit fees, Doubtful debts, contracted financial services and local travel budget have been utilised.

Section 3: Cash Flow Statement

Cash Flow Statement	R'000 2020 - Actual 31-Dec	R'000 2019 - Actual 30-Jun
Cash flows from operating activities		
Receipts		
Sale of goods and services	264 761	457 613
Interest income	7 860	28 458
	272 621	486 072
Payments		
Employee costs	-80 556	-138 059
Suppliers	-106 209	-138 897
Finance costs	-464	-3 107
Taxes paid on surpluses	-37 834	-54 817
	-225 063	-334 880
Net cash flows from operating activities	47 558	151 192
Cash flows from investing activities		
Purchase of property, plant and equipment	-11 336	-15 259
Sweeping account	-103 712	-155 649
Net cash flows from investing activities	-115 048	-170 908
Cash flows from financing activities		
Repayment of shareholders' loan	-1 468	-10 409
Finance lease payments	0	-136
Net cash flows from financing activities	-1 468	-10 545
Net increase in cash and cash equivalents	-68 958	-30 261
Cash and cash equivalents at the beginning of the year	194 652	201 207
Cash and cash equivalents at the end of the year	263 610	170 946

Table 24: Cash flow statement for the second Quarter ended 31 December 2020

Section 4: Capital Projects & Expenditure

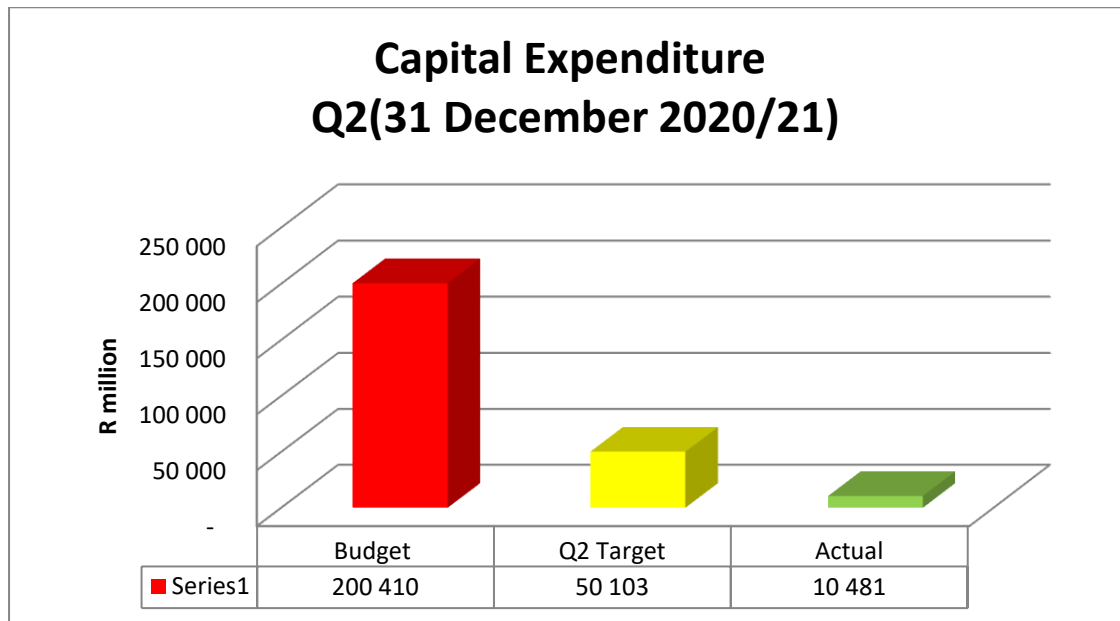


Table 25: Capital Expenditure Analysis for the second Quarter ended 31 December 2020

- The Q2 target based on the scorecard was R50.1m and actual capital expenditure recorded at the end of the quarter was R10.5m.
- JM has not achieved the Q2 target, JM have appointed panel of service providers. It is anticipated the work will be carried out the end of February 2020.

4.1: Capital Projects

JSIP Number	Project Name	Budget 2020/21 R 000	Q1 Actual Spent R 000	Comments
3958	New IT Hardware	4 410 000	40 000.00	N/A
2275	New CCTV Control Room	25 000 000	700 000.00	N/A
2598	Upgrades to the Main Building (Mandela Market. Cold Rooms ,Offices & Food Courtyard)	60 000 000	9 073 122.84	N/A
3331	Installation of Sprinkler System(Fire suppression system OHSA)	5 000 000	-	N/A
3357	Refurbishments/Construction of ablution facilities	4 000 000	660 776.67	N/A
6399	Construction of a pack-house for emerging farmers at the Joburg Market	5 000 000	-	N/A
23094	Extension of Trading Halls at the Joburg Market	15 000 000	-	N/A
23093	Installation of Smart Meters - Revenue Protection	34 000 000	-	N/A
3328	Operational Capital: Directional signage within market premises New Building Alterations CITY DEEP EXT.22 F Regional	5 000 000	-	N/A
3364	Operational Capital: Replacement of the roof at trading halls New Building Alterations CITY DEEP EXT.22 F Regional	10 000 000	-	N/A
2504	Operational Capital: Upgrade Hall 9 Renewal Building Alterations CITY DEEP EXT.22 F Regional	5 000 000	-	N/A
3353	Upgrade of Market Facilities Cooling of the Halls	1 000 000	-	N/A
22489	Upgrading of Banana Ripening and Cold rooms	10 000 000	-	N/A
23378	Operational Capital - Cleaning in-sourcing	10 000 000	6 999.00	N/A
22547	Green Market Energy Efficient	2 000 000	-	N/A
3351	Office equipment New/Renewal New Office Equipment	5 000 000	-	N/A
	Totals	200 410 000	10 480 898.51	

Table 26: Capital projects breakdown for the second Quarter ended 31 December 2020

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

5.1 Key financial ratios for quarter 2 ended 31 December 2020

Key Financial Overview for mi year ended 31 December 2020


Financial ratios	Norm	Midterm
Liquidity (CA/CL)	1:1	3:1
Solvency (Total Liabilities/Total Assets)	<40%	22%
Debtor's days	30	29
Cash Cover (days)	30-90	960
Remuneration to expenditure ratio	30-40%	51%

Table 27: The table below highlighted some of the key ratios for the second quarter

The Joburg Market remuneration to expenditure ratio is higher as the norm as a result of the continuous nature of its operations which includes 24 hours functions, night shift arrangements and certain operations on public holidays. JM remains both liquid and solvent which is pleasing as this indicates that the company has sufficient assets to cover its operations in the short term.

5.2 Analysis of Debtors Collections for the second quarter ending 31 December 2020

An amount of R39, 6m has been collected during the reporting period compared to R34.7m in the prior year. The collection rate achieved for months ending 31 December 2020 is 128% against a target of 95%. There was a year on year increase in performance by 15%. The Covid-19 lockdown, affected the performance of the unit as a number of customers requested for rent-free periods, due to the effect of the lockdown on their businesses. The relaxation of lockdown regulations, as seen tenants who had previously closed down, re-opening their businesses and their improved cash flow positions, enabled them to start paying their rentals. The support from management has also contributed to the improvement in performance.



Billing and collections rate 2020/21	
Billing	
Descriptions	Actual YTD
Total of Rental & Utilities	26 016 652,00
Total of Cold Storage & Ripening	6 929 237,00
Total Billing	32 945 889,00
Collections	
Descriptions	Actual YTD
Total of Rental & Utilities	33 903 701,00
Total of Cold Storage & Ripening	5 733 303,00
Total Collection	39 637 004,00
Collection percentages	
Descriptions	Actual YTD
Rental & Utilities Rate	128%
Cold stores & Ripening	61%
Total Average collection	113%
Description	Actual YTD
Prior Year Percentages	98%

Table 28: Billing and Collections rate as at 31 December 2020

5.3 Bad Debts

Provision for bad debts amounted to R28.5m. There has been no increase in provisions in the current financial year. An amount of R2.6m has been recommended by the attorneys for write-off, and will be tabled at Exco and Board for approval as per policy provisions.

5.4 Analysis of Cash Collections second quarter ended 31 December 2020

5.4.1 Buyers Deposit

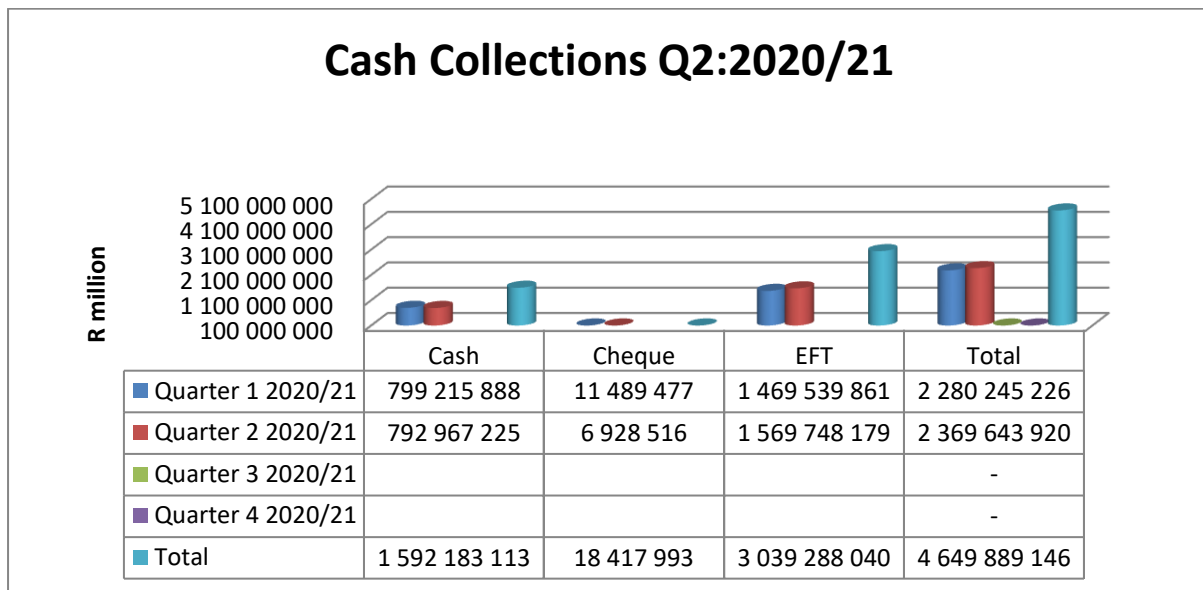


Table 29: Cash Collections 1st quarter ended 31 December 2020

A total collection of R2.3 billion was achieved during the month of Quarter 2 2019/20 compared to R2.2 billion collected in Quarter 2 2020/21.

There is a notable increase of about 4.7%. There is also a decrease in cheques collections due to the bank restriction on the cheques cashing limit which has been reduced from R500 000 to R50 000 per customer per day.

5.4.2 Cashiering Shortages & Recoveries

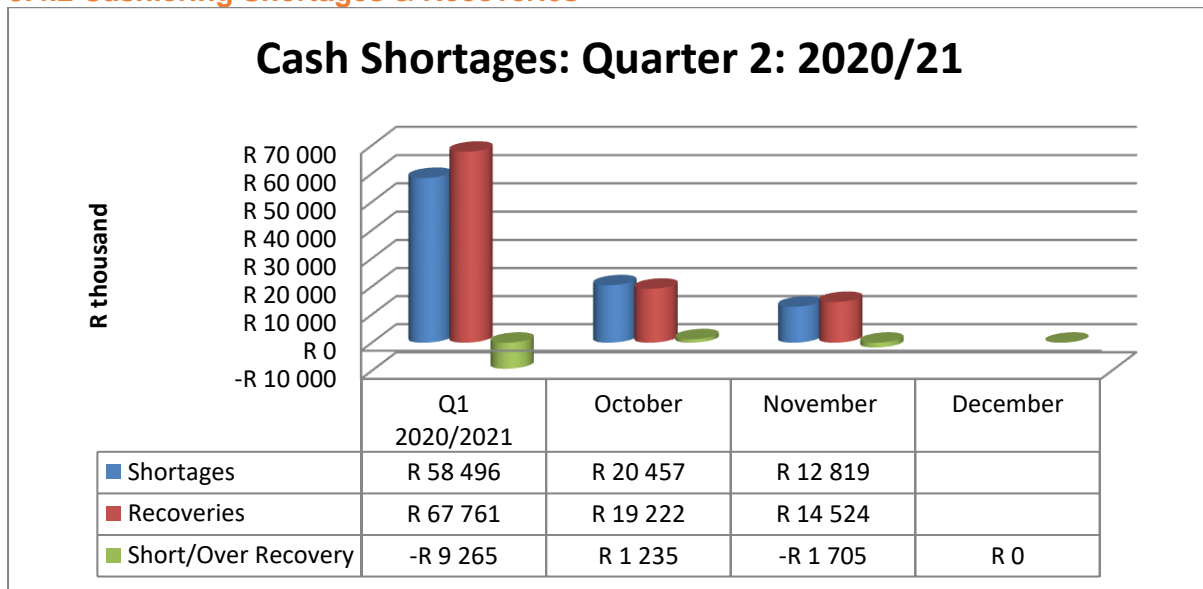


Table 30: Cashiering Shortages & Recoveries second quarter ended 31 December 2020

The total shortages for December 2020 are R12 819 against recoveries of R14 524. The department over recovered by R1 705 due to the timing differences of payroll deductions.

Section 6: Analysis of Supply Chain Management (SCM)

6.1 Deviations

No	Service Provider	Type of Deviation	Reason/s	R'000 Q2
1	Pay Day Software Systems	Sole provider	Application support and annual Licenses	66 392,57
2	Letuba Electrical	Emergency	Emergency repair of LV cables and Circuit breaker at Cold stores	266 779,00
3	SABS commercial	Section 110	Organ of state-Food testing services	64 872,65
	Malonza Construction	Emergency	Plumbing and repairs works at Watermelon, leaning of leak roof and unblocking of sewer lines drain	166 405,00
TOTAL				564 449,22

Table 31: Deviations from Q2

6.2 Irregular Expenditure

Table 32: Irregular expenditure incurred in the current financial year

No.	Company Name	Reasons	R'000 Q2
1	MTC	Metropolitan Trading Company – Public Wi-Fi Tax status non-complaint	944 306,94
2	Servest	Contract extended due to COVID 19 restrictions	193 838,56
3	Afrent	Fleet Management – Original contract declared irregular by National Treasury	276 679,57
4	Imvula Security	This is as a result of the extension of contract. The new security company have been appointed.	5 380 179,40
5	Pantz Investment	Supply of Typek A4 Paper – order placed on expired contract	29 500,00
6	Morubisi Technologies	This is as a result of the extension of contract. CoJ promised to do the insourcing which did not materialise. Await the sourcing process to take place. Currently MTC is being considered.	5 408 643,20
7	Ngwenyama Electrical	Electrical assessment - SCM process not followed	18 400,00
	Avis Fleet Services	The contract was expired and extended.	100 349,51
Total Amount			12 351 897,18

6.3 Fruitless and Wasteful Expenditure

There was no fruitless and wasteful expenditure incurred in the quarter under review.

6.4 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	60 432 443	875 163	59 557 280	59 557 280	100%
CAPEX	10 480 898.51	10 480 898.51	6 999	6 999	100%

Table 33: Joburg Market BBB-EE procurement spending during the acquisition of goods and services as at 31 December 2020

OPEX Expenditure

The total amount spent for OPEX is R60 432 443. Included in there is an amount of R875 163, 12 which does not form part of the total actual expenditure on BBB-EE as it was spent on COJ entities namely; JPC and MTC,

CAPEX Expenditure

The total amount spent for CAPEX is R 10 480 898.51 Included in there is an amount of R10 473 899.51 which does not form part of the total actual expenditure on BBB-EE as it was spent on related party transaction with JPC and MTC on Mandela Market, ablution facilities and CCTV.

6.5 Payments within 30 days

Payments of Creditors Within 30 Days	Nov-20	Dec-20
Total Payments	82	73
Paid Within 30 Days	40	55
Percentage Achieved	49%	75%

Table 34: Payment of Suppliers within 30 days

The payment of suppliers within 30 days is still below the required requirements of the MFMA legislation.

The reasons for payments exceeding 30 days are as follows:

- The 18 creditors, in December not paid within 30 days were due to late capturing and approval of purchase orders from invoice date.
- 9 out the 18 relate to a supplier Global Payment Solutions
- The other invoices were due to incorrect and incomplete information being captured on the JDE which is identified at approval stage.

In order to mitigate further occurrences, the following action plans have been provided by Management for implementation:

- We recommend that all requisition be re-routed to budget office for verification of all the relevant inputs.

- Order approvals to be done prior to delivery of goods.
- Signing off invoices and capturing to be done timeously

Section 7: Pending Litigations and Possible Liabilities

Details of matter	Amount (R/M)
Dispute with service provider due to a utility cost analysis project that was suspended as a result of an invalid tender award	792 070
A claim for loss of income with a service provider due to a diesel project that was suspended. This case was subsequently won by Joburg Market but the service provider took the matter on appeal	27 266 125
Dispute with a customer who slipped on a peel of lettuce on the premises of the entity and sustained injuries	1 780 000
Dispute with a company regarding professional fees in respect of road rehabilitation	1 080 017.49
Total	30 918 212.49

Table 35: Table below depicts contingent liabilities of the entity

Section 8: Insurance Claims against/to JM

Policy Type	NUMBER Total	Open	GROSS Closed	Total	Open	NETT Closed	Total	Open	Closed
Assets all Risks	11	4	7	283 079,00	131 247,00	151 832,00	-	-	-
Contract Works - Annual	1	-	1	-	-	-	-	-	-
Contract Works Public Liability	1	-	1	-	-	-	-	-	-
Directors & Officers Liability	2	-	2	2 175 998,00	-	2 175 998,00	2 175 998,00	-	2 175 998,00
Employers Practices Liability	29	5	24	1 599 506,00	939 457,00	660 049,00	155 250,00	-	155 250,00
Group Personal Accident	29	5	24	1 083 091,00	500 000,00	583 091,00	1 083 091,00	500 000,00	583 091,00
Motor fleet	19	1	18	331 688,00	6 613,00	325 076,00	253 088,00	-	253 088,00
Public Liability	40	26	14	7 010 089,00	6 506 302,00	503 787,00	5 719 91,00	5 600 00,00	119 691,00
TOTAL	132	41	91	12 483 451,00	8 083 619,00	4 399 33,00	9 387 18,00	6 100 00,00	3 287 18,00

Table 36: Table below depicts insurance claims for JM

JM has 41 open claims of which 40 are non-motor claims and 1 is a motor claim. All Closed Claims from Insured Year 2015 until the end of May 2020

Section 9: Statement on Amounts Owed By and To Government Departments and Public Entities

Amounts Owed By		
Name of Department/Entity	31-Dec-20	30-Jun-20
City Of Johannesburg	563,303,428	442,915,806
City Parks/Zoo	212,173	127,240
Total	563,515,601	443,043,046

Table 37: Amounts owing to Government Departments and Public Entities

Amounts Owed To		
Name of Department/Entity	31-Dec-20	30-Jun-20
City Of Johannesburg	108 616 172	83 562 123
City Of Johannesburg Loans	7 333 539	10 306 693
<i>Metro Trading Company</i>	127 347	833 384
<i>COJ Property Company</i>	36 141 353	36 464 814
<i>City Parks & ZOO</i>	-	11 680
Total	152 218 412	131 178 694

Table 38: Amounts owing to Government Departments and Public Entities



CHAPTER SIX: INTERNAL AUDIT

Section 1: Internal Audit scope of work

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

Section 2: Performance against the approved Internal Audit Plan

The following is a summary of progress on the approved internal audit plan for 2020/2021 as at 31 December 2020 (Q2).

Description	Progress status on the plan on 31/12/2020			
	Project Allocation	Not started*	Execution Phase	Completed
Planned audits for the year	12	2	4	8
Percentage	100%	17%	33%	67%

Proactive measures to complete the approved 2020/21 audit plan

Due to challenges with outsourcing audit assignments to the PSP for the 2020/21 financial year, the next audit plan was adjusted to reflect audit assignments that can be completed using internal resources. Should the outsourcing of the audit assignments become possible during the 2020/2021 financial year, additional audit assignments will be selected from the approved audit universe and an adjustment be presented to the ARC for approval.

Section 3: Follow up on AGSA and 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. Internal Audit efforts are focused in ensuring that findings classified as “high risk” receive adequate management attention.

3.1 Status on resolution of Audit Findings

The following is a summary and status of audit findings at 31 December 2020.

Audit	Total findings	Resolved							
		Q4	Q1	Q2	Q3	Total resolved	Total findings due	% Resolved	Closing findings
AGSA Findings	29	22	0	3	0	25	29	86%	4
Internal Audit Findings	106	92	2	1	0	95	106	90%	11

Remedial action for unresolved AGSA findings at 31 December 2020

Unresolved findings are as follows:	Remedial action
1) Invoices not paid within 30 days	Review of the Purchase Order and Payment Process.
2) Policies – Rental agreements not signed and Renewed	Engagement in progress with JPC regarding delegation of authority for signing leases.
3) Policies – Policies not reviewed	A process to review policies and procedures has commenced.
4) Policies – Rental income not collectable	Classification of related debtors in progress to determine the ones that can still be recovered and those that can be recommended for write off.

Section 4: Effectiveness of internal controls

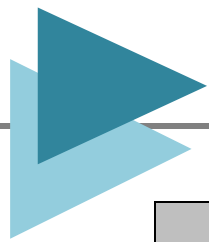
The evaluation of internal controls is critical in ensuring that JM has adequate and effective systems, processes, policies and procedures that support the achievement of organisational objectives. Internal controls are implemented by management in day to day operations. Internal audit makes an assessment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

Based on internal audit outcomes during the quarter, there were some areas that need management attention. However, significant improvements were noted during the quarter coupled with commitment at the correct management level to address areas such as payments of suppliers within 30 days.

The internal controls are thus evaluated as adequate and partially effective, i.e. “require improvement” during the quarter ended 31 December 2020.

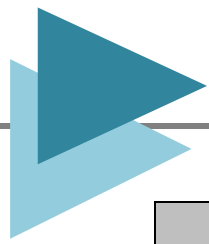
Annexure 1 – Joburg Market Strategic Risk Register

JOBURG MARKET STRATEGIC RISK REGISTER AS AT 15 DECEMBER 2020 (2020/21)								
	Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
			Q 1	Q 2	Q3	Q4		
1	Business Failure	1. Inadequate trading space 2. Ageing infrastructure 3. Non-compliance to Legislative requirements/standards 4. Outdated business continuity plan 5. Competition					No 1. JM consulted during the Quarter under review with individual basis to test their views on the available scenarios. Further workshops will be held with IMASA during January/February 2021 2. A number of contractors were reported under the panel dispensation. The panel of Service Providers has been appointed. Most projects will be rolled out in quarter three. 3. The Compliance Universe has been amended to include comments that were submitted during consultation process. The process for approval will be done in the during 3rd Quarter 4.1 The JM BCM Steering Committee was established by the Accounting Officer	



JOBURG MARKET STRATEGIC RISK REGISTER AS AT 15 DECEMBER 2020 (2020/21)

	Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
			Q 1	Q 2	Q3	Q4		
								<p>(CEO) during this quarter.</p> <p>4.2 JM with the assistance of GRAS had a meeting with all Departments to collect information for the Business Impact Analysis (BIA)"</p> <p>5. The Weekly CAPEX forum is being conducted. No CAPEX projects are currently at risk and the planned expenses for the year is currently at 98%</p>
2	Diminishing Staff Morale	. Disengaged staff(People Management) Conduct an anonymous employee satisfaction survey					No	1. Memo and terms of reference completed. will be advertised in Q3



JOBURG MARKET STRATEGIC RISK REGISTER AS AT 15 DECEMBER 2020 (2020/21)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Status of implementation of treatment plan
		Q1	Q2	Q3	Q4		
	<p>2. Poor talent management, succession planning strategy</p> <p>3. Review the JM Organisational structure</p> <p>4. Mismatch between the available skill and the business requirements</p>						<p>2. Skills audit for levels 7 & 8 to start in Q3</p> <p>3. The structure has been reviewed.</p> <p>3. Awaiting filling of EXCO positions before engagement with departments</p> <p>4. Combine with the action plan for identifying critical and scarce skills for JM.</p>



Performance Assessment Confirmation

JOBURG MARKET (SOC) LIMITED

Reporting period: Mid-year 2020/21

In terms of Section 72(1) (a) and 52 (d) of the Local Government Municipal Finance Management Act (MFMA) No. 56 of 2003 the Accounting Officer must by 25 January of each year assess the performance of the Municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(1)(b) of the MFMA be submitted to Council by 31 January in terms of Section 54(1)(f) of the MFMA.

The above includes the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 of the MFMA from any such entities. The undersigned hereby declare that I have duly assessed the Mid-Year performance report for the Joburg Market as municipal entity on 22 January 2021 and have submitted the report to the City of Johannesburg the shareholder of this company.

Leanne Williams
Chief Executive Officer

Date: 22 January 2021

2020/21

JOBURG MARKET (SOC) LTD

JOBURG MARKET: MID-YEAR REPORT 2020/21

1. STRATEGIC THRUST

Well governed and managed entity.

2. PURPOSE

The purpose of the report is to table the Mid-year Report for 2020/21 as prepared by the entity for Committee adoption.

3. SUMMARY

In line with the 2020 Mayoral Lekgotla outcomes; Joburg Market ("JM") in support of good governance wishes to table its Mid-year report for 2020/21 which will illustrate its commitment towards enhanced, accelerated and visible service delivery. The JM supports an inclusive, job-intensive, resilient, competitive economic environment where service delivery and a caring City must be felt, heard and seen to improve the daily lived experiences of citizens.

The CEO as accounting officer has conducted an assessment of the mid-year report for 2020/21. The attached report contains a summary of JM's performance for the mid-year reporting period of 2020/21 against the objectives and scorecard as contained in the annual business plan for the 2020/21 financial year of the entity.

3.1 Synopsys of the entity's performance – Highlights & Achievements

At the end of the review period, Joburg Market registered the following tendencies and achievements:

- Joburg Market (JM) achieved a turnover of R2.3 billion, which represents a positive growth of 5.05% compared to the same period last year. The increase in turnover can be attributed to the positive performance of Potatoes (17.77%), Tomatoes (7.11%), Butternut (20.28%) and Avocados (17.85%).
- A total of 107 326 vegetable parcels were packed and distributed for the DSD indigent support programme and the total value purchased from the sales floor was R12.2 million for the period under review.
- Cash and Cash Equivalents increased from R631.4m to R745.1M.
- Total assets increased to R1 182 394 from R1 077 (R'000)
- Revenue recorded is R255.7m which represents 2.1% increase compared to the budget amount of R250.5m.
- Net surplus of R82.6m which represents a 34.9% growth rate compared to the budget of R61.2m. The increase in surplus attribute to an over performance on commission received.
- The liquidity and the solvency position of the entity remains consistently above the norm. This is mainly because the entity is highly cash generative with minimal debt.



Staff and the Covid 19 preventative measures

- Covid 19 control measures ensured effective tracking and decontamination processes, which assisted in achieving minimal cases of Covid 19;
- JM recorded one fatality resulting from a Covid 19 virus infection;
- The JM wellness centre served 755 appointments during the period under review;
- A total of 105 employees received training during the second quarter at a cost of R472 667.00.

3.2 Summary of company scorecard results

The table below presents a summary of JM's performance against the 2020/21 Scorecard Targets as at 31 December 2020.

Item	Quarter 4
Total no. of KPIs on scorecard	7
No. of KPIs due	5
KPI's not due	2
Number achieved	4
Number not achieved	1
% achievement	80%

The following KPIs were not achieved for the period under review:

KPI not Achieved	Reason for non-achievement	Recovery Plan
% of capital budget spent	<ul style="list-style-type: none"> • Continued project management implementation challenges with contractors – capacity to supply • Slower delivery rate by contractor at the Mandela Market 	<ul style="list-style-type: none"> • Intensified Implementation of CAPEX projects • Revisit project management approaches

3.3 Key challenges

A number of challenges which include but are not limited to the following:

- The COVID-19 outbreak continued to present management with challenges in behavioural change required by some Market users. In the first week of December 2020 the second wave of the virus was declared. The Market Operations team launched a programme to reinforce and increase Covid-19 protocols awareness in key areas of the Market, such as Trading Halls, Mandela Market and Unity Market;
- Banana rooms' temperature fluctuation continues to be a challenge especially when there are power outages. Power outages experienced resulted in the some cold room malfunctioning and not being in use. JM has however being able to restore ripening room capacity to 80%.
- Construction activities at the Mandela Market have caused power outages due to the contractor's damaging of electrical cables.

3.4 Plans for the reporting period ahead

The key focus areas of the Company for the next reporting period include the following;

- Finalize appointment of remaining panels of service providers i.e. Quality assurance supplies QA & Lab consumables;
- Finalize the urgent repair works at Banana Rooms and Ammonia plant;
- Finalise appointment of service providers in key service delivery areas such as the Watermelon section, Unity market, Hall 1 offices, banana rooms, cold rooms and pest control;
- Intensified execution of the Market Recapitalisation Programme.
- Finalize SOPs for the entity;
- Improvement on cleaning and hygiene standards;
- Conduct required painting and urgent repair works around the JM precinct;
- Continued and intensified adherence to Covid-19 protocols under the new Level 3 arrangements;
- Improvement of staff morale through the #GreatPlace2Work drive;
- Extension of efforts towards enhancing the CoJ: DSD food support programme aimed at alleviating hunger during the Covid 19 pandemic;
- Further improvement of staff morale through the #GreatPlace2Work drive.

4. POLICY, LEGAL AND CONSTITUTIONAL IMPLICATIONS

The JM Mid-year Report of the 2020/21 fiscal year is tabled in terms of section 71 of the Municipal Finance Management Act, 56 of 2003 and chapter 6 of the Municipal Systems Act 32 of 2000.

5. FINANCIAL IMPLICATIONS

There are no direct financial implications applicable to this report.

6. ECONOMIC IMPLICATIONS

The performance report of the entity is linked to the business plan and strategic objectives of the shareholder, which is aimed at the economic empowerment of communities within its jurisdiction.

7. COMMUNICATIONS IMPLICATIONS

There are no direct communication implications applicable to this cover report.

8. HR IMPLICATIONS

There are no direct HR implications applicable to this report.

9. OTHER DEPARTMENTS/ ENTITIES CONSULTED

CoJ : GSPCR

10. KEY PERFORMANCE INDICATOR

The attainment of a clean audit

11. RECOMMENDATIONS

It is recommended that:

- 11.1** The assessment as detailed in the body of the report and the annexure be accepted as a reflection of the performance of JM for the Mid-year reporting period of the 2020/21 financial year in respect of its approved budget and IDP scorecard in

3

accordance with the provisions of the Local Government: Municipal Systems Act, 2000 and Local Government: Municipal Finance Management Act, 2003.


11.2 The Mid-year Report of JM for the 2020/21 financial year, attached as Annexure A, be noted and adopted.


Charles Hamilton
Senior Manager: Strategy

25/01/2021
Date


Catherine Setlhako
Senior Legal Advisor Group Legal & Contracts

26/01/2021
Date


Boy Manqoba Ngubo
Chief Financial Officer

25/01/2021
Date


Leanne Williams
Chief Executive Officer

28/01/21
Date


Tembeka Mhlekwa
Executive Director: Economic Development

27/01/2021
Date

APPROVED / NOT APPROVED / NOTED / DEFERRED / WITHDRAWN


Cllr. Lawrence Khoza
MMC: Economic Development

27/01/2021
Date