GPF
GAUTENG PARTNERSHIP FUND

ANNUAL REPORT
2024/25

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List of Abbreviations and Acronyms

AFS	Annual Financial Statements
AML	Anti-Money Laundering
ARC	Audit and Risk Committee
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
B-BBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSE	Corporate Service Executive
CSI	Corporate Social Investment
EEPF	Entrepreneur Empowerment Property Fund
ERM	Enterprise-Wide Risk Management
ESG	Environmental, Social and Governance
GDHS	Gauteng Department of Human Settlements
GDP	Gross Domestic Product
GEYODI	Gender, Youth, and People Living with Disability Inclusion
GPF	Gauteng Partnership Fund
GPT	Gauteng Provincial Treasury
GRAP	Generally Recognised Accounting Practice
HCM	Human Capital Management
HR	Human Resources
ICT	Information and Communications Technology
MEC	Member of the Executive Council
PFMA	Public Finance Management Act, No. 1 of 1999
PPP	Public-Private Partnerships
SAF	Student Accommodation Fund
SCM	Supply Chain Management
SMME	Small, Micro and Medium Enterprise

PART A: GENERAL INFORMATION

1. Public Entity's General Information

REGISTERED NAME:	Gauteng Partnership Trust t/a Gauteng Partnership Fund
REGISTRATION NUMBER:	IT2422/02
PHYSICAL ADDRESS:	82 Grayston Drive Sandton Johannesburg 2196
POSTAL ADDRESS:	PO Box 652247 Benmore 2010
TELEPHONE NUMBER:	+27 11 685 6600
EMAIL ADDRESS:	information@gpf.org.za
WEBSITE ADDRESS:	www.gpf.org.za
EXTERNAL AUDITORS:	Auditor-General of South Africa
BANKERS:	Standard Bank and South African Reserve Bank
COMPANY/ BOARD SECRETARY:	Thandi Zide

2. Foreword by the MEC for Human Settlements and Infrastructure Development, Gauteng Province

"More than 2 884 serviced stands and 1 637 top structures were delivered through Mega Projects, and the Fund exceeded its student accommodation target by delivering 422 beds against a target of 366."

Tasneem Motara
Member of the Executive Council

This Annual Report of the Gauteng Partnership Fund (GPF) for the 2024/25 financial year captures a critical period in our province's effort to transform the human settlements landscape and bring dignity to the people of Gauteng. As our communities continue to grow and diversify, so too must our tools and approaches. The GPF remains one of our most effective and dynamic partners in addressing the housing challenges that affect the lives of millions of residents across this province.

The past financial year was defined by the dual pressure of increased demand and constrained fiscal space. Despite this, the GPF has delivered above expectation in many areas and has done so with a level of financial discipline and innovation that aligns strongly with our vision for a capable, responsive, and developmental state. The work documented in these pages is not just a list of achievements; it is a reflection of a state entity that understands the urgency of its mandate and the complexity of the environment in which it operates.

The Gauteng Department of Human Settlements is acutely aware that our success depends on partnerships. The GPF continues to demonstrate how the public sector can work hand-in-hand with developers, financiers, institutions of higher learning, and local communities to unlock housing opportunities at scale. This report highlights some of the tangible results of these partnerships. More than 2 884 serviced stands and 1 637 top structures were delivered through Mega Projects, and the Fund exceeded its student accommodation target by delivering 422 beds against a target of 366. Beyond these numbers lies a much deeper impact: families gaining secure tenure, young people accessing dignified spaces to study and live, and local economies stimulated by construction and service delivery activity.

One of the most encouraging developments this year has been the deliberate focus on empowering historically disadvantaged groups. Over 69 percent of capital project spend was directed to SMMEs and enterprises owned by women, youth, and people with disabilities. This is not incidental; it is a deliberate alignment with the economic transformation agenda of this government and the province. The GPF's commitment to inclusive development sends a strong message that economic opportunity and social redress can, and must, go hand in hand.

The GPF has also begun playing an increasingly strategic role beyond housing finance. Its appointment as an implementing agent for programmes such as the Rapid Land Release Programme (RLRP), the Upgrading of Informal Settlements Programme (UISP), and the delivery of alternative sanitation models marks a critical evolution in its institutional role. These programmes are essential in bridging the gap between basic services and long-term settlement planning. In a province where nearly 1.2 million people remain on the housing waiting list and where informal settlements continue to grow due to migration and urbanisation, we must adopt a more agile and decentralised approach. The GPF is helping us do exactly that.

Despite several achievements, we are not blind to the challenges. The delays in municipal approvals, including town planning, building line clearances, and bulk infrastructure provisioning, continue to affect delivery timelines and absorption capacity. As the shareholder, we are engaging with local government partners to address these pain points so that institutions like the GPF can deliver with greater efficiency. I am particularly encouraged by the Fund's proactive response in strengthening intergovernmental coordination and ensuring early identification of project bottlenecks.

This Annual Report also details how the GPF continues to maintain sound governance and financial management. The Fund's cost-to-income ratio was maintained at 41%, and 96 percent of its revised budget was spent by year end, reflecting a disciplined approach to expenditure and value for money. Equally notable is its commitment to ESG principles, not just as a compliance requirement but as a core philosophy guiding investment decisions, community engagement, and environmental stewardship.

As we head into the new financial year, the GPF will be implementing key pilots in end-user financing for serviced stands in partnership with institutions like South African Home Loans. This is an exciting frontier, as it will unlock ownership pathways for qualifying families and reduce long-term dependency on the state. The Fund is also preparing to scale township-based developments under the Kasi-4-Real programme, a vital part of building inclusive, localised economies within our urban centres.

None of this would be possible without the leadership and professionalism of the people behind the GPF. I wish to extend my appreciation to the Chairperson, the Board of Trustees, the Chief Executive Officer, executive management, and every staff member who has contributed to the success of this institution over the past year. I also acknowledge the partnership of developers, financiers, community leaders, and municipal officials who work with the Fund on a daily basis. Your shared commitment to building a more just and inclusive Gauteng is evident in the progress we see on the ground.

As the Executive Authority, I am confident that the GPF will continue to be a catalyst for transformation. The journey ahead remains long, but it is one that we must walk with conviction and compassion. If we are to truly address the housing needs of our people, we must continue to strengthen our institutions, deepen partnerships, and centre the lived experiences of our communities in every decision we make.

This Annual Report provides both an honest account of where we are and a hopeful vision of where we are going. I invite all stakeholders to read it, engage it, and work with us to deliver a Gauteng that is more integrated, more equitable, and more prepared to meet the needs of its growing population.

Tasneem Motara
Member of the Executive Council
Human Settlements and Infrastructure Development
25 August 2025

Multi Direct 8 Investments (Pty) Ltd - 186 Ben Viljoen Street, Pretoria North (Sharon's Court)

3. Foreword by the Chairperson

"Our achievements are not only measured in numbers and milestones, but also in the positive social and economic impact we bring to the communities we serve."

Craig J Cornish
Chairperson of the Board

Introduction

It is my privilege to present the Gauteng Partnership Fund's Annual Report for the 2024/25 financial year. This report stands as a testament to our unwavering commitment to delivering the GPF's mandate of resuscitating the social-housing market with a focus on rental housing in the Gauteng Province and the extended mandate of catalysing and optimising investments into affordable housing.

In the past financial year, we have fostered impactful partnerships with our Shareholder, other government role players and private sector funding institutions. These collaborations have driven sustainable human settlement development and unlocked opportunities that continue to shape the transformation of Gauteng's human settlements landscape.

High-level overview of GPF's performance

Over the past year, the Fund has navigated a dynamic operating environment with resilience and innovation, in an increasingly challenging economic environment. Guided by our strategic objectives, we have continued to deliver on our mandate—mobilising resources, supporting transformative projects, and strengthening collaboration between the public and private sector in development finance. Our achievements are not only measured in numbers and milestones, but also in the positive social and economic impact we bring to the communities we serve.

Strategic relationships

The 2024/25 financial year marked a period of expanding reach and deepening stakeholder engagement, demonstrating the value of partnership in addressing complex challenges and driving inclusive growth.

Challenges faced by the Board

The Board was confronted with a number of challenges that required it to address financial sustainability within the entity, which would in turn, improve funding partnerships. While loan recovery rates improved, focused efforts were directed at the disposing of historical non-performing loans. This work is expected to yield results in the coming financial years.

Strategic focus over the medium-to long-term period

We are dedicated to promoting sustainable human settlement development and investing in initiatives that foster economic empowerment, create jobs, and enhance the quality of life for the people of Gauteng. Looking ahead, the GPF is committed to innovation, accountability, and excellence. Together, we will continue to create pathways to prosperity and build a lasting legacy of partnership-driven human settlements.

Acknowledgements/ appreciation

I wish to extend my sincere gratitude to our Shareholder, the MEC of Gauteng Human Settlements, our partners in government and the private sector, our dedicated team, and all stakeholders who have contributed to our journey over the past year. Your support and collaboration have been instrumental in advancing our shared vision.

On behalf of the Board, I thank you for your continued support.

Mr Craig J Cornish
Chairperson of the Board
Gauteng Partnership Fund
25 August 2025

4. Chief Executive Officer's Overview

> *"The GPF remains committed to not only accelerating access to sustainable human settlements but also to serving as a beacon of transformative, ESG-driven impact, enriching lives and laying the groundwork for a more equitable Gauteng."*

Lindiwe Kwele
Chief Executive Officer

As Gauteng stands at the threshold of transformation growth, the Gauteng Partnership Fund (GPF) continues to serve as a catalyst for sustainable, inclusive development rooted in a bold vision and strategic collaboration. The beginning of the seventh administration signalled a renewed commitment to reshaping the province's human settlements landscape, anchored in our pivotal role as a driver of change and custodian of Environmental, Social, and Governance (ESG) principles that facilitate equitable socio-economic advancement for all. The 2025–2030 Strategic Plan formulated in the 2024/25 financial year builds upon the momentum of our established 2019–2024 Strategic Plan, which will soon to be comprehensively assessed. This forward-looking approach enables the GPF to critically evaluate and deepen our contribution to provincial priorities, ensuring that we do not merely meet mandates but make lasting impacts felt in every community.

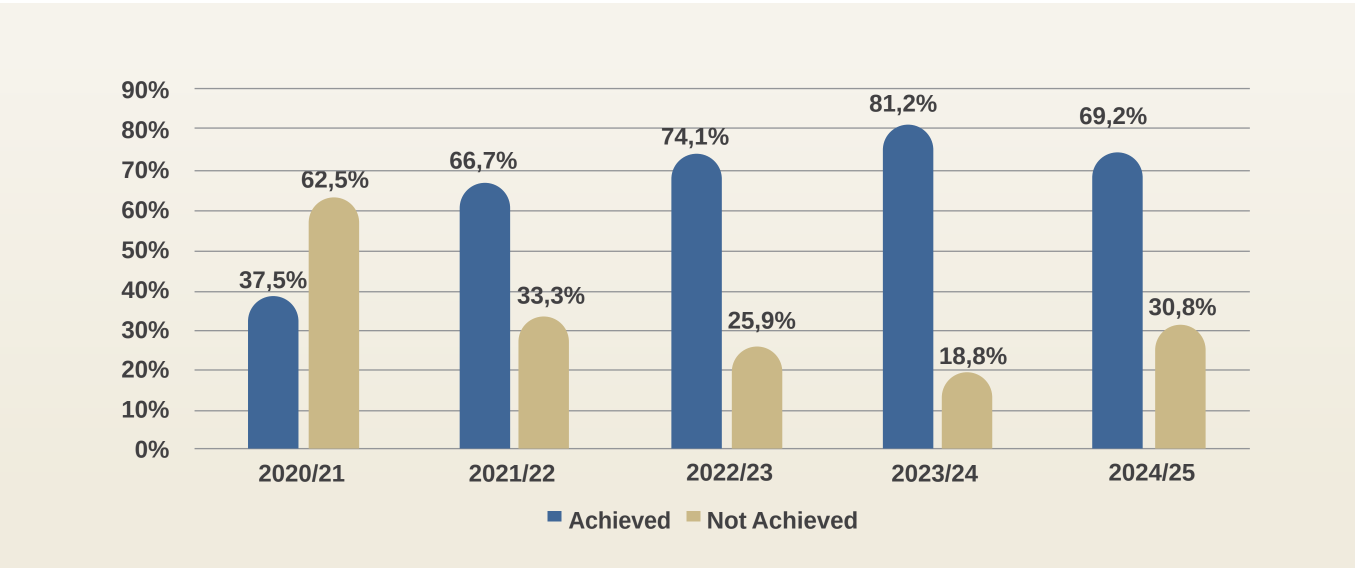


Figure 1: Organisational Performance

Over the past years, the evolution of the GPF's mandate from social housing to affordable rental options and student accommodation mirrors the growing complexity and diversity of urban needs in Gauteng. Our responsibilities now encompass the implementation of Mega Human Settlements, the Rapid Land Release Programme (RLPP), the Upgrading of Informal Settlements Programme and turnkey development on government land in Gauteng. Enshrined in these efforts is our commitment to spatial transformation and fair access to urban resources, a constitutional imperative central to ESG values. Despite a challenging operating environment, the GPF's performance remains robust, with significant progress made toward set targets. This affirms the Gauteng government's confidence in our ability to deliver, as well as our team's resilience and commitment to a high performance, values-driven culture. As an organisation, we have continued to strengthen our people and systems, ensuring that every intervention and investment supports both immediate needs and long-term sustainability.

In the 2024/25 financial year, GPF's management implemented improved measures to enhance the quality of the loan book, including engagement with the National Student Financial Aid Scheme (NSFAS) on student accommodation projects. These engagements addressed systemic challenges and explored opportunities for greater partnership. Discussions with NSFAS included issues such as partial or non-payment of instalments by student accommodation service providers and possible collaboration between GPF and NSFAS.

Through prudent fiscal management, our cost-to-income ratio was maintained at 41% for the period under review, with substantial efforts directed toward revenue diversification to ensure financial sustainability, thereby amplifying our socio-economic impact across the province. GPF management continues to drive cost-cutting measures and to expand revenue diversification initiatives. In the year under review, the total approved operational budget was R124 million. This was revised down to R98 million during the adjustment period due to fiscal prudence. The GPF spent 96% of the final adjusted budget, which equates to R94 million. The organisation continues to explore additional revenue streams to enhance its long-term financial sustainability.

We continue to ensure that our payment cycles remain robust and do not negatively impact our service providers' cash flows. Our procurement and payment processes remain models of transparency and fairness, with 100% of service providers paid within 15 to 30 days. While we acknowledge ongoing challenges in procurement through the targeted groups represented by Women, Youth and People Living with Disabilities for Inclusion (GEYODI), with performance in the 2024/25 financial year at 13% for women, 8% for youth and 0% for People Living With Disabilities, targeted initiatives have improved participation. We remain dedicated to meeting and exceeding provincial transformation targets, recognising that inclusive economic activity is essential for sustainable development. The organisation will continue with these initiatives to realise our objectives and contribute meaningfully to both provincial and national government's transformation objectives.

GPF's proactive risk mitigation, governance, and oversight have underpinned major project successes this year. Our strategic partnership with private, public, and non-governmental organisations have yielded innovative, holistic responses to housing needs demonstrating that meaningful change is achieved when the ecosystem acts collectively. In 2024/25 alone, we exceeded targets in rental housing, student accommodation, and serviced land delivery, directly supporting job creation, skills development, and local enterprise. A more hands-on approach has been adopted in managing potential project performance risks. Furthermore, we have reviewed our processes and policies, to ensure that we meet our clients' turnaround expectations and future business sustainability requirements. These principles guide every loan approval and investment decision.

The challenges facing housing delivery are too complex to be addressed by any one entity and as such require collaboration between the public, private sector and non-governmental sectors. To this end, we have partnered with several organisations to find holistic solutions to the province's development challenges.

The GPF concluded five strategic partnerships during the year under review. The concluded partnerships will be focusing on the implementation of the agreed objectives in the next financial year.

We look forward to continuing to execute our mandate and positioning the GPF not only to play a critical role in mobilising the public and private sector funding for human settlements projects to realise the province's vision, but to also oversee the implementation of development in an integrated manner through capital investments as an implementing agent. Our priority is to deliver on the mandate while ensuring long-term sustainability of the GPF.

The GPF achieved its 2024/25 housing target for rental units, completing 299 units against a target of 298 and over-achieved its student accommodation target, delivering 422 student beds against a target of 366. An Implementation Protocol was concluded with the Gauteng Department Human Settlements (GDHS), to implement identified Mega Projects. As a result, the organisation facilitated the delivery 2 884 serviced stands and 1 637 top structures.

The implementation of Mega Projects has made a significant socio-economic impact to the communities in which they are established. These projects are implemented in a manner that is designed to broaden the involvement of enterprises owned by the targeted groups (GEYODI), as well as small, micro and medium enterprises (SMMEs) in the infrastructure development sector. It is against this background that the GPF encourages developers to exceed the government target of 30% budget spent on SMMEs. This, over time, will increase the economic participation and the development of enterprises owned by Women, Youth and People Living with Disabilities.

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

Rapid Land Release Programme (RLRP)

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

In the 2024/25 financial year, the GPF procured no sites. However, for the year under review, 1 670 serviced sites were completed, with 947 title deeds registered. In addition, the GPF procured a service provider to assist the developers register potential beneficiaries for the projects. Over 9 900 beneficiaries have been identified against a delivery target of 6 590 serviced sites to be delivered by the GPF.

The GPF successfully concluded a Memorandum of Understanding with South African Home Loans (SAHL) who undertook to provide end user finance to qualifying beneficiaries receiving serviced sites. Our partnership with SAHL will further expand access to end user finance for qualifying beneficiaries. The pilot projects will continue to be implemented in the 2025/26 financial year.

Upgrading Informal Settlements Programme (UISP)

Interim services

Through oversight of interim services and pilot projects in alternative sanitation with R37 million disbursed, GPF has made vital improvements in basic services and infrastructure for Gauteng's most vulnerable communities. Collaborative planning with municipalities and service providers will ensure uninterrupted and targeted progress.

Alternative sanitation

The GPF is managing two service providers for the installation of alternative sanitation. The first service provider was appointed directly by the GPF to implement four pilot projects. The second service provider, appointed by the GDHS is also being managed by the GPF. To date, the GPF has disbursed a total of R37 036 354,38. Of this amount, R28 735 900,13 was paid in the current financial year for work done by the appointed service provider. In addition, invoices amounting to R8 464 343,36 are in the system. To date the service provider has completed 607 top structures out of the 2 310 target.

Reblocking/relocations

Service providers and civil engineers have been appointed to provide a Bill of Quantities for ensuring site access and clearing.

Socio-economic and ESG commitments

At the heart of all these initiatives lies our commitment to ESG imperatives. GPF's projects create tangible socio-economic value: from supporting SMMEs and promoting inclusivity for Women, Youth and People Living with Disabilities, to fostering responsible environmental stewardship and upholding transparent governance practices.

Financial management

With an adjusted budget of R98 million and a disciplined expenditure rate of 96%, the GPF continues to set new standards in fiscal responsibility. Although challenges, such as delayed Gazette approvals, present hurdles, our nimble management ensures continuity in critical projects, with dedicated focus on long-term sustainability.

Audit report matters

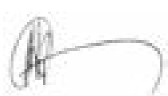
The GPF achieved a clean audit for the 2024/25 financial year, an unqualified audit outcome with no findings. This marks a significant improvement from the previous year and is a clear reflection of the GPF's commitment to good governance, sound financial management, and accountability.

This achievement strengthens the credibility of the organisation and reinforces its capacity to deliver on its developmental mandate. More importantly, it brings the GPF one step closer to fulfiling its ultimate objective: Improving the quality of life for communities across Gauteng through sustainable infrastructure investment and inclusive development.

Acknowledgements

In conclusion, I wish to express gratitude to the Honourable MEC, Ms Tasneem Motara, for steadfast leadership and support; and the GDHS HoD and Acting HoD Puleng Gadebe-Mabaso, for resource allocation that has enabled the achievement of the GPF's mandate. My sincere appreciation goes to Mr Craig Cornish, Chairperson of the GPF Board and the Board of Trustees for their strategic oversight, steadfast leadership, guidance, and stewardship throughout the year. I would also like to thank our funding partners for their continued support, as well as my executive management team and staff of the GPF for their unwavering dedication to the achievement of GPF's expanded mandate.

As we chart our next chapter, the GPF remains committed to not only accelerating access to sustainable human settlements but also to serving as a beacon of transformative, ESG-driven impact, enriching lives and laying the groundwork for a more equitable Gauteng.



Ms Lindiwe Kwele
Chief Executive Officer
Gauteng Partnership Fund
25 August 2025

5. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of our knowledge and belief, we confirm the following:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements (AFS) audited by the Auditor-General.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice Standards applicable to the public entity.
- The Board is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Board is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS.
- The external auditors are engaged to express an independent opinion on the AFS.

The Annual Report fairly represents the operations, performance information, human resource information, and financial affairs of the public entity for the financial year ended 31 March 2025.

Ms Lindiwe Kwele
Chief Executive Officer
25 August 2025

Mr Craig Cornish
Chairperson of the Board
25 August 2025

6. Strategic Overview

Vision

To be a partner of choice in funding and developing strategically located human settlements in Gauteng.

Mission

To facilitate the development of integrated, sustainable human settlements for communities in Gauteng by:

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

Value proposition

The GPF's value proposition primarily targets emerging developers, aiming to enable sustainable human settlements and transform the sector. As such the value proposition is defined as follows:

- Gap finance at lower interest rates, with an interest-free portion of the debt and favourable loan terms.
- Support across the entire development value chain – from planning and approvals to property management.
- End-to-end digital solutions, including online client feedback, effective loan application and management and other systems.
- Access to geospatial information and online maps of development zones and corridors to ensure optimal decisions about opportunities.
- Solid strategic partnerships with governmental agencies, financial institutions, development finance institutions and other enabling organisations.

Values

Our core values are embedded in a culture of professionalism and excellence, reflected in the execution of our mandate, vision, mission, goals, and objectives		
	Teamwork	• We have a culture of excellence in the execution of our common goal. • We work in unison and view our work as a collective.
	Innovation	• We continuously develop high-quality products and services. • We remain agile and flexible in solving problems for both internal and external customers, while consistently learning and growing.
	Integrity	• We uphold honesty and professionalism at all times. • We do our work in an ethical and transparent manner.
	Customer Centricity	• We place our customer at the centre of everything we do. • We add value by delivering exceptional experiences.
	Respect	• We respect the opinions of others. • We demonstrate respect for the environment by striving to reduce negative impacts across all our projects.
	Accountability	• We take responsibility for our organisation's sustainability in everything we do.

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

7. Legislative and other Mandates

The GPF is listed as a Schedule 3C Provincial-owned Entity in terms of the Public Finance Management Act (PFMA). It was established in 2002 as a Benevolent Trust under the Trust Property Control Act No. 57 of 1988 (as amended), by a member of the Provincial Legislature for the Gauteng Department of Human Settlements (GDHS) acting as its Executive Authority.

As a Schedule 3C entity, the GPF has a limited degree of autonomy and fiduciary duties. One such restriction includes being prohibited from borrowing money as an entity. Therefore, even though the GPF is in the business of lending, it cannot borrow.

The following key pieces of legislation govern how the GPF gives effect to its founding mandate.

Table 1: Legislation applicable to the GPF

Legislative Framework	Relevance to the GPF
Public Finance Management Act (PFMA), No. 1 of 1999, as amended and National Treasury Regulations in terms of the PFMA	Provides the basis for the management of public funds by public entities listed in terms of the PFMA: • The GPF is listed as a Schedule 3C Provincial-owned Entity and is obligated to adhere to the requirements and principles of the Act. • The Act also governs the management of funds held by provincial government, which serve as the GPF's primary source of revenue. • The Act is critical to the GPF's operations, both internally and externally. It embodies the legislative reporting requirements and governs the supply chain management (SCM) and audit functions. • As a Schedule 3C entity, the GPF is restricted from entering into transactions that involve accessing private sector funds, through borrowing, that would result in a "future financial commitment" for the government. • Over the longer term, the GPF intends to convert its classification and attain a PFMA Schedule 3D listing.
The Trust Property Control Act No. 57 of 1988, as amended	The Trust Property Control Act is the founding legislation of the GPF, which established the entity as a trust. The Act provides a legal framework for the administration and disposal of trust property, ensuring proper oversight and management. It requires the appointment of trustees to oversee the control and management of the trust in accordance with the provisions of the Trust Deed. The trustees are obligated to act in the best interests of the beneficiaries and to manage trust property prudently. It sets out the key responsibilities of the trustees which include fiduciary duties requiring trustees to act honestly and in the best interests of the beneficiaries; avoiding conflicts of interest and self-dealing; properly managing, investing, and safeguarding trust assets; record-keeping; compliance; accountability and impartiality.
The Companies Act No. 71 of 2008, as amended	The Companies Act provides a legal framework for the incorporation, registration, organisation, and management of companies, including state-owned companies (SOCs). The Act regulates various aspects of company operations, ensuring compliance and encouraging transparency and fiscal and fiduciary diligence by company directors. It regulates shareholders' rights; financial reporting; corporate governance and ethics; dissolution and winding-up of processes, as well as penalties and enforcement in cases of non-compliance by companies registered and operating in South Africa.

Legislative Framework	Relevance to the GPF
Intergovernmental Relations Framework Act (IRFA) No. 13 of 2005	The Act establishes a framework for intergovernmental relations between the national, provincial, and local governments with an aim to facilitate cooperation and coordination between these levels of government and provides mechanisms for resolving intergovernmental disputes. In terms of the relationship between the GDHS and the GPF, Section 35(2)(a) of the IRFA specifies that an implementation protocol must apply whenever the implementation of a policy, the exercise of statutory power, the performance of a statutory function, or the provision of a service has been identified as a national priority. In line with the Framework, the GDHS and the GPF have concluded an Implementation Protocol to appoint the GPF as an Implementing Agent to implement human settlement projects and render human settlement services consistently and continuously to communities in Gauteng.
The Promotion of Access to Information Act (PAIA) No. 2 of 2000, as amended	The Act gives the constitutional right of access to any information held by the State and any information held by private bodies that is required for the exercise and protection of any rights. The Act requires that organisations have a PAIA manual, outlining how they handle requests for access to information, and establishes procedures for making such requests. It includes provisions for protecting information, particularly sensitive information like personal data or commercial secrets. The Act also requires organisations to designate an Information Officer and potentially Deputy Information Officers to manage access to information requests. In line with the Act, the GPF has developed a PAIA Manual which can be accessed on its website and is also available at its business premises. The GPF has also, through the Information Regulator, appointed an Information Officer and Deputy Information Officer whose details are publicly available.
The Protection of Personal Information (POPI) Act No. 4 of 2013	The Act aims to promote the protection of personal information processed by public and private bodies. The Act sets minimum standards for the lawful handling of personal information, ensuring its protection; highlighting the importance of regulating data privacy. This legislation reflects a commitment to upholding individuals' rights regarding their personal information. The GPF has a Privacy Policy in place to ensure compliance with the Act reflecting its commitment to uphold individuals' rights regarding their personal information. Additionally, through the Information Regulator, the GPF has appointed an Information Officer and a Deputy Information Officer, whose details are publicly available to ensure compliance with the Act.
Housing-related legislation	Legislation guiding the mandate of the GPF in the housing sector includes: • Housing Act No. 107 of 1997, as amended; • Housing Consumers Protection Measures Act No. 95 of 1998, as amended; • Housing Development Agency Act No. 23 of 2008; • Infrastructure Development Act No. 23 of 2014; • National Building Regulations and Building Standards Act No. 103 of 1977, as amended; • Rental Housing Act No. 50 of 1999, as amended; • Social Housing Act No. 16 of 2008; • Spatial Planning and Land Use Management Act No. 16 of 2013.

Legislative Framework	Relevance to the GPF
Labour related legislation	The legislative framework that governs Human Resource Management includes but is not limited to the following: • Basic Conditions of Employment Act No. 75 of 1997, as amended; • Employment Equity Act No. 55 of 1998, as amended; • Labour Relations Act No. 66 of 1995; as amended; • Occupational Health and Safety Act No. 85 of 1993, as amended; • Public Service Act No. 103 of 1994, as amended; • Skills Development Act No. 97 of 1998, as amended; • Skills Development Levies Act No. 9 of 1999, as amended; and • Unemployment Insurance Act No. 63 of 2001, as amended.
Supply Chain Management related legislation	The legislative framework that governs SCM includes but is not limited to the following: • Broad-Based Black Economic Empowerment (B-BBEE) Act No. 53 of 2003; • Preferential Procurement Policy Framework Act No. 5 of 2000; • PFMA SCM Treasury Regulations; and • Preferential Procurement Regulations, 2022.
Anti-Money Laundering related legislation	GPF is obliged to comply with Anti-Money Laundering (AML) related legislation. These laws include, but are not limited to the following: • Financial Intelligence Centre Act (FICA) No. 38 of 2001, as amended; • Money Laundering and Terrorist Financing Control (MLTFC) Regulations, 2002, as amended; • General Laws (Anti-Money and Combating Terrorism Financing) Amendment Act No. 22 of 2022; • Prevention and Combating of Corrupt Activities Act (PRECCA) No. 12 of 2004, as amended; • Prevention of Organised Crime (POC) Act No. 121 of 1998, as amended; and • Protection of Constitutional Democracy against Terrorist and Related Activities Act (POCDATARA) No. 33 of 2004, as amended. The GPF has developed various AML policies to ensure compliance with legislation.
Corporate Governance Principles – King IV	GPF adheres to the standards of governance, ethics and integrity and has adopted and applies the principles of the King IV Report on Corporate Governance™ for South Africa.

Dladleni – 23 Barnacle Rd, Turffontein 100-Ir, Johannesburg South

8. Organisational Structure

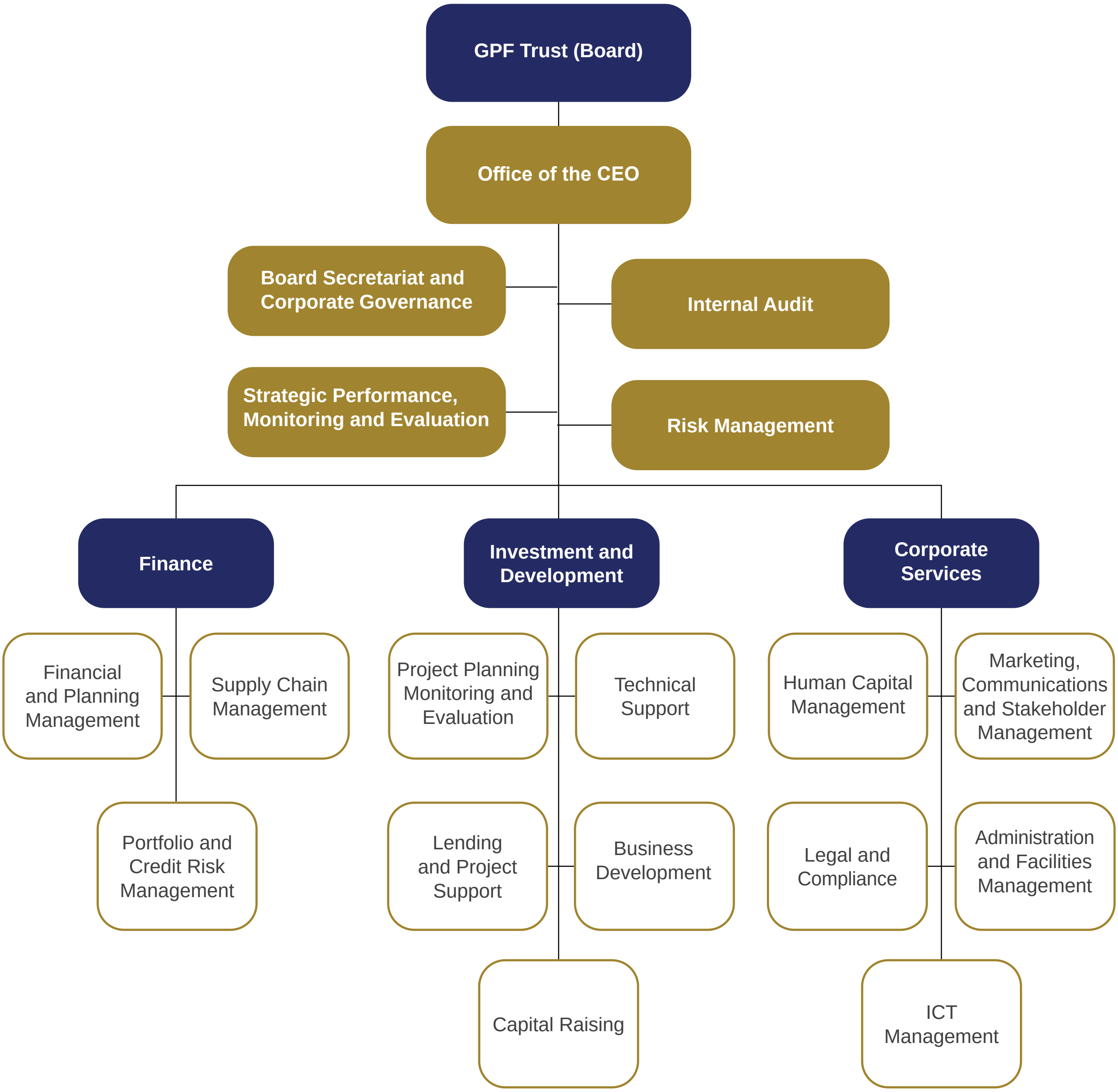


Figure 2: Organisational structure

PART B: PERFORMANCE INFORMATION

1. Auditor's Report: Predetermined Objectives

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to pages 92 to 93 of the Report of the Auditors, published as Part F: Financial Information.

2. Overview of Performance

Service delivery environment

The GPF is a pivotal entity wholly owned by the GDHS, tasked with driving integrated and sustainable human settlement developments in the Gauteng City Region. Established to address housing shortages and promote spatial transformation, the GPF operates as a funding and implementing agent, leveraging public and private sector partnerships for affordable housing.

Contextual overview

Gauteng economy and household income

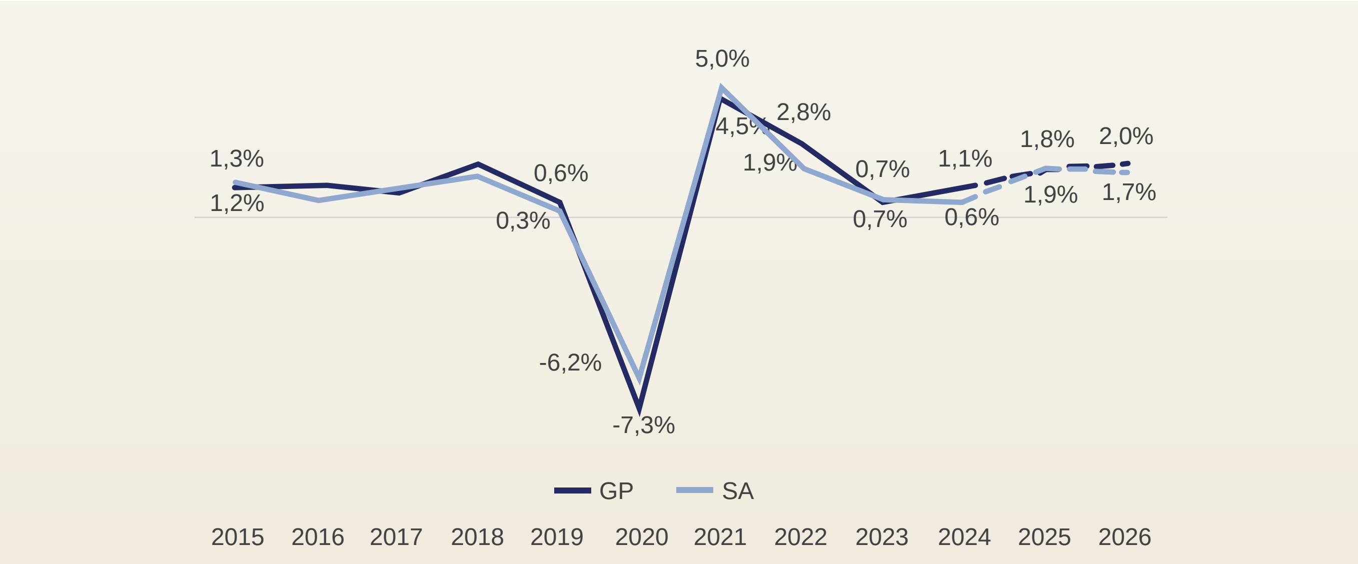
The Gauteng economy faced numerous challenges and opportunities in 2024. The province grew by 0,3% in the third quarter, outpacing the national economy which experienced a contraction of 0,3%. Growth in the province was mainly attributed to the consistent increase in the finance sector. On an annual basis, growth for 2024 is recorded at 1,1% and is projected to increase to 1,8% in 2025 before rising further to 2% in 2026. Growth is supported by increases in sectors like finance and community services, which grew 4,1% and 1,8% in 2024. However, growth in these sectors is estimated to slow to 2,4% and 0,8% in 2025, respectively.

Gross Fixed Capital Formation growth for 2023 decreased slightly to 4,6% from 5,9% in 2022 due to decreases in buildings and construction works as well as the research, mineral exploration and biological resources. However, transport equipment, machinery and other equipment contributed positively to total Gross Fixed Capital Formation growth.

Labour market indicators show that the labour force and working-age population in Gauteng, KwaZulu-Natal and the Western Cape have been increasing between 2018 and 2024. However, Gauteng has the highest unemployment rate of the three provinces at 34%, with youth unemployment recorded at 64% in 2023. The socio-economic analysis shows that Gauteng's population growth has been rising in line with that of the country, and the province remains the most populous. Development indicators also reveal improvements in human development, income inequality and poverty levels in Gauteng.

Gauteng constitutes the largest share of the national Gross Domestic Product (GDP). The province's GDP (GDP-R) is larger than the combined economies of KwaZulu-Natal and the Western Cape. In 2023, according to Statistics South Africa (Stats SA), Gauteng contributed 33,2% to the national GDP, while KwaZulu-Natal and the Western Cape contributed 16,2% and 14,0%, respectively.

Nelisa Properties (Pty) Ltd - 18 Dukes Avenue Widsor West, Randburg



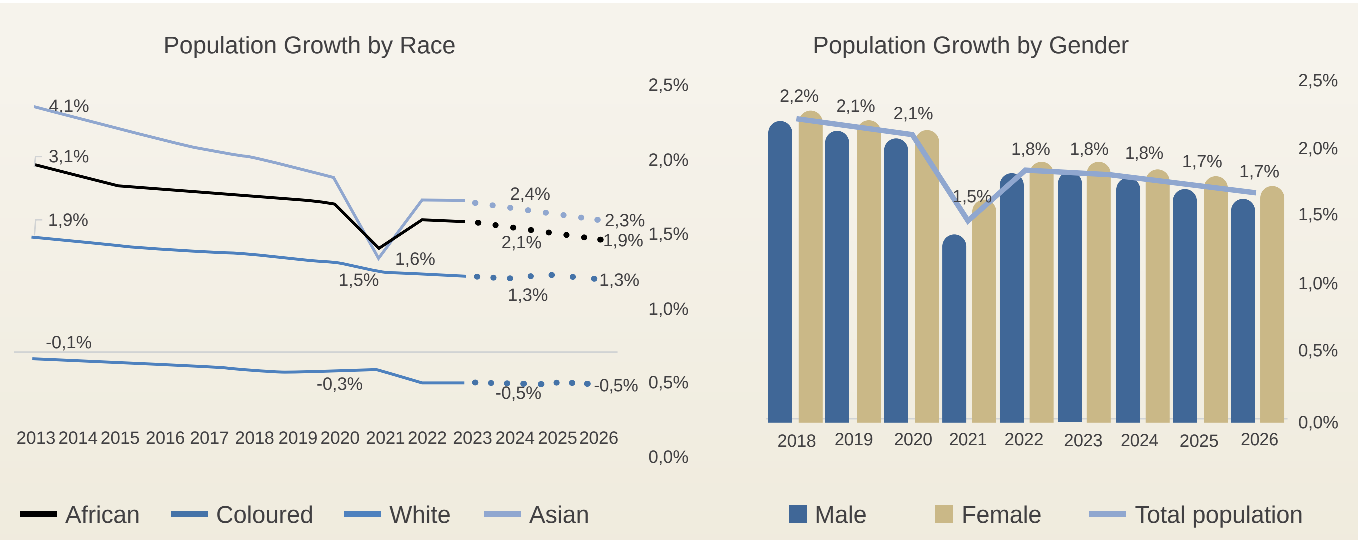
Source: S&P Global, Stats SA and National Treasury, 2025

Figure 3: Annual comparison of Gauteng and South Africa's GDP

Figure 3 illustrates how the Gauteng economy mirrors that of South Africa. The GDP growth for 2024 is estimated at 0,6% for South Africa and 1,1% for Gauteng (GDP-R). The National Treasury estimates national growth of 0,8% in 2024, 1,9% in 2025 and expects a marginal decline of 0.2 percentage points to 1,7% in 2026. Gauteng estimates align with those of the country, with growth projected at 1,8% in 2025 before reaching 2% in 2026.

Gauteng – population and population growth

Gauteng's total population was 15.6 million people in 2023, growing at a rate of 1,8%, while females grew by 1,9% and males grew by 1,8%. The total growth rate since 2018 shows a decline in the growth rate. However, this does not mean that the population has not been growing, as the total population was 13.9 million people in 2013. Since 2018, the female population growth rate has exceeded that of males, and looking at the 2024 to 2026 forecast, the female population is projected to surpass the male population. Furthermore, the total population is forecast to reach 16.4 million people in 2026.



Source: S&P Global and own calculations, 2024

Note: Estimates from 2024

Figure 4: Gauteng population growth

Access to household services

According to the South African Constitution, municipalities should prioritise service delivery to meet the basic needs of all citizens. These basic services include refuse removal, sanitation, electricity and gas supply, health services, and water supply. However, the province should ensure that municipalities are prioritising these basic needs for every household. Gauteng had 4 001 723 households in 2014, but the number of households increased to 4 858 195 in 2023. This section looks at how the province has been providing these basic needs to residents.[1]

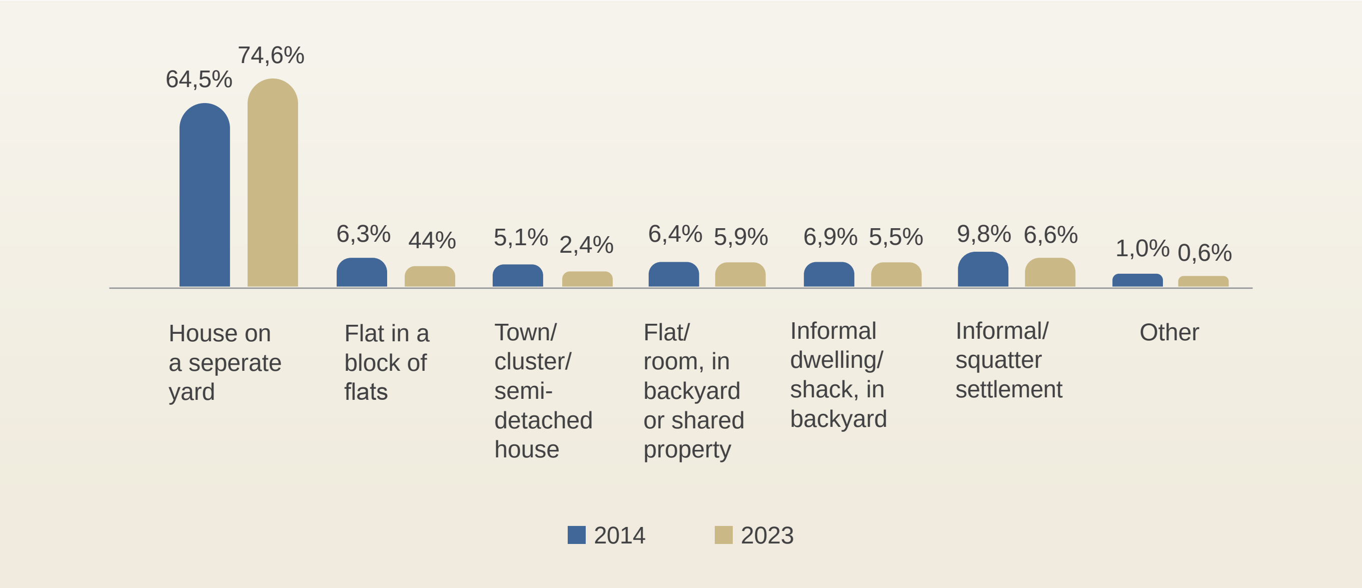


Figure 5: Access to housing by type of dwelling in Gauteng

Figure 5 shows the types of dwellings that Gauteng residents were living in, as a percentage of the total households, comparing 2014 with 2023. There has been a huge increase in the share of households living in a house on separate yards. Another improvement was recognised in the "flat in a block of flats" sub-category. However, there were decreases in town or cluster houses, flats in backyards or shared properties, informal dwellings in backyards, informal or squatter settlements, and the "other" sub-category.

Although the province has not yet reached 100% in formal household provision, there has been improvement since 2014. This is evident in the decline of informal or squatter settlements, informal dwellings or shacks in backyards, as well as the "other" sub-category. Furthermore, in the 2025 State of the Province Address, the Premier stated that the province will work to eradicate land invasions and assist in reducing the housing backlog, as part of efforts to reduce the number of informal settlements and increase formal housing.

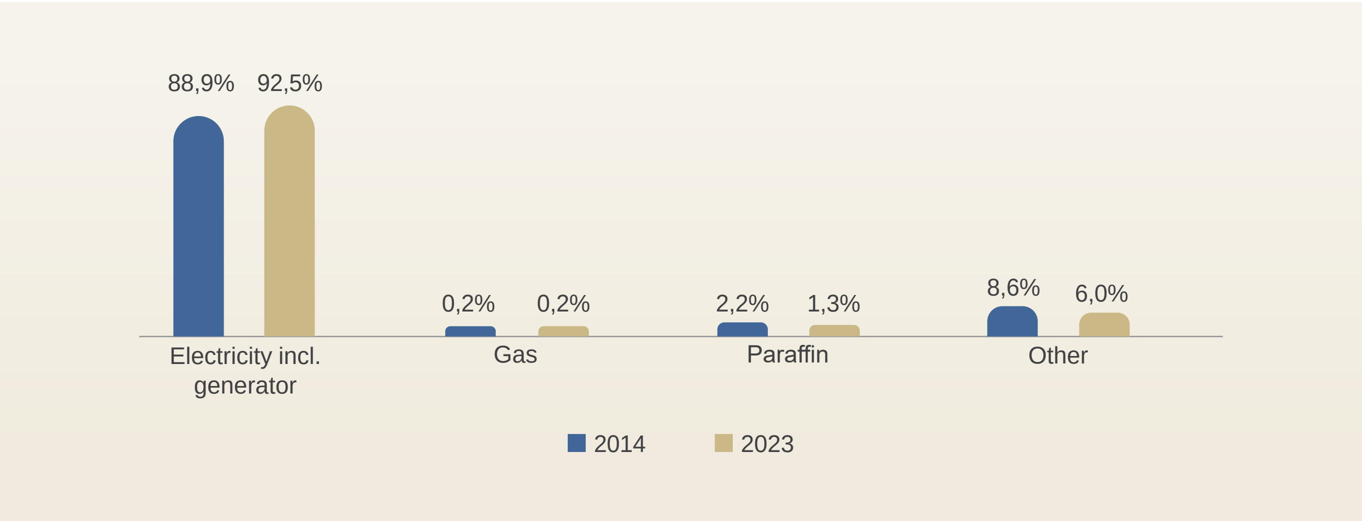
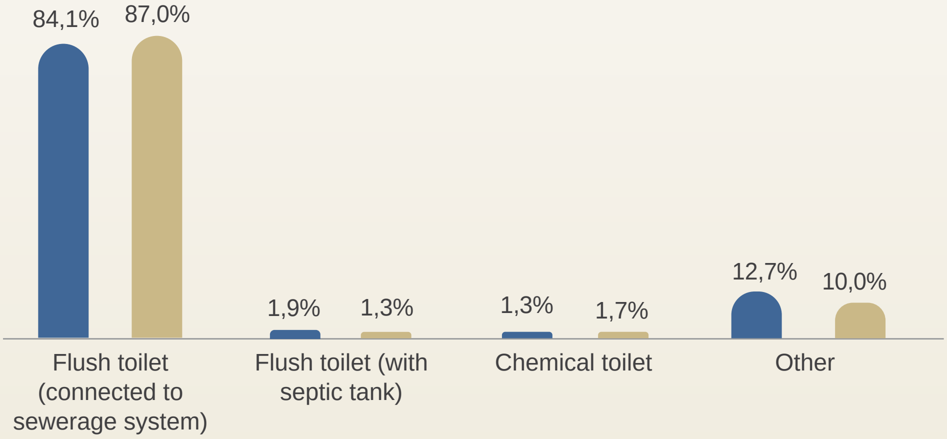


Figure 6: Access to energy for lighting

[1] Gauteng Treasury Socio Economic Review and Outlook 2025

Between 2014 and 2023, the rest of Gauteng made notable progress in the provision of services linked to electricity, as shown in Figure 6. The sub-category "electricity, including generator" increased to 92,5% in 2023 from 88,9% in 2014. There were also improvements in the sub-categories of "paraffin" and "other", as they decreased during the review period. However, gas utilisation has remained constant over the years, staying at 0,2% in both years.



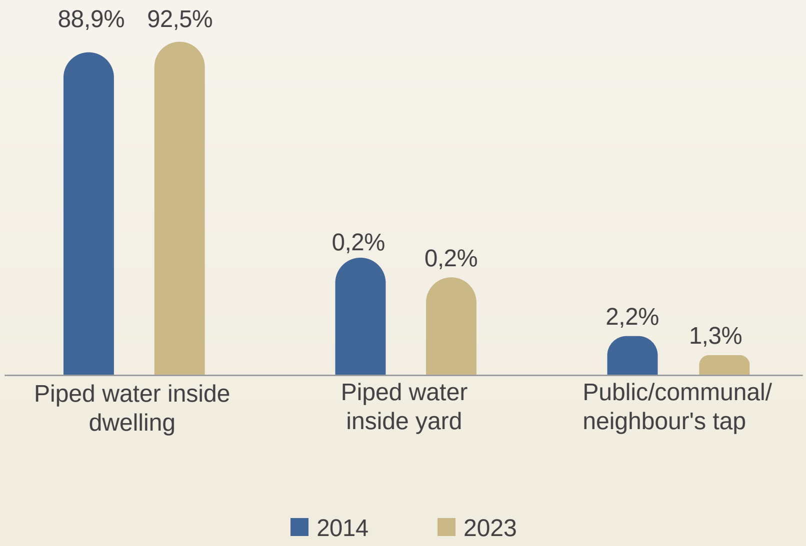
Source: Quantec and own calculations, 2025

Note: Other includes Pit latrine with ventilation and without, Bucket toilet, None, Open defecation and unspecified

Figure 7: Access to toilet facilities

Further, improvement was recognised in the access to toilet facilities. Figure 7 shows an increase in the share of households with access to flush toilets connected to a sewage system, with an 87% increase recorded in 2023. There was a decrease in the share of households using flush toilets with sceptic tanks and those in the "other" category. However, the share of households using chemical toilets increased to 1,9% in 2023 from 1,3% in 2014.

Hectofield (Pty) Ltd - 490 General Dewet Street, Pretoria North



Source: Quantec and own Calculations, 2025

Note: Other includes borehole/rain-water tank, water carrier/tanker, Dam/river and unspecified

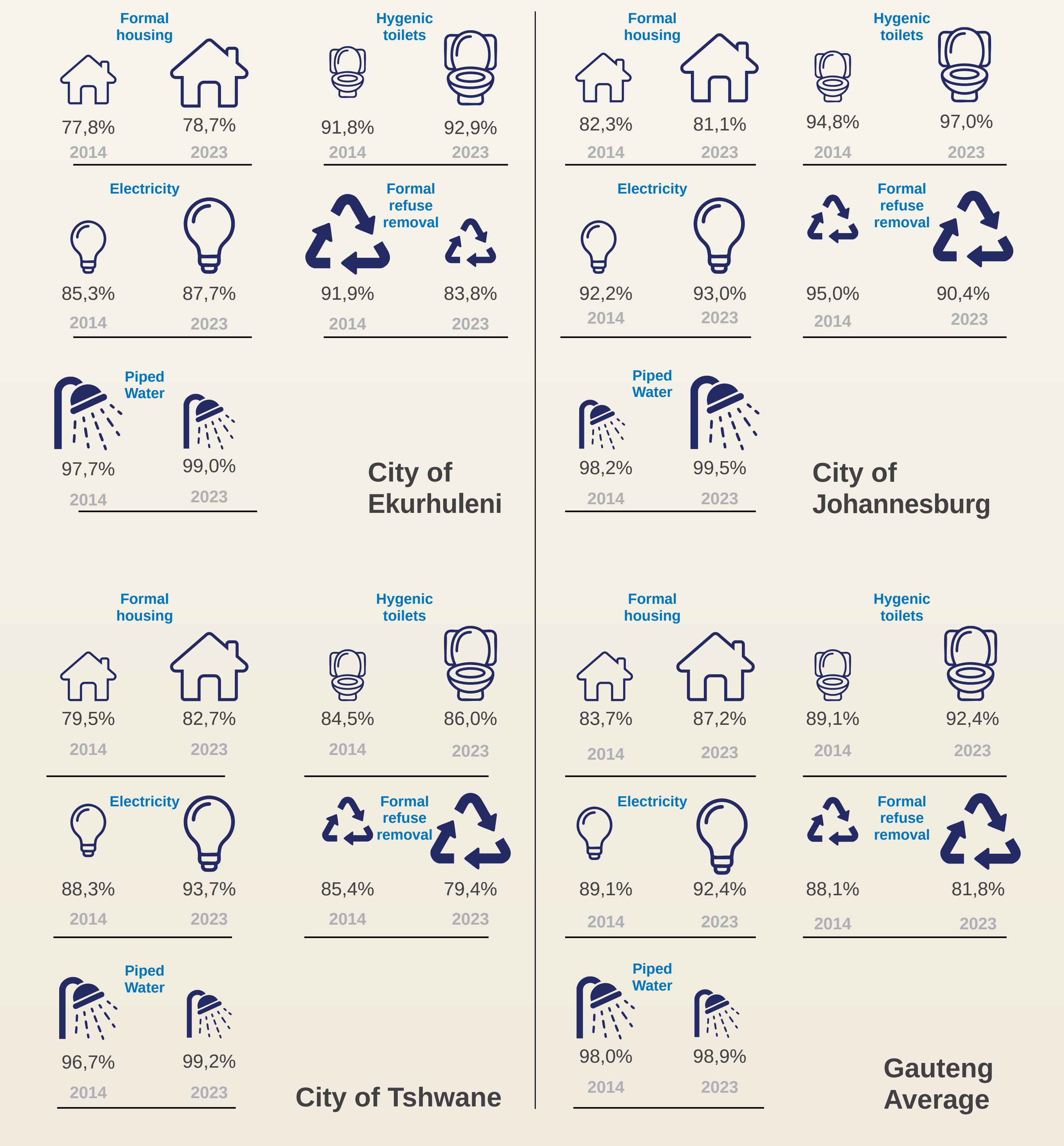
Figure 8: Access to water

Figure 8 shows that the percentage of piped water inside dwellings rose to 72,6% in 2023 from 65,4% in 2014. The "piped water inside yard" sub-category decreased to 20,7% in 2023 from 25,2% in 2014, and the "public tap" sub-category also decreased to 4,3% in 2023 from 7,5% in 2014. Gauteng has faced further infrastructure and water supply challenges during periods of high demand. Water shortages in the province are due to challenges related to water availability, aging infrastructure, and urban dynamics.

Hectofield (Pty) Ltd - 490 General Dewet Street, Pretoria North

Access to basic services

Despite navigating significant economic challenges and rapid population growth, the Gauteng province has made notable progress in maintaining stable access to essential services like water, sanitation, and electricity. The data highlights substantial progress in service delivery across the metros between 2014 and 2023, as shown in Figure 9. However, inequity in access persists, with service provision varying both within and between the different metros.



Source: S&P Global, 2024

Figure 9: Access to basic services in metros

While the City of Johannesburg boasts relatively high provision of basic services compared to other metros, the proportion of households residing in formal dwellings declined from 82,3% in 2014 to 81,1% in 2023. This decline is likely due to the persistent housing backlog, exacerbated by inward migration, urbanisation, and other factors. Furthermore, the city's access to formal refuse removal has also decreased, from 95% in 2014 to 90,4% in 2023 – a decline of 4.6 percentage points. Despite these challenges, the City of Johannesburg has improved access to essential services such as piped water, hygienic toilets, and electricity.

The City of Ekurhuleni and City of Tshwane have made significant progress in delivering basic services, with notable advancements in formal housing, sanitation, and electricity. However, their progress in access to piped water and refuse removal has been uneven. The City of Tshwane recorded an increase in piped water access, while the City of Ekurhuleni experienced a decline of 8.1 percentage points. Conversely, the City of Ekurhuleni saw an improvement in refuse removal services, but the City of Tshwane saw a decline of 6percentage points. Overall, notable progress has been made in improving access to basic services across the metros, indicating a promising outlook for their future development.

Operating environment

The GPF operates within a complex socio-economic and political landscape in Gauteng, South Africa's economic hub, characterised by:

- **High Urbanisation and Housing Demand:** Gauteng faces significant housing backlogs, with informal settlements prevalent. The demand for affordable rental housing, student accommodation, and integrated settlements is acute.
- **Economic Constraints:** Budgetary pressures and limited public funding necessitate innovative financing models, such as public-private partnerships (PPPs).
- **Policy and Legislative Frameworks:** The GPF operates under the Gauteng Department of Human Settlements' policies, adhering to planning frameworks like the Gauteng City Region Integration Strategy and national legislation governing PPPs.
- **Stakeholder Dynamics:** Collaboration with municipalities, private developers, and institutions like the Public Investment Corporation and National Empowerment Fund is critical but challenging due to differing priorities and capacities.

Organisational Environment

The GPF's core mandate is to serve as a catalyst for integrated human settlement developments. Its key functions include:

- **Fundraising and Investment Facilitation:** Leveraging public sector funding to attract capital from local and international donors, development finance institutions, and private partners.
- **Project Preparation and Funding Packaging:** Assessing project readiness, conducting feasibility studies, and facilitating funding for bankable projects.
- **Project Financing:** Developing equitable risk-sharing models with private sector partners.
- **Project Implementation and Oversight:** Implementing mega projects to ensure successful delivery.

The GPF aligns its activities with the Gauteng Department of Human Settlements' strategy for Mega Projects and the broader National Development Plan Vision 2030, which emphasises sustainable urban development and spatial transformation. Its vision is to support the creation of "new cities" through innovative funding and strategic partnerships.

Strategic and Annual Performance Plans

The GPF's Strategic Plan (2020–2025) and Annual Performance Plan (APP) serve as the guidelines for implementing the mandate and are aligned with provincial and national development goals. Key strategic objectives include:

- Implementing of Mega Projects to address housing shortages.
- Supporting previously disadvantaged entrepreneurs through the Entrepreneur Empowerment Property Fund (EEPF).
- Enhancing affordable housing and student accommodation through targeted funding programmes.

The APP outlines specific targets, such as the number of housing units delivered, jobs created, and partnerships formed, while also addressing operational challenges like project delays and funding constraints.

Successes

The GPF achieved notable successes in fulfilling its mandate, particularly in project delivery and economic impact:

- **Innovative Funding Models:** The GPF successfully partnered with institutions like the Public Investment Corporation (PIC), Trust for Urban Housing Finance (TUHF), National Empowerment Fund (NEF), and Futuregrowth to leverage funding for rental housing and student accommodation. Its EEPF programme offers interest-free funding and market-related interest rates to high-risk black entrepreneurs, enabling their participation in the affordable rental market.
- **Agile Project Management:** The GPF's ability to process payments within seven days enhanced developer confidence and project delivery.

Challenges

The GPF faced several challenges that impacted its performance:

- **Funding Constraints:** Limited public sector funding and reliance on a one-off capital injection from the Department of Human Settlements restricted the GPF's ability to scale projects. Attracting private investment is critical but challenging due to perceived risks in affordable housing projects.
- **Capacity and Technical Challenges:** As with many government-led initiatives, the GPF faced capacity constraints, including shortages of skilled personnel and technical expertise for complex Mega Projects. These challenges were further compounded by the need for robust project preparation and feasibility studies.

- **Stakeholder Coordination:** Aligning the interests of municipalities, private developers, and other stakeholders is a challenge. Municipalities must approve development plans, provide bulk infrastructure, and issue occupancy certificates, which can cause delays if coordination is poor.
- **Regulatory and Institutional Barriers:** PPPs, a key mechanism for GPF's operations, face barriers such as lack of political will, inadequate PPP capacity within the public sector, and complex regulatory frameworks. These issues hindered the GPF's ability to secure partnerships and implement projects efficiently.
- **Economic and Social Pressures:** High levels of unemployment, poverty, and informal settlement growth in Gauteng increased the urgency of GPF's mandate but also strained its resources and operational capacity.

Conclusion

GPF plays a critical role in addressing Gauteng's housing and spatial transformation challenges. Its successes and innovative funding models, highlight its potential to drive sustainable development. However, challenges like funding constraints, capacity limitations, and stakeholder coordination issues must be addressed to sustain and scale its impact. By strengthening partnerships, diversifying funding, and enhancing operational efficiency, the GPF can continue to deliver on its strategic plan and APP, contributing to a more inclusive and integrated Gauteng City Region.

Key policy developments and legislative changes

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

Progress towards achievement of institutional Impacts and Outcomes 2024/25

Introduction

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

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

As a provincial public entity, the GPF contributes to the fulfilment of the National Department of Human Settlements' Strategic Plan 2025–2030 which is aligned with government's 2024-2029 Medium-Term Development Plan. The Plan aims to facilitate the creation of sustainable human settlements and improve the quality of household life. This will ultimately yield a housed nation in sustainable settlements.

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

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

GPF's contribution

GPF's mandate is to raise the required capital and serve as the preferred implementing agent of the GDHS in a sustainable and cost-effective manner.

Amidst the challenges experienced in the property sector during the 2024/25 financial year, the GPF was able to deliver on its key outcomes as envisaged over the planning period. In its efforts to increase opportunities for economic inclusion, the GPF exceeded its planned project expenditure on GEYODI-owned SMMEs. Furthermore, the target for loans disbursed for rental accommodation was exceeded by R12.9 million.

3. GPF'S 2024/25 Performance

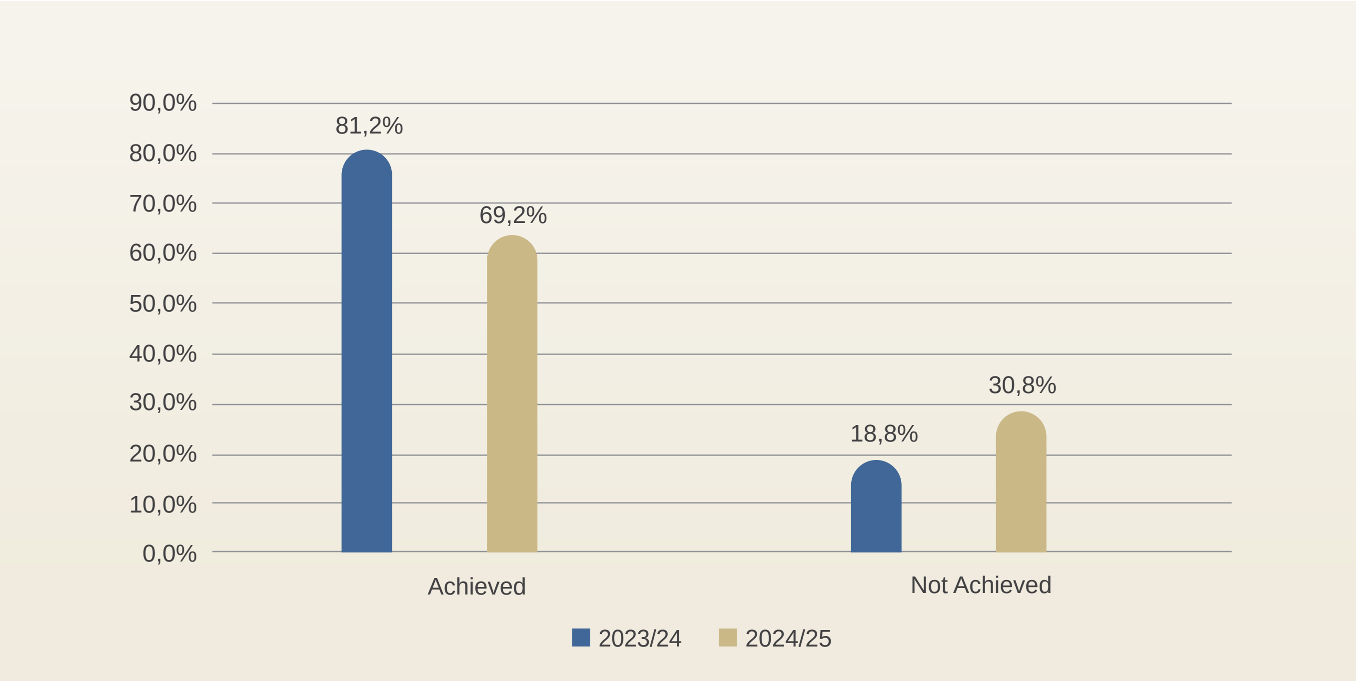


Figure 10: Performance comparison for 2023/24 vs 2024/25

Targets achieved

Table 2: Summary of the targets achieved

Measure	Annual Target 2024/25	Actual Performance 2024/25	Comments
Total rand value of funds raised from funding partnerships	R400 000 000	R400 000 000	Annual target achieved.
Rand value of loan disbursed – Rental accommodation	R22 000 000	R34 988 420,45	The annual target was exceeded due to performance and efficiencies of contractors involved in the following projects: Zitha properties, Dladleni huts and K20222373111 (Pty) Ltd known as Skosana.
Number of rental units completed	298	299	Annual target achieved.
Number of beds completed	336	422	The annual target was exceeded due to the accelerated programme for Pisces Star (Pty) Ltd targeting 2025 student intake.
Percentage of project expenditure spent on GEYODI-owned SMME (HDI) through projects implemented	30% of project expenditure spent on GEYODI-owned SMME (HDI) through projects implemented	69,50%	Annual target exceeded due to developers procuring more locally and employing more local labour.

Targets not achieved

Table 3: Targets not achieved

Measure	Annual Target 2024/25	Actual Performance 2024/25	Comments
Management fee received for project management services	R32 000 000	R8 180 007,33	Target not achieved. No project management fees received from the GDHS for Mega Projects (R32m) and UISP (R26m).
Rand value of loans disbursed – Student accommodation	R15 000 000	R8 304 764,54	Target not achieved due to the cancellation of the Socius and Vicki Lelaka projects and the delay in the start of the Mahube project due to municipal delays. While the **SDP for Mahube had been approved**, the final stamp for building line approval from **Building Control – Land Use (Emfuleni Municipality)** was still outstanding. The approved construction programme was set for **eight months**, projected to fully draw down the **GPF facility of (R9.1m)** within the **2024/25 financial year**, based on the projected cash flows. Unfortunately, the building line approval was delayed by over **eight months**, which has significantly impacted the project timeline and prevented the disbursement target from being met. Inter-Governmental Relations also intervened in an effort get the building plan approved by Emfuleni. These delays only became apparent after the mid-year review.
Percentage disbursements on integrated programmes delivered by the GPF on behalf of the GDHS	80%	53%	Target not achieved due to delays in the implementation of the Ridgeview project (Service Level Agreement not finalised by Rand West Municipality) and Droogheuwel project (extension to the construction programme). The Rapid Land Release Programme contributed to the non-achievement of the target because of minimal disbursement relative to the budgets available for these projects.

4. Reviews of the GPF's Investments and Development Unit's Investment Programmes

Entrepreneur Empowerment Property Fund (EEPF) Programme

The EEPF Programme promotes the participation of companies owned by previously disadvantaged individuals in the affordable rental market. Aimed at first-time property developers, there were no projects approved under this programme for the year under review.

Rental Housing Fund Programme

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

Student Accommodation Fund (SAF) Programme

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

Table 4: List of approved funding for projects

Name of Company	Project Name	No. of Beds	GPF funding commitment inclusive of Capitalised Interest
Kaelo Rez (Pty) Ltd	Erf 729 New Doornfontein, Johannesburg	312 beds, 84 units	R27 707 631,00
Total		**312 beds, 84 units**	**R27 707 631,00**

Social Housing Fund Programme

The Social Housing Fund is tailored to social housing institutions requiring favourable financing terms. The GPF will provide debt funding against the Consolidated Capital Grant approved by the Social Housing Regulatory Authority. No projects were approved under this programme for the year under review.

Commercial Housing Fund Programme

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

Kasi-4-Real (Township Development Programme)

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

Completed projects

The number of completed units totalled 299 against a target of 298 units.

Table 5: List of completed projects

Name of Institution	Project Name	Location	Product	No. of Units
Greyline Holdings (Pty) Ltd	Erf 7440 Soshanguve East Ext. 10	City of Johannesburg	SAF	42 units/336 beds
Devland Gardens (Pty) Ltd	Erf 8341 Devland, Johannesburg	City of Johannesburg	SHF	210
Pisces Star (Pty) Ltd	Erf 113 Rossmore, Johannesburg	City of Johannesburg	SAF	18 units/86 beds
K2022373111 (Pty) Ltd /Skosana	Erf 419 Skosana, Katlehong	City of Ekurhuleni	RHF	21
Dladleni Huts (Pty) Ltd	Erf 759 and 760 Oakdene Ext. 20	City of Johannesburg	EEPF	8
Total				**299 units/422 beds**

Projects under construction

As of 31 March 2025, there were five projects under construction with an expected yield of 485 units and 480 beds.

Table 6: Projects under construction

Name of Institution	Project Name	Location	Product	No. of Units
Devland Gardens (Pty) Ltd	Erf 8341 Devland, Johannesburg	City of Johannesburg	SHF	285
Dladleni Huts (Pty) Ltd	Erf 759 and 760 Oakdene Ext. 20	City of Johannesburg	EEPF	108
Tarioblox (Pty) Ltd	Erf 7414, Olievenhoutbosch Ext. 36	City of Johannesburg	EEPF	26
Mahube Malope Investment (Pty) Ltd	PTN 50 of 429 Bedworth Park, Vanderbijlpark SE3	Emfuleni	SAF	24 units/144 beds
Total				**443 units/ 144 beds**

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

Mega projects

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

The annual IP agreement between GPF and GDHS regularises the annual targets and budgets. In terms of the IP 16 for 2024/25 the GPF is implementing the following projects – Affri Village Droogheuwel; Dan Tloome; Elijah Barayi; Western Mega and Westonaria Borwa.

The IP 17 was also concluded for adjustment of 2024/25 budget for Elijah Barayi and Westonaria Borwa.

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

The GDHS legal team has drafted three-year agreements as opposed to the current annual agreements; this is to facilitate better planning and delivery for set targets, especially on recovery initiatives in the event of lost performance and time due to unforeseen circumstances.

GDHS has concluded discussions with the various developers on allocations for the 2025/26 financial year and contracting is underway.

The recorded performance against the planned targets of 2 088 sites and 1 141 units is at 2 884 (138%) and 1 637 (143%) respectively. Which means the service sites target, and the units target were over-achieved.

Table 7: Detailed milestone Mega Projects – performance summary

Project Name	Foundations	Wall Plates	Slabs	95% Completions	100% Completions
Dan Tloome	320	375	355	433	0
Elijah Barayi	205	303	378	378	0
Montrose	*	*	*	*	*
Savanah	*	*	*	39	*
Western Mega	222	256	338	338	306
Westonaria Borwa	*	300	*	439	300

*Milestones completed in the previous financial year

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

Table 8: Economic impact on surrounding communities

Description	Actual
Local expenditure	69,50%

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

- Developers' construction programmes are monitored, and corrective actions are required for targets not met.
- Monthly online meetings are held with developers to track progress and discuss any issues.
- Monthly technical meetings are held on site to view and discuss progress.
- The GPF has access to various Inter-Governmental Relations platforms to address concerns and/or bottlenecks in projects it undertakes.
- Post-construction, the GPF facilitates sectional title management of units by the developer and the establishment of the body corporate to appoint the managing agent.
- Facilitate capital raising for the developers to address the delivery of non-subsidised housing typologies and other amenities.

Upgrading of Informal Settlements Programme (UISP)

Interim services

The GPF has been monitoring the new services on behalf of the GDHS for a seven-month period, which ended on 31 March 2025. The GPF has already engaged with the GDHS emphasising the need to start to plan and inform municipalities of a potential down time over April/May 2025, for contract renewal/extension and funding arrangements to be concluded. The Head of Department has engaged with the municipalities and the GDHS and is currently appointing new service providers. However, the specific sites and or numbers of appointments have yet to be confirmed.

Alternative sanitation

The GPF is managing two service providers for the installation of alternative sanitation. The first service provider was appointed directly by the GPF to implement four pilot projects. The second service provider, appointed by the GDHS, is also being managed by the GPF.

To date, the GPF has disbursed a total of R37 036 354,38. Of this amount, R28 735 900,13 has been paid in the current financial year for work done by the appointed service provider. In addition, invoices amounting to R8 464 343,36 are in the system.

Table 9: Progress report on alternative sanitation projects

Project Name	No. of Units	Current Progress	Completion Date
Cape Gate	209	Appointment of Community Liaison Officer, SHE Rep completed by 13 December 2024. Recruitment of local labour completed by 13 December 2024. Detailed design submitted to Emfuleni municipality, pending final approval. Site establishment 21 January 2025. Completed Works: 125 bases completed for front end units. 40 front end toilet units installed.	31 July 2025
Sebokeng Zone 20	108	Appointment of CLO, SHE Rep completed on 13 December 2024. Recruitment of local labour completed on 13 December 2024. Detailed design ongoing submitted to Emfuleni municipality, pending approval. Site needs to be levelled.	30 June 2025
Honningklip: Mogale	50	100% Complete – on going maintenance for 36 months.	Maintenance
Portion 80 Muldersdrift	550	70% Complete – on going maintenance for 36 months. Work done in detail: Section A: Sub-soil drainage installed. Septic Tank top slab concrete curing then assembly of the treatment plant enclosure. Treated water stand slab and currently curing. Section B: Septic Tand construction 90% complete. Delay by rains as water must be drained in the chambers after each rain event. 181 Front end toilet units installed. Four households are refusing to have toilets installed at the agreed position. Municipal assistance requested. Section C: Sewer Network and Treated Water network installation underway.	31 July 2025





Parana-Portion 11- Treatment

The GPF managed alternate sanitation projects on behalf of the GDHS, the service provider has completed 607 top structures out of the 2 310 targeted.

Reblocking and Relocations

Service providers and civil engineers have been appointed to provide a Bills of Quantities for site access and clearing.

Finances

The GPT did not approve the Gazette at the end of December 2024 and as such, the GPF has not been paid the R26 million for project management.

A formal request for the reallocation of these funds has been submitted to the Acting Head of Department at GDHS. This is to ensure payment for the pilot alternate sanitation projects, as the rollover of funds was not approved by GPT.

Turnkey Projects Programme

Since 2017, the GPF has received new mandates from the Shareholder aligned with growing provincial priorities. In instances where the GPF has been appointed as an implementing agent, the Investment and Development team fulfil a project management role on behalf of the GDHS. To date, two turnkey projects were transferred to the GPF for implementation.

Canal Social Housing

The GPF signed a Trilateral and Land Availability Agreement with the GDHS and the Mogale City Local Municipality, which has since lapsed. The renewed agreement was in circulation for signature at year end. The Agreement makes the land (the remainder of Portion 7 of the farm Paardeplaats No. 177 IQ (Krugersdorp Extension 4) available for the development of 360 social housing units and the installation of all services and such other ancillary facilities as are required. The GPF will be undertaking the outstanding planning milestones in the 2025 /26 financial year.

Umnotho Community Project

The Umnotho community submitted a concept project application to the GDHS to jointly develop three townships in Muldersdrift, namely Greengate Extension 60, Greengate Extension 74 and Mogale Extension 28. This initiative will be a pilot for a community-based human settlements project in partnership with the Department. The GPF will be undertaking the outstanding planning milestones in the 2025 /26 financial year.

Rapid Land Release Programme (RLRP)

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

In the 2024/25 financial year, the GPF procured no sites. However, for the year under review, 1 670 services sites were completed, with 947 title deeds registered. In addition, the GPF procured a service provider to assist the developers register potential beneficiaries for the projects. Over 9 900 beneficiaries were identified against a delivery target of 6 590 service sites to be delivered by the GPF.

The GPF successfully concluded a Memorandum of Understanding with South African Home Loans who undertook to provide end user finance to qualifying beneficiaries receiving serviced sites. The pilot projects will continue to be implemented in the 2025/26 financial year.

6. Investments done by the GPF Over the Past 5 Years

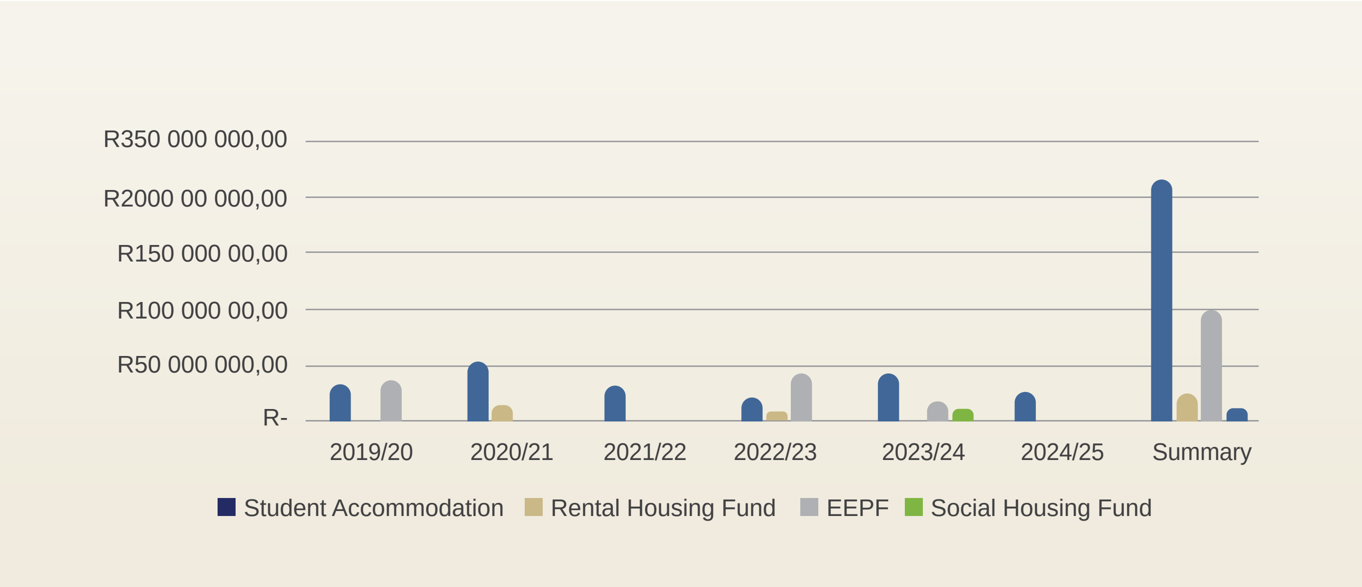


Figure 11: Investments done over the past 5 years per programme

Nelisa Properties (Pty) Ltd - 18 Dukes Avenue Widsor West, Randburg

7. Annual Performance Report

Table 10: Annual Performance Report

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Programme 1: Administration	Outcome 1: Efficient, effective and sustainable organisation	Loans Collected	Percentage of instalment payments received on performing loans	83%	85%	83%	80%	Target not achieved due to the non-payments from student accommodation borrowers, this is a result of NSFAS non-payments and delayed payments. Student accommodation clients currently pay the arrears due to the senior funder (Future Growth). The portfolio unit will continue to engage clients on arrears and negotiate arrears repayment plans.	N/A	The output indicator and target was reduced from 90% to 83% during the mid-year review, due to the student accommodation experiencing delayed payments from NSFAS.
		Human Capital Managed	Percentage implementation of Human Capital Management Plan	100%	100%	95%	95%	Target achieved.	N/A	The output indicator and target were not revised during the mid-year review.
			Percentage implementation of the Change Management Plan	88,9%	100%	95%	95%	Target achieved.	N/A	The output indicator and target were not revised during the mid-year review.
		AGSA post-audit action plan implemented	Percentage implementation of the AGSA post audit action plan	80%	90%	100%	100%	Target achieved.	N/A	N/A
		Payment processing	Percentage of valid invoices paid within 30 days	100%	100%	100%	100%	Target achieved.	N/A	N/A
		Annually updated Strategic Risk Register approved by the Board	Quarterly tracking, monitoring and evaluation of the Organisational Strategic Risks	New indicator	4	4	4	Target achieved.	N/A	N/A

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Programme 2: Capital Raising	Outcome 2: Enhanced capital base to deliver core GPF mandate	Collaboration partnerships	Total Rand value raised through funding partnerships	R0	R0m	R500m	R400 000 000	The output indicator was moved to the operational plan during the mid-year review. This is due to the financial sustainability of the organisation, the organisation is unable to raise funds. Senior funders require that the GPF have funds to match the funds that the senior funder will be committing to.	N/A	Target removed during the mid-year adjustment.
		Non-interest income received	Non-interest income received	Rand value of non-interest income received	R32m	R32m	R8 180 007,33	Target not achieved. The GPF did not receive project management fees from the GDHS for Mega Projects and UISP for the 2024/25 financial year. The transfer of funds including the management fee has always been done by the end of the second quarter. However, the GDHS experienced delays in the issuance of the Gazette that included monies due to be transferred to the GPF. Based on historical data it was anticipated that the GDHS will be able to transfer all funds due to the GPF, this is the main reason why the target was not revised during the mid-year adjustments.	N/A	N/A

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Programme 3: Project Lending	Outcome 3: Increased access to affordable rental and social housing in strategically located areas.	Loans disbursed	Rand value of loans disbursed – rental accommodation	R32m	R3,7m	R22m	R34 988 420,50	Target exceeded due to performance and efficiencies of contractors involved in following projects: Zitha properties, Dladleni huts and K20222373111) (Pty) Ltd known as Skosana.	N/A	Target revised from R30m to R22m during the mid-year adjustments.
	Outcome 6: Enhanced contribution of GPF's human settlements' developments to inclusive economic growth.		Rand value of loans disbursed – student accommodation accommodation	R53m	R43,1m	R15m	R8 304 764,54	Target not achieved due to the cancellation of The Socuis, Vicki Lelaka projects due to inability to raise equity. The Mahube project experienced delays due to municipal delays.	N/A	Target revised from R40m to R15m during the mid-year adjustments.
		Completed units	Number of housing units completed	544	360	298	299	N/A	N/A	Annual targets reduced to 298 units during the mid-term adjustment to align to the construction programme of the projects under construction.
		Completed beds	Number of student accommodation beds completed	1 000	746	336	422	Annual target exceeded due to accelerated programme for Pisces Star (Pty) Ltd targeting the 2025 student intake.	N/A	Annual targets reduced to 336 beds to align to the construction programme of the projects under construction.

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
Programme 4: Project implementation, Development and Management	Outcome 4: Increased access to integrated, inclusive, and sustainable human settlements Outcome 5: Increased access to liveable settlements and secure tenure Outcome 6: Enhanced contribution of GPF's human settlements' departments to inclusive economic growth	Disbursements on programmes delivered by the GPF on behalf of the GDHS	Percentage disbursements on programmes delivered by the GPF on behalf of the GDHS	New indicator	80%	80%	53%	Target not achieved.	Target not achieved due to delays in the implementation of the Ridgeview project (Service Level Agreement not finalised by Rand West Municipality) and Droogheuwel project (extension to the construction programme). The Rapid Land Release Programme contributed to the non-achievement of the target because of minimal disbursement relative to the budgets available for these projects.	N/A

Programme	Outcome	Output	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	*Actual Achievement 2024/2025 until date of re-tabling	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/Output indicators/ Annual Targets
		Targeted (GEYODI) project expenditure	Percentage of project expenditure spent on locally owned SMME (HDI) through projects implemented on behalf of GDHS by the GPF	44%	51,6%	30%	69,7%	Target exceeded, the developers started working on new work during the last quarter of the year (new work for the upcoming financial year considered as “Work on risk”), This is to ensure that they meet their Q1 targets easily for the new financial year so they employed more local labours and spent more on materials locally. The developers also utilized some of their own funds in addition noting that they will be reimbursed when that work is claimable in the new financial year.	N/A	N/A

Table 11: Re-tabled Annual Performance Plan (Mid-Term Review)

Outcome	Outputs	Output Indicators	Audited Perfor-mance 2022/23	Audited Perfor-mance 2023/24	Annual Target	Q1 Perfor-mance	Q2 Perfor-mance	Q3 Perfor-mance	Q4 Performance	Annual Perfor-mance	Devia-tion from planned target to Actual Achieve-ment 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
Efficient, effec-tive, and sustainable organisa-tion	Loans collected	Percentage of instalment payments received on performing loans	83%	83%	83%	61%	78%	77%	80%	80%	Target not achieved.	Target not achieved due to the non-pay-ments from student accommodation borrowers, this is a result of NSFAS non-payments and delayed payments. Student accom-modation clients currently pay the arrears due to the senior funder (Future Growth). The portfolio unit will continue to engage clients on arrears and negotiate arrears repayment plans.	The output indica-tor and target was reduced from 90% to 83% during the mid-year review, due to the student accommodation experiencing delayed payments from NSFAS.
	Human capital managed	Percentage implementa-tion Human Capital Man-agement Plan	90%	100%	95%	38%	41%	44%	95%	95%	Target achieved.	N/A	N/A
		Percentage implemen-tation of the change management plan	New indi-cator	New indi-cator	95%	25%	52%	62%	95%	95%	Target achieved.	N/A	N/A

Outcome	Outputs	Output Indicators	Audited Performance 2022/23	Audited Performance 2023/24	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
	AGSA post-audit action plan implemented	Percentage implementation of the change management plan	80%	90%	100%	-	-	-	100%	100%	Target achieved.	N/A	N/A
	Payment processing	Percentage of valid invoices paid within 30 days	100%	100%	100%	100%	100%	100%	100%	100%	Target achieved.	N/A	N/A
	Non-interest income received	Rand value of non-interest income received	New indicator	R32,2m	R32m	R0m	R0m	R0m	R8,1m	R8 180 007,33	Annual target not achieved. The GPF did not receive project management fees from the GDHS for Mega Projects and UISP for the 2024/25 financial year.	The GPF did not receive project management fees from the GDHS for Mega Projects and UISP for the 2024/25 financial year.	N/A
Increased access to affordable rental and social housing in strategically located areas	Loans disbursed	Rand value of loan disbursed – rental accommodation	R32m	R3,7m	R22m	R1 338 673,67	R11 698 724,50	R10 051 912,70	R11,899,109.63	R34 988 420,50	Target exceeded.	Target exceeded due to performance and efficiencies of contractors involved in following projects; Zitha properties, Dladleni huts and K20222373111) (Pty) Ltd known as Skosana.	Target revised from R30m to R22m during the mid-year adjustment.

Outcome	Outputs	Output Indicators	Audited Performance 2022/23	Audited Performance 2023/24	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
		Rand value of loan disbursed – student accommodation	R53,9m	R50,7m	R15m	R2 782 132,66	R2 782 132,66	R2 174 207,99	R0	R8 304 764,54	Annual target not achieved.	Target not achieved due to the cancellation of The Socuis, Vicki Lelaka projects. This is due to the inability to raise equity by, and the delay in commencing construction on the Mahube projects because of the delays in obtaining building plans and site development plans approval.	The target was revised from R40m to R15m during the mid-year adjustment.
	Affordable housing units completed	Number of housing units completed	746	360	298	147	105	0	47	299	Annual target achieved.	N/A	The target was revised from 500 units to 298 units during the mid-year adjustment.
		Number of student accommodation beds completed	544	746	336	0	0	336	86	422	Annual target exceeded due to accelerated programme for Pisces Star (Pty) Ltd targeting 2025 student intake.	N/A	The target was revised from 830 beds to 336 beds during the mid-year adjustment.

Outcome	Outputs	Output Indicators	Audited Performance 2022/23	Audited Performance 2023/24	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
Increased access to integrated, inclusive, and sustainable human settlements Increased access to liveable settlements and secure tenure Enhanced contribution of GPF's human settlements' developments to inclusive economic growth	Disbursements on programmes delivered by the GPF on behalf of the GDHS	Percentage disbursements on programmes delivered by the GPF on behalf of the GDHS	New indicator	80%	80%	22%	34%	47%	53%	53%	Target not achieved.	Target not achieved due to delays in the implementation of the Ridgeview project (Service Level Agreement not finalised by Rand West Municipality) and Droogheuwel project (extension to the construction programme). The Rapid Land Release Programme contributed to the non-achievement of the target because of minimal disbursement relative to the budgets available for these projects.	N/A

Outcome	Outputs	Output Indicators	Audited Performance 2022/23	Audited Performance 2023/24	Annual Target	Q1 Performance	Q2 Performance	Q3 Performance	Q4 Performance	Annual Performance	Deviation from planned target to Actual Achievement 2024/25	Reasons for deviations	Reasons for revisions to the Outputs/ Output Indicators/ Annual Targets
	Targeted (GEYODI) project expenditure	Percentage of project expenditure spent on locally owned SMME (HDI) through projects implemented on behalf of GDHS by the GPF	44%	51,6%	30%	86,5%	50,3%	61,5%	136,1%	69,7%	Annual target exceeded.	Target exceeded, the developers started working on new work during the last quarter of the year (new work for the upcoming financial year considered as "work on risk"), this is to ensure that they meet their Q1 targets for the new financial year so they employed more local labours and spent more on materials locally. Additionally, the developers also utilised some of their own funds noting that they will be reimbursed when that work is claimable in the new financial year.	N/A

Approved by:

Ms Lindiwe Kwele
Chief Executive Officer
Gauteng Partnership Fund
25 August 2025

Strategy to overcome areas of under performance

To improve performance in rental housing, the following activities needs to be done:

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

8. Collections

Loan Collection	2023/24			2024/25		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
Loan instalment payments	R65 929 773	R54 495 788	R11 433 985	R54 212 781	R43 180 545	R11 032 236
Total	**R65 929 773**	**R54 495 788**	**R11 433 985**	**R54 212 781**	**R43 180 545**	**R11 032 236**

The under-collection of loan repayments is primarily due to several challenges faced by borrowers, such as:

- Inability to implement annual rental increases due to tenants' affordability constraints;
- Rising operational expenses;
- Rental payment defaults by tenants; and
- Delays in payments from the NSFAS to service providers, particularly affecting student accommodation projects.

To mitigate the risk of non-payment of loan instalments, the following controls and interventions have been implemented:

- Initiating cession of rental income to secure loan repayments.
- Aligning loan restructure terms with those of GPF's senior funders.
- Engaging with property management companies.
- Engaging with NSFAS to discuss late payments to borrowers.
- Reviewing borrowers' bank statements to identify and track non-project payments.
- Issuing breach letters for non-compliance.
- Engaging borrowers to address arrears through calls, emails, site visits and meetings.
- Conducting site visits to monitor the state of the buildings, as dilapidated buildings deter tenants.
- Restructuring loan accounts where appropriate.
- Including provisions for credit bureau listing in breach letters.
- Referring non-performing accounts to legal channels when all recovery efforts have been exhausted.

PART C: GOVERNANCE

1. Introduction

Corporate governance refers to the system of rules, practices, and processes by which an organisation is directed and controlled. It encompasses mechanisms that hold organisations and their leadership accountable. Its primary objective is to enhance organisational performance and accountability, ensuring that the interests of the shareholder/s and other stakeholders are protected.

Effective corporate governance involves a set of relationships between an organisation's management, its Board, its shareholder/s, and other stakeholders. It provides the framework for setting organisational objectives and determining the means to achieve and monitor them.

Key principles of corporate governance include transparency, accountability, fairness, and responsibility. Good corporate governance helps to build trust with investors, employees, and the public, fostering a positive corporate image and sustainable business practices. It also mitigates risks and enhances the long-term value of the organisation.

The Gauteng Partnership Trust, trading as the Gauteng Partnership Fund (GPF), was established as a Trust in terms of the Trust Property Control Act No. 57 of 1988 and the Trust Deed entered into between the Executive Authority/Founder and the Trustees for the time being of the Trust. As an entity of the Gauteng Department of Human Settlement, the GPF is also classified as a Schedule 3C entity in terms of the PFMA.

The governance of the GPF is jointly regulated by the Trust Property Control Act and the PFMA. The GPF Board of Trustees has made significant strides in ensuring that the organisation complies with good governance practices, in accordance with its mandate as outlined in the Trust Deed. Compliance with best practice corporate governance is key to the Board's strategic leadership.

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

2. Portfolio Committees

The GPF was invited to respond to the SCOPA resolutions in the AGSA's oversight report to the Gauteng Provincial Legislature related to the GPF's financial statements and performance information for the year ended 31 March 2025. The GPF implemented the resolutions and provided progress where they had not been fully implemented, as follows:

Standing Committee on Public Accounts (SCOPA) – 28 February 2025

The Committee was provided with a response detailing the effectiveness of measures put in place to minimise lawsuits: To mitigate legal risks, the organisation has established an in-house legal and compliance department with proactive legal, operational, and ethical strategies. These preventive measures help reduce legal exposure and support the maintenance of a strong organisational reputation.

These include:

1. Having strong, legally enforceable agreements and documentation.
2. Dispute resolution mechanisms, including the adoption of alternative dispute resolution (ADR) methods such as mediation or arbitration clauses in agreements, and encouraging open communication to resolve issues before they escalate.
3. Ensuring compliance with laws and regulations, with internal policies in place to provide guidance.
4. Providing ongoing training for employees on legal and compliance matters, organisational policies, and ethics.
5. Enhancing risk management to proactively manage legal risks and implement mitigation risks.
6. Insurance coverage for potential claims.
7. Fair and ethical business practices to ensure employees, clients and service providers are treated fairly, preventing disputes.
8. Data security and cybersecurity compliance with GDPR, POPIA and the implementation of relevant policies.
9. Legal consultation and audits:
   a) Regular consultations with legal professionals to review business practices.
   b) Conducting internal audits to identify and correct legal vulnerabilities.
10. Panel of external legal service providers to supplement the internal team.

The Committee was provided with the status of the application for Surplus Retention from the Gauteng Provincial Treasury (GPT): The entity has not received a response from the GPT. The GPF has engaged with the GPT in this regard and is awaiting a response.

The Committee was provided with a response detailing the effectiveness of the corrective measures implemented to address the recurrence of restatement of corresponding figures: The GPF continue to ensure that the financial statements include all financial transactions and all other matters that are required for accurate reporting. A checklist has been developed to ensure completeness and accuracy on the Annual Financial Statement's (AFS) to mitigate this risk and avoid recurrence.

The interim financial statements are submitted to the GPT, internal audit and the Audit and Risk Committee (ARC) on a quarterly basis for review, assurance and oversight.

The Committee was reassured that the Accounting Authority adequately reviews the AFS to ensure that items are presented and disclosed in accordance with GRAP and that they are free from material errors: The ARC sat on 24 January 2025 and the minutes of the meeting confirming the Committee's oversight will be provided.

The Committee was provided with a response detailing the effectiveness of the audit action plan to improve internal control deficiencies: The GPF has improved its internal control environment in relation to the financial statements preparation by ensuring adequate reviews are conducted. A checklist has been developed to ensure compliance with the applicable GRAP standards. Furthermore, all audit findings raised by the Auditor-General have been resolved by the organisation.

Resolutions on Human Settlements Portfolio Committee Oversight Report – 17 March 2025

The Committee was presented with a report regarding the allocation to the department's sole entity, the GPF, which provides technical support to enhance the department's capacity in implementing mega projects. The GPF's allocation experienced a significant increase of 33% compared to the previous financial year, rising from R624 million to R710 million. The concerns being raised pertained to the rationale behind this substantial increase. The rationale provided was that the budget allocation is driven by GDHS targets for the respective financial year, developer performance, and the budget allocations from the National Department of Human Settlements to the GDHS. The GPF only received R624 million for the 2023/24 financial year and not R710 million. The projects delivered against all targets set for the financial year, including both service sites and housing units' targets were met.

Regarding the technical support provided by the GPF in implementing Mega Projects, the Committee was informed that GPF launched Teamwork; an online collaborative project management tool aimed at improving project team efficiency in areas such as communication, document management, financial performance tracking, task scheduling and progress tracking.

In relation to Mega Projects successfully implemented during the 2023/24 financial year the following projects were highlighted as having met their targets:

- Westonaria Borwa, 400 service sites delivered
- Dan Tloome, 680 units delivered;
- Elijah Barayi, 384 units delivered; and
- Western Mega, 326 units delivered.

Concerning the Montrose Mega Housing Project, which faced multiple delays, vandalism, and a lack of bulk infrastructure in 2024, the Committee was provided with a response that the budget transferred to the GPF does not include any allocations for the Montrose project. The project is being dealt with by the Department of Human Settlements.

The Committee was provided with a response on how the increased funding ensures the provision of bulk infrastructure in other mega housing projects: The Department allocates bulk infrastructure budgets directly to the projects. The GPF does not receive bulk infrastructure funding but is allocated HSDG funds for the completion of service sites and housing units.

3. Executive Authority

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

4. Board of Trustees

Introduction

In terms of the Trust Deed, the Trust shall be administered and managed by the Trustees, who are nominated by the Founder. In terms of the Trust Property Control Act and the GPF Trust Deed, the Trustees' authority to act is confirmed through the issuance of letters of authority by the Master of the High Court.

For the period under review, the Board consisted of 13 non-executive Trustees. When making Trustee appointments, the Executive Authority ensures an appropriate mix of the necessary capacity and skills, with all Trustees serving in a non-executive capacity. The Executive Authority also appoints a shareholder representative to the GPF Board to ensure that shareholder interests are represented and to serve as a link between the Shareholder and the Board.

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

The Trustees maintain independence in all matters considered by the Board. In the event of an actual, perceived or potential conflict of interest, the Trustee concerned is required to disclose the conflict, which is duly recorded in line with the GPF Declaration of Interests Policy. During the period under review, all Trustees completed their annual declaration of interest forms, where their membership of any other Boards and other interests outside of GPF are recorded.

All Trustees have unlimited access to the Company Secretary, who acts as an advisor to the Board and its committees on matters of corporate governance, compliance with rules and procedures, statutory requirements, regulations and best corporate governance practices.

Board Charter

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

The Charter provides clear guidance on the Board's role and responsibilities, its composition as well as its general conduct, including expectations for conduct during Board meetings. These responsibilities include:

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

Throughout the reporting period, the Board supported by its committees, engaged in activities that ensured the fulfilment of its responsibilities in terms of its Charter. A detailed account of the Board's activities in the 2024/25 financial year is provided below.

Overview of Board activities during the period under review

Amongst other matters, the following are the highlights of the Board's activities in the reporting period:

a) Review and development of policies to ensure that the GPF is managed in an ethical, consistent, transparent and fair manner. Notably, the Debtors' Management Policy was reviewed to address the application of penalty interest charge on defaulting loans, in-line with industry norms and standards.
b) Review and development of frameworks that enable compliance with applicable legislation, regulations and best practice.
c) Consideration of mechanisms to manage the Non-Performing Loan Book, mainly consisting of historical projects, in order to unencumber the organisation's balance sheet;
d) Consideration of Interim Financial Statements on a quarterly basis, monitoring the organisation's financial health and sustainability.
e) Mid-year review of the 2024/25 APP, aligned with performance forecasts and prevailing mid-year considerations.
f) Year-end budget adjustments based on performance to date and the introduction of austerity measures.
g) Approval of the Strategic Plan for 2025–2030, marking a new Medium-Term Development Plan period.
h) Achievement of an unqualified audit for the 2024/25 financial year.
i) Review of the GPF Employment Equity Plan.
j) Development of a Board Development Framework and Plan to regulate and ensure consistent and continuous of Board development, in line with best practice to achieve the required mix of skills in the Board.

Composition of the Board

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

The Board meets regularly, retains full and effective control over the organisation, and monitors the implementation of the GPF's strategic programmes by Executive Management through a structured approach to reporting and accountability. All the GPF's Board committees are chaired by independent non-executive Trustees. The Board meets no less than four times a year to deliberate on matters reserved for its attention.

Craig J Cornish
Chairperson

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

Maseapo Kganedi
Deputy Chairperson

1 June 2023 - present
(Trustee 1 February 2018 - 31 May 2023)

Nangamso Matebese

1 June 2023 - present (Trustee
15 May 2020 - 31 May 2023)

Leon Gert Marincowitz

1 June 2023 - present (Trustee
15 May 2020 – 31 May 2023)

Mpho Hlahla
Trustee

1 June 2023 - present

Rethabile Kikine
Trustee

1 June 2023 - present

Solomuzi Mabuza
Trustee

1 June 2023 - present

Gilberto Martins
Trustee

1 June 2023 - present

Lita Mbokotho
Trustee

1 June 2023 - present

Busi Mhaga
Trustee

1 June 2023 - present

Ezra Ndwandwe
Trustee

1 June 2023 - present

Gugu Phakathi
Trustee

1 June 2023 - present

Puleng Gadebe-Mabaso
Trustee

1 June 2023 - present

The constitution, skills and attendance of the Board are outlined in the following table.

Table 11: Composition of the Board

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Craig Cornish	Chairperson	25 May 2021	N/A	National Diploma in Accounting Post Graduate Certificate – Business Planning, Financial Management and Strategy Post Graduate Certificate – Fraud Prevention, Fraud Detection, Fraud Investigation and Investigative Auditing Reporting	Leadership Finance Accounting Auditing Taxation Governance	MCCS Holdings (Pty) Ltd Mining Civil Construction and Services (Pty) Ltd East2West Holdings (Pty) Ltd Nigel Football Academy (Pty) Ltd Sizanonke Business Enterprises CC Weskus Auto (Pty) Ltd K2016140844 (South Africa) (Pty) Ltd K2012007026 (Pty) Ltd K2023544836 (SA) (Pty) Ltd	Fundraising and Investment Committee	10/10
Maseapo Kganedi	Deputy Chairperson	1 June 2023	N/A	LLM LLB Diploma in Legislative Drafting Certificate in Pension Law Certificate in Corporate Governance BProc	Legal Leadership Strategy Governance Compliance Public Administration	Kganedi Business Services Andzani Family Trust	Human Resources, Social and Ethics Committee	7/10

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Nangamso Matebese	Trustee	1 June 2023	N/A	GMP Chartered Banker MSc Finance MA Finance and Investments BCom (Honours) BCom	Leadership Finance Investments Accounting Strategy Governance Compliance		Audit and Risk Committee	10/10
Leon Gert Marincowitz	Trustee	1 June 2023	N/A	MPhil BA Honours BA	Leadership Governance Property and Real Estate Public Policy and Governance	Gauteng Enterprise Propeller LG Marincowitz Sons and Partners (Pty) Ltd Oikos Trust	Fundraising and Investment Committee	10/10
Mpho Hlahla	Trustee	1 June 2023	N/A	BSc BSc Honours Masters in Town and Regional Planning MBA	Town and Regional Planning Property Management Project Management International Relations	Starfruit Investments (Pty) Ltd Tinley Leisure Women Investments (Pty) Ltd	Audit and Risk Committee	10/10

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Rethabile Kikine	Trustee	1 June 2023	N/A	BProc LLB Certificates in Labour Law, Corporate and Securities Law, AML and Ethics	Legal Contract Management Stakeholder Management Leadership Risk Management Project Management Governance and Compliance	Kikine Solutions Group (Pty) Ltd Lawyers for the Arts South Africa (LASA)	Human Resources, Social and Ethics Committee	10/10
Solomuzi Mabuza	Trustee	1 June 2023	N/A	Bachelor of Theology Honours Theology	Project Management Leadership International Relations Community Engagements and Stakeholder Management	Gauteng Ethics Advisory Council Gauteng Gambling Board	Human Resources, Social and Ethics Committee	10/10

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Gilberto Martins	Trustee	1 June 2023	N/A	B Arch BA Politics Honours Politics Labour Law	Strategic Planning Financial Management Infrastructure Development Leadership Policy Formulation	National Homebuilders Registration Council Institute of Directors of Southern Africa Gilberto Martins Architects and Construction Dispute Consultants MRT Food Distribution Supplies Alleyroad Holdings Alleyroads Commercial Holdings Alleyroads Power Alleyroads Pulse	Audit and Risk Committee	10/10
Lita Mbokotho	Trustee	1 June 2023	N/A	BCom BCom Honours MBA	Financial Management Project Finance Financial Modelling Project Risk Management Leadership Strategy	Tsori Capital Ornecy (Pty) Ltd Ingwetele Wireless (Pty) Ltd Sizani Foods Chris Hani Development Agency HL Holdings Unisa Catering Services Joe Gqabi Economic Development Agency	Fundraising and Investment Committee	10/10

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Busi Mhaga	Trustee	1 June 2023	N/A	National Diploma in Town and Regional Planning BTech – Town and Regional Planning BPhil – Transport and Logistics Global Executive Development Programme - GIBS	Strategy Business Development Financial Management Property Management Project Management	Africapital Gauteng Film Commission	Fundraising and Investment Committee	10/10
Ezra Ndwandwe	Trustee	1 June 2023	N/A	BSc Life Sciences Masters in Business Leadership PhD	Human Capital Management Management Consulting Strategy Development Leadership Financial Management	Dual Point Holdings (Pty) Ltd Gauteng Growth and Development Agency Gauteng Industrial Development Zone DownTown Music Hub FoodBev Seta	Human Resources, Social and Ethics Committee	910
Gugu Phakathi	Trustee	1 June 2023	N/A	NDip (Mechanical Engineering) BTech Mechanical Engineering PMBOK/Project Management Professional Accreditation	Project Management Water Engineering Mechanical Engineering Operations Management Construction Management	Vaal Central Water Board	Audit and Risk Committee	10/10

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Board Directorships	Other Committees or Task Teams	No. of Meetings Attended
Puleng Gadebe-Mabaso	Trustee	1 June 2023	N/A	Masters of Philosophy in Management Coaching (NQF Level 9) Senior Executive Programme: Africa Senior Management Development Programme (NQF Level 8) Bachelor of Arts Honours (NQF Level 8) Bachelor of Arts	Human Capital Management (HCM) Value Chain Human Resource Development (HRD) Employee Relations – Chief Negotiator Audit, Risk and Compliance Policy Development	N/A	N/A	4/10

Board Committees

Table 12: Committees

Committee	No. of meetings held	No. of members	Name of members
Audit and Risk Committee	9	4	Ms Nangamso Matebese (Chairperson) Ms Mpho Hlahla Mr Gilberto Martins Ms Gugu Phakathi
Human Resource, Social and Ethics Committee	6	4	Ms Maseapo Kganedi (Chairperson) Ms Rethabile Kikine Mr Solomuzi Mabuza Dr Ezra Ndwandwe
Fundraising and Investment Committee	9	4	Mr Leon Gert Marincowitz (Chairperson) Mr Craig Cornish Mr Lita Mbokotho Ms Busi Mhaga

Remuneration of Board members

In terms of the Trust Deed, the GPF is required to remunerate non-executive Trustees for their time spent on GPF business, according to a remuneration framework that is agreed upon by the Founder and the Trustees. During the year under review, the Trustees were remunerated in accordance with rates determined by the South African Institute of Chartered Accountants (SAICA), in accordance with the approved framework.

Table 13: Board member remuneration

Name	Remuneration 2024/25 (R)	Other Allowance	Other reimbursements	Remuneration 2023/24 (R)
C Cornish	489 100	-	-	477 704
M Kganedi	279 142	-	-	309 961
LG Marincowitz	409 147	-	-	419 796
N Matebese	386 498	-	-	371 357
M Hlahla	376 037	-	-	307 892
R Kikine	281 992	-	-	284 884
S Mabuza	305 000	-	-	287 760
G Martins	376 037	-	-	287 610
L Mbokotho	347 277	-	-	305 455
B Mhaga	337 211	-	-	282 897
E Ndwandwe	294 934	-	-	284 005
G Phakathi	358 781	-	-	273 220
HC Bhengu	-	-	-	64 638
D Kutumela	-	-	-	38 826
K Khoza	-	-	-	74 776
LE Mthimunye	-	-	-	80 204
SE Morero	-	-	-	37 424

5. Risk Management

Enterprise-Wide Risk Management (ERM) in GPF is being implemented in accordance with PFMA and National Treasury Regulations requirements. GPF has a Risk Management Policy and Framework developed in line with local and international standards and codes, such as the Committee of Sponsoring Organizations (COSO), the International Organization for Standardization (ISO) 31000 and King IV™. This provides a standardised and systematic approach to the design of risk management processes within GPF.

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

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

GPF is in the process of setting its risk appetite and tolerance level. The process will assist the organisation to establish a systematic approach to ERM practices, with the objective of ensuring that all risk exposures are effectively mitigated and managed within the acceptable parameters/thresholds, and to enable the organisation to determine which risk exposures it is capable of terminating or transferring to third parties.

6. Internal Control Unit

Adequate and effective governance, risk management, and control processes directly contribute to the organisations ability to achieve its strategic objectives in line with its mandate. Although GPF does not have an Internal Control Unit, it maintains risk management processes and has designed and implemented internal controls that are monitored to ensure compliance with internal control processes, policies, laws and regulations.

Furthermore, the GPF has developed an action plan to address previously raised internal and external audit findings, in order to mitigate re-occurring of audit findings. Deficiencies that gave rise to audit findings are addressed by management through developing and implementing an action plan which is then assessed by internal audit for progress, adequacy and effectiveness. Most of the previously raised findings have been addressed by management during the financial year, and internal audit continues to track these previously raised findings until they are resolved.

7. Internal Audit and Audit Committee

The GPF has an Internal Audit Unit established in terms of Section 51 of the PFMA. It operates independently of all line and functional management and provides reasonable, proactive, and reactive assurance to the ARC by evaluating the adequacy and effectiveness of governance, risk management and internal control processes. The Internal Audit Unit was co-sourced with ARMS (Audit and Risk Management Solutions) until 31 October 2024, when the service provider's contract ended.

The unit operates under an approved Internal Audit Charter which sets out the purpose, nature, role, responsibility, status and authority of the internal audit function, as well as the scope of its activities. Furthermore, it performs its activities in line with a risk-based internal audit plan as approved by the ARC, as well as conducts its processes in accordance with Global Internal Audit Standards. To achieve full effectiveness, a risk-based strategic approach was adopted which considered the outcomes of the organisation's risk management processes, engagements with management and the external auditor's reports.

The Internal Audit Unit provided an independent analysis, appraisals, recommendations, counsel and information concerning the activities reviewed, aimed at improving accountability and performance. The following internal audit work was concluded during the financial year:

- Supply Chain Management Review;
- Capital Raising Review;
- Review of the 2023/24 Annual Financial Statements;
- Review of Q2 2024/25 Financial Statements;
- General ICT Application and Controls Review;
- Audit of Performance Information (AOPI) of Q4 2023/24;
- Review of the 2023/24 Annual Performance Report;
- Audit of Performance Information (AOPI) of Q1 2025;
- Audit of Performance Information (AOPI) of Q2 2025;
- Employee Performance Management Review;
- Human Resources and Payroll Management Review; and
- Ad-hoc Review on the Fair Presentation of the Financial Statements.

Key activities and objectives of the audit and risk committee

The ARC is a statutory committee of the Board, established in terms of Section 77 of the PFMA, read with Treasury Regulation 27.1 published in terms of the PFMA. The committee is accountable to the Board for the discharge of its responsibilities which include the following:

- Monitoring and evaluate the audit risk and the maintenance of internal controls within the GPF;
- Overseeing the external and internal audit processes;
- Applying the combined assurance model to ensure a coordinated approach to all assurance activities;
- Exercising oversight of internal controls and financial reporting;
- Reviewing risk areas of the GPF's operation to be included in the scope of internal and external audits;
- Encouraging continuous improvement and fostering adherence to the GPF's policies, procedures and practices at all levels;
- Facilitating open communication among the independent auditor, financial and senior management, the internal audit function and the Board of Trustees.

The committee also has specific duties in relation to providing oversight and strategic guidance on:

- Internal audit matters;
- External audit matters;
- Financial reporting and reliability of financial information;
- Risk management;
- Internal control systems;
- Business planning and budget implementation;
- Review of performance information;
- Compliance with laws, regulations and ethics;
- Implementation of a combined assurance model; and
- ICT risks governance.

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Audit and risk committee members

The table below discloses relevant information on the audit committee members.

Table 14: Audit and Risk Committee

Name	Qualifications	Internal or External	If internal, position in the public entity	Date Appointed	Date Resigned	No. of Meetings Attended
Ms Nangamso Matebese (Chairperson)	GMP Chartered Banker MSc Finance MA Finance and Investments BCom (Honours) BCom	External		30 June 2023 (ARC)	N/A	9/9
Ms Mpho Hlahla	BSc BSc Honours Masters in Town and Regional Planning MBA	External		30 June 2023	N/A	7/9
Mr Gilberto Martins	B Arch BA Politics Honours Politics Labour Law	External		30 June 2023	N/A	6/9
Ms Gugu Phakathi	NDip (Mechanical Engineering) BTech Mechanical Engineering PMBOK/Project Management Professional Accreditation	External		30 June 2023	N/A	7/9

8. Compliance with Laws and Regulations

The GPF is committed to operating in full compliance with all statutory and regulatory requirements. Its business is founded on trust and integrity, aimed at benefiting all stakeholders, including clients, employees, service providers, funders, partners, and regulators.

The GPF has developed a Compliance Management Policy that includes a comprehensive Compliance Universe Framework. This framework identifies existing legislation relevant to the organisation's operations, ensuring that the Board and management have a clear understanding of compliance-related risks. Risks associated with non-compliance are effectively identified and managed through Compliance Risk Management Plans, which help to prevent potential breaches or contraventions. Such breaches could lead to penalties, fines, litigation, or reputational damage, all of which could adversely impact the business of the GPF. The Compliance Universe is regularly updated to account for any new or amended legislation applicable to the organisation, ensuring ongoing alignment with regulatory requirements.

The GPF encourages open communication, transparency, and accountability regarding compliance matters. Training is used as a strategic tool to cultivate a compliance culture where ethics and integrity are valued and ensures that employees and stakeholders are kept abreast of any changes in laws or regulations.

Policies are regularly reviewed to ensure they remain in accordance with the legislation and GPF's business strategy.

Compliance programmes and policies are implemented and overseen by the Legal and Compliance Unit, which is responsible for enforcing compliance measures across the organisation.

9. Fraud and Corruption

GPF has established an Anti-Fraud and Corruption Policy as part of its broader efforts to combat fraud and corruption within its operations. This policy reflects the organisation's strong commitment to maintaining integrity and its determination to take decisive action against fraudulent, corrupt, and unethical behaviour. GPF enforces a zero-tolerance stance on such activities and has implemented a structured and proactive approach to prevent, detect, and deter unethical activities and transactions across the organisation.

In alignment with the Anti-Fraud and Corruption Policy, the GPF has implemented robust Anti-Money Laundering measures, including a dedicated Anti-Bribery and Corruption Policy., The measures play a key role in preventing fraud and corruption within the organisation. To strengthen the effectiveness of these policies, the organisation has automated its systems to support client screening processes, thereby enhancing its ability to detect and prevent fraudulent and corrupt activities.

Furthermore, GPF's Whistle-Blowing Policy reinforces its zero-tolerance approach to fraud, corruption, and other unlawful activities. The organisation is committed to creating a safe and supportive environment for individuals who report such misconduct and strongly encourages the reporting of any suspicious or unethical behaviour. GPF also ensures that whistleblowers remain anonymous and that their identities are protected throughout the reporting process.

10. Minimising Conflict of Interest

GPF has developed a Conflict of Interest Policy that defines what constitutes a conflict of interest, outlines the procedures and processes established to ensure compliance, and sets out the consequences of non-adherence.

The Policy applies to trustees, employees, clients, and service providers. In certain cases, cooling-off periods may apply to former trustees, employees, clients, and service providers interested in doing business with the GPF. Prior to entering any business relationship, the GPF undertakes independent screening on all parties to verify that there is no actual or perceived conflict of interest, and when one exists, it is managed.

The GPF upholds transparency and minimises potential conflicts of interest through a comprehensive ethical procurement framework. This framework requires all employees and suppliers involved in procurement activities to submit mandatory declarations of interest. It also incorporates a Delegations of Authority structure to ensure clear segregation of duties, thereby reducing the risk of undue influence and fraud. Secure whistleblowing channels are available for reporting any irregularities.

To further prevent conflicts of interest, Trustees are required to declare their interests at the beginning of each meeting. Trustees and employees are also required to file annual declarations of interest at the beginning of each financial year, with any changes to be disclosed during the year.

During the year under review, all Trustees and employees submitted their annual declarations as required. These declarations confirmed that no conflicts of interest existed between the Trustees and GPF.

Additionally, no declarations of interest or potential conflicts were made by members of the Board in relation to matters considered by the Board or its Committees.

Any external remunerative work undertaken by employees is disclosed and subject to approval by the CEO. Overall, the declarations show that GPF's employees do not hold external interests that could conflict with the organisation's operations.

GPF has also adopted a Gifts and Hospitality Declaration Policy to promote transparency and integrity. The organisation maintains a monthly gift register where employees are required to declare any gifts or hospitality received up to the value of R350.00. Any gifts exceeding this amount are respectfully declined.

Both the Conflict of Interest Policy and the Gifts and Hospitality Declaration Policy are available on GPF's website for ease of access and reference foe all stakeholders.

11. Code of Conduct

Description and nature of the Code of Conduct and Ethics

The GPF Code of Conduct and Ethics is a formal policy framework that sets out the values, principles, and expected standards of behaviour for all employees, management, and Board members. It serves as a guiding document to:

- Promote ethical behaviour and professional integrity.
- Ensure alignment with GPF's values of accountability, transparency, service excellence, and respect.
- Foster a culture of trust and responsibility within the organisation.
- Provide a standard for decision-making that reflects good governance and legal compliance.

The Code addresses areas such as conflict of interest, confidentiality, fraud and corruption, abuse of power, political neutrality, and fair treatment of stakeholders.

Effect on the public entity

The Code of Conduct and Ethics has a positive impact on the GPF by:

- Reinforcing a high-performance and values-driven culture.
- Strengthening public confidence in the organisation's integrity.
- Reducing the risk of misconduct, reputational damage, and legal non-compliance.
- Enhancing governance and accountability across all organisational levels.
- Supporting consistent and fair treatment of both internal and external stakeholders.

The Code is central to ensuring that employees conduct themselves in a manner that supports the mission and reputation of the GPF as a credible and ethical public entity.

Process for handling breaches of the Code

Breaches of the Code are treated seriously and are managed through a defined disciplinary and ethics review process. The steps followed typically include:

- Reporting of the Breach
  - » Breaches may be reported through line management, HCM, or the whistleblowing platform
  - » Anonymous reporting is also allowed, especially in cases of fraud, corruption, or abuse of power.
- Preliminary Assessment
  - » The HCM unit, in consultation with line managers and/or Internal Audit, conducts an initial review to determine if there is prima facie evidence of a breach.
- Formal Investigation
  - » If warranted, a formal internal investigation is initiated
  - » Investigators may include Internal Audit, an external forensic firm, or a designated disciplinary officer.
- Disciplinary Action
  - » Based on investigation findings, appropriate disciplinary action is taken in line with the GPF Disciplinary Code and Procedure. This may range from warnings to dismissal, depending on the severity of the misconduct.
- Ethics Oversight and Reporting
  - » Serious breaches are escalated to senior management, the Audit and Risk Committee, or the Board, as required
  - » Regular reports on ethics-related incidents are included in governance reporting to maintain transparency.
- Corrective Measures
  - » Remedial actions such as training, counselling, or policy reviews may be implemented to address systemic issues and prevent recurrence.

The Code of Conduct is reviewed periodically to ensure its relevance and alignment with applicable legislation, governance frameworks (e.g., King IV™), and emerging ethical challenges in the public sector.

12. Health, Safety and Environmental Issues

The GPF has prioritised the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), to provide a safe workplace for employees. All staff members are required to adhere to the safety directives of the organisation. GPF remains compliant with Occupational Health and Safety (OHS) standards and no incidents were reported during the year under review.

The Safety, Health, and Environment (SHE) Unit has been charged with ensuring that the organisation provides a safe and healthy working environment for its employees, contractors, visitors, and stakeholders by establishing a safety policy, procedures, guidelines, and standards.

Embedding a strong workplace health and safety culture within the GPF is essential for the well-being of both employers and employees. A key part of this performance is completing the development, approval, and implementation of the SHE Policy and Procedure. These governance documents are critical to improving the current health and safety culture within the GPF while also ensuring that the organisation complies with the applicable provisions of the Occupational Health and Safety Act of 1993.

13. Company Secretary

The GPF is constituted as a Trust and is not required by its Trust Deed to appoint a Company Secretary. However, in its endeavour to ensure compliance with good corporate governance, the Board has appointed a Company Secretary to assist it with the implementation of corporate governance principles within the organisation.

During the 2024/25 financial year, the GPF maintained the services of a Company Secretary, who continued to assist the Board in upholding the highest standards of corporate governance and compliance. With the guidance and support from the Company Secretary and Management, the Board was instrumental in ensuring that all statutory requirements are met with diligence and precision.

Throughout the year, the Company Secretary focused on enhancing the organisation's governance framework, ensuring transparency, and fostering a culture of accountability. Board meetings were conducted with a strong emphasis on strategic oversight and risk management, reflecting the Board's commitment to ensuring sustainability of the GPF.

Continuous professional development for Trustees to equip them with the latest insights and best practices in corporate governance, was elevated through the development and approval of a Board Development Framework and Plan. The Framework will be implemented in the new financial year.

Looking ahead, the Office of the Company Secretary remains committed to maintaining the organisation's robust governance structures and adapting to the evolving regulatory landscape. The goal is to continue driving excellence in corporate governance, thereby contributing to the long-term success and resilience of the GPF. Together, we will strive to achieve new milestones and uphold the trust placed in us by our Shareholder and stakeholders.

The GPF's performance in relation to good corporate governance practices and principles outlined in King IV™ (as a guide), follows.

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Table 15: Application of the principles of the King IV report on corporate governance

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
1	The governing body should lead ethically and effectively.	Development and implementation of a governance framework and related policies that promote effective and ethical leadership.	Applied	The Board aspires for continuous improvement in this area and has ensured the development of policies and programmes that aim to inculcate ethical culture in the organisation. The implementation of these policies and programmes is at an early stage and is being monitored on a quarterly basis.	Review of the Fraud Prevention Policy.	Risk Manager	Completed
					Evaluation and review of the whistle-blowing hotline usage.	Corporate Services Executive (CSE)	Quarterly. This is included in the Legal and Compliance Report. A service provider who will manage the GPF whistle-blowing hotline has been appointed.
2		The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen.	Applied	Same comment as above.	The Human Resources and Social and Ethics Committee (HRSEC) has approved a reviewed Social and Ethics Programme for 2024/25.	COSEC	Quarterly

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
3	The governing body should ensure that the organisation is and is seen to be a responsible citizen.	Development and implementation of a Social and Ethics Programme to give effect to the mandate of the Board, as delegated to the HRSEC.	Applied	As articulated in the Social and Ethics Programme Update Report, various activities are being implemented to ensure that the organisation operates in a manner that aligns with good corporate citizenship.	Quarterly reporting on the implementation of the S&E Programme for 2024/25.	COSEC	Quarterly
		Development of an ESG Policy, to amongst other things, reduce the entity's impact on the environment.	Not Applied	There is no ESG Policy in place.	ESG Guidelines have been developed and will be presented to the Board on recommendation of the HRSEC.	CIDO	The guidelines were presented to the HRSEC in March 2025. The Committee will provide its input by 2 May 2025, after which the document will be finalised for presentation to the Board in May 2025.
		Development of a Sponsorship Policy aimed at enhancing the GPF's impact on the communities in which it operates.	Applied	Completed. The Sponsorship Policy is in place.	N/A	N/A	N/A
		Implementation of a CSI initiative for 2024/25.	Applied	A call for proposals for the CSI initiative was published and the CSI Committee will evaluate proposals. The selected project will be implemented during the 2025/26 financial year.	Identification and implementation of a CSI project.	CSE	31 March 2026

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
4	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all interconnected and integral elements of the value creation process.	Setting of organisation's five-year strategy and conducting an annual risk assessment exercise to evaluate the effectiveness of existing risk mitigation strategies and identify emerging risks.	Applied	A Strategic Plan and APP are currently being implemented for the 2024/25 financial year. A Strategic Planning Session with the Board was held in September 2024, to review the mid-year strategy and current year APP.	Board approval of the final strategic plan for 2025/26 – 2029/30 and the APP for 2025/26.	CEO	Completed
5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium- and long-term prospects.	The entity's AFS and Annual Report are prepared according to the applicable reporting frameworks and standards, with the aim of meeting the requirements of a diverse range of stakeholders. The ARC should assist the Board to verify the integrity of the Annual Report and other disclosures contained therein.	Applied	The Board ensures that the AFS comply with GRAP as well as the PFMA requirements. The AFS are audited by the AGSA to ensure that they correctly represent the financial position of the organisation. The GPF's Annual Report includes a Chairperson's Foreword and a CEO's Overview, which outline the factor influencing the organisation's current performance and highlight opportunities for future development.	Quarterly reporting to the Board on the organisation's performance, including the submission of quarterly interim financial statements, is an established and ongoing practice.	CFO	Ongoing, on a quarterly basis and annually for the Annual Report.

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
6	The governing body should serve as the focal point and custodian of corporate governance within the organisation.	The development and implementation of a governance framework guides and directs the role, responsibilities and conduct of the Board. This framework includes the Board Charter, Committee Charters, Delegation of Authority and other relevant policies that ensure good governance.	Applied	The development and implementation of standard operating procedures across the organisation have reinforced good practices and compliance with corporate governance principles. The Board leads by example and regularly reviews policies and implements changes to improve corporate governance compliance. All the organisation's policies are available on Sharepoint and for all staff members.	N/A	N/A	N/A
7	The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Board should comprise members with the necessary depth of skills and expertise to lead the organisation. The Board believes that this facilitates richer debate, fosters independent decision-making and promotes the entrenchment of good governance policies and practices.	Applied	The Board comprises an appropriate balance of skills and experience. Areas of continuous development in the Risk Management and ICT areas have been identified.	Training and development opportunities on IT governance and risk management are provided to ARC members, as the Committee oversees IT governance and risk management.	COSEC	Completed. The training of the Board on Risk Management was implemented.

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
8	The governing body should ensure that its delegation arrangements within its structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	The constitution of Board committees should ensure a balanced distribution of power; prevent undue reliance being placed on any individual member and manage the risk of any individual member dominating decision-making.	Applied	The non-executive trustees do not participate in the day-to-day operations of the organisation. The Board has approved a delegation of authority through which it delegates some of its functions to its sub-committees and the CEO.	N/A	N/A	N/A
9	The governing body should ensure that the evaluation of its own performance as well as that of its committees, its Chairperson and its individual members, support continued improvement in its performance and effectiveness.	An independent evaluation of the Board, its Committees and its Chairperson, is conducted every two years, with internal informal evaluation carried out in the alternate years.	Applied	For the 2023/24 financial year, the Board has agreed that the Board and its Committees will be evaluated based on their performance against their respective charters and annual work plans.	Conducting an internal performance assessment of the Board and its Committees against their charters and annual wok plans.	COSEC	The HRSEC requested consideration of an online mechanism. The HRSEC and ARC questionnaires were circulated to members on 17 April 2025 and the FIC and Board questionnaires were circulated on 23 April 2025. After the closing date of 15 May 2025, a report will be compiled for presentation at the July 2025 Committee and Board meetings.
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	The Board Charter should clearly specify the roles of the Board, Chairperson and the CEO, who is accountable and reports to the Board, while also serving as the main link between Management and the Board. The CEO is responsible for the implementation and execution of the approved strategy, policy, and APP.	Applied	The Board has ensured that a full complement Executive Management is appointed and authority is delegated accordingly to the CEO and further delegation to the Executive team.	A succession planning framework for the Executive Management, and other key positions has been developed to ensure continuity of leadership. Consultation on the implementation plan is underway.	CEO/CSE	Ongoing

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
11	The governing body should govern risk in a manner that supports the organisation in setting and achieving its strategic objectives.	The Board should set the direction for how risk management is approached and addressed within the organisation. The ARC is responsible for overseeing and guiding Management's implementation of an effective framework and associated plans.	Applied	The Board has approved a Risk Management Strategy and Policy and reviews the organisation's strategic risks annually. Through quarterly reports to the ARC, the Board is kept abreast of risk monitoring activities and the implementation of mitigation measures for existing risks.	N/A	N/A	N/A
12	The governing body should govern technology and information management in a manner that supports the organisation in setting and achieving its strategic objectives.	The Board should exercise ongoing oversight of technology and information governance. It may delegate the authority for setting the technology governance approach to the ARC, which includes adopting appropriate frameworks and standards, and managing related information and technology risks.	Applied	The governing body reviews the organisation's information and technology requirements and ensures that systems are upgraded and updated as necessary to achieve strategic objectives.	N/A	N/A	N/A

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
13	The governing body should oversee compliance with applicable laws, as well as adopted non-binding rules, codes and standards, in a manner that supports the organisation's commitment to ethical conduct and responsible good corporate citizenship.	The Board is accountable for the entity's compliance with applicable laws, regulations, codes and standards. As such, it is responsible for providing strategic oversight and ensuring legislative and regulatory compliance.	Applied	The Board promotes compliance with all relevant laws and statutory requirements and ensures that the organisation develops and implements policies that enable it to comply with same. These policies are made accessible to all staff on the GPF SharePoint.	N/A	N/A	N/A
14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to support the achievement of strategic objectives and to promote positive outcomes in the short, medium and long term.	The Board should approve a Remuneration Policy that supports fair, responsible and transparent remuneration.	Applied – partial compliance	The Board has established the HRSEC, which is responsible for determining the organisation's Remuneration Policy for recommendation to the Board. A review of the Board Remuneration Framework is currently underway, with the assistance of the GDHS, to ensure compliance with National Treasury guidelines.	Development of a Board Remuneration Policy aligns with the National Treasury Regulations for remuneration of public entity Board members, for submission to the shareholder for approval.	COSEC	A draft Board Remuneration Policy was presented to the HRSEC on 18 October 2024. The Committee referred it back for the Company Secretary to conduct a benchmark exercise against similar institutions. The policy, together with the benchmarking results, was presented to the HRSEC on 17 April 2025 and was referred back for further refinement. A special meeting of the Committee will be scheduled in May 2025 to consider a revised document.

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
15	The governing body should ensure that assurance services and functions enable an effective control environment and uphold the integrity of information used for internal decision-making and external reporting.	Adoption of a combined assurance framework. ARC oversight of the application of the combined assurance framework.	Applied	The ARC is responsible for ensuring the appointment of the organisation's internal auditors. The auditors review the controls and integrity of the information and report their findings to Management and the Board for effective decision-making. The Board also considers all management letter points received from the external auditors (AGSA) and takes necessary action to mitigate the risk and/or lack of control that has been identified. The internal auditors further identify any breakdowns in controls and risks within the organisation through the execution of a risk based internal audit plan.	N/A	N/A	N/A

Principle	Description	Recommended Practices	Application status	Extent of Application	Action for Improvement	Responsible	Timeframe
16	In executing its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation.	Development of a stakeholder management strategy and oversight of its implementation.	Applied	The Board aspires to take a stakeholder-inclusive approach in its corporate governance role. A stakeholder mapping process was conducted, resulting in the development of a Stakeholder Management Policy. The implementation of the policy is monitored and reported on a quarterly basis.	N/A	N/A	N/A

14. Social Responsibility

Building upon the mandate of the GPF to enhance the lives of the people of Gauteng through inclusive economic growth, the entity continued to prioritise its role as a caring corporate citizen in the period under review. As an implementing agency of the GDHS, the GPF remains mindful of its responsibility to support and uplift communities across the province, embodying the spirit of Ubuntu within the areas in which it operates and works.

This commitment is underscored by the successful implementation of the Corporate Social Investment (CSI) Policy, which was finalised in the 2022/23 financial year, designed to deliver lasting qualitative and quantitative benefits to intended beneficiaries.

The focus areas of the CSI Policy encompass:

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

Strategically, the policy aims to:

- **Contribute to Social Development** by enabling the GPF to actively participate in the social development element of its transformation agenda, thereby guiding its sustainable contributions to the communities within which the organisation operates.
- **Enhance Reputation and Credibility**, strengthening the GPF's standing as a socially responsible corporate citizen.
- **Encourage Employee Involvement** by cultivating an organisational culture and environment that promotes active employee participation in community development.

Following the initial efforts to support CSI initiatives reported in the previous year, the GPF is pleased to announce the successful implementation of its inaugural CSI project. After a recommendation from the CSI Committee and the approval of the Executive Committee, essential kitchen equipment was procured and delivered to the Holy Hands Caregivers, an organisation dedicated to the well-being of vulnerable children.

The procured items included:

- Two gas stoves and extractors
- A double-door fridge
- Two 19kg gas bottles
- A gas cage cover.

The installation of this equipment was completed, and a gas certificate of compliance was issued to the NGO, ensuring safety and adherence to regulations. Furthermore, the Marketing, Communication and Stakeholder Management unit coordinated a meaningful handover ceremony on Mandela Day, 18 July 2024. This event provided an opportunity for GPF staff to actively contribute their 67 minutes of service, aligning with the global call for good deeds on this significant day. Demonstrating a collective commitment to the initiative, employees also generously donated non-perishable food items and clothes for the children residing at the home. This successful implementation marks a significant step in the GPF's ongoing commitment to making a tangible difference in the lives of the people of Gauteng.

15. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2025.

Audit and Risk Committee responsibility

The Audit and Risk Committee (ARC) reports that it has complied with its statutory responsibilities arising from Section 51 (1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1 which requires that the accounting authority for a public entity must ensure that that public entity has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with applicable regulations and instructions. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter and has regulated its affairs in compliance with this Charter. The Committee has discharged all its responsibilities as contained therein and has also reviewed the appropriateness of accounting policies and practices.

The effectiveness of internal control

Based on the assessments of internal controls undertaken by the Internal Audit during the period under review, and having considered the information, statements, and explanations given by management of the GPF, as well as the discussions with the external auditors, the Audit and Risk Committee is of the opinion that the GPF's systems of internal control are effective and form a sound basis for the preparation of reliable AFS for the 2024/25 financial year.

During the financial year, the internal audit work identified areas of concern where it was found that the internal control environment needed some improvement in the following areas:

- Financial statements internal control environment;
- Information and communications technology control environment;
- Reported Performance Information against Predetermined Objectives;
- Employee Performance Management; and
- HR and Payroll Management.

Internal audit function

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

External auditors

The committee is satisfied that it has complied with its legal, regulatory, and other responsibilities, and has reviewed and approved the engagement letter, audit plan, and budget for external audit for the period under review.

Furthermore, the committee has reviewed and discussed the audited AFS with the Auditor-General and the Trustees. The committee has reviewed the Auditor-General's Management Report and management's response thereto. We have also reviewed the accounting policies and practices and considered the appropriateness of the accounting policies as well as any changes made.

In-year management and monthly/ quarterly report

The GPF has submitted four quarterly reports to the Executive Authority reviewed by ARC and approved by the Trustees.

Evaluation of financial statements

The committee has reviewed the AFS prepared for the year ended 31 March 2025, and it is satisfied that these statements were prepared in accordance with the South African Standards of GRAP issued by the South African Accounting Standards Board, and have complied in all material respects with the requirements of the PFMA.

Auditor's report

The Committee has considered the Auditor General's final draft Management and Audit Reports, the Committee concurs with the Auditor General's opinion. We are pleased that the GPF has obtained an unqualified without findings overall audit outcome (a clean audit) and are of the opinion that the audited financial statements be accepted and read together with the report of the auditor.

During the financial year, we reviewed the GPF's implementation plan for audit issues raised in the prior year and were satisfied that those matters were adequately resolved. To help maintain the clean audit outcome, we have instructed the GPF's management to develop an implementation plan for all the audit issues raised by the Auditor General in the current year, which will be monitored throughout the 2025/26 year.

Ms Nangamso Matebese
Chairperson of the Audit and Risk Committee
Gauteng Partnership Fund
25 August 2025

B-BBEE compliance performance information

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

Table 16: B-BBEE compliance information

Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not in the current financial year
Developing and implementing a preferential procurement policy?	No	GPF has adopted and is implementing the preferential procurement policy as issued by National Treasury through its Supply Chain Management policy.
Determining qualification criteria for the sale of state-owned enterprises?	No	Not in the current financial year
Developing criteria for entering into partnerships with the private sector?	No	Not in the current financial year
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not in the current financial year

APPROVED BY:

Ms Lindiwe Kwele
Chief Executive Officer
Gauteng Partnership Fund
25 August 2025

PART D: HUMAN RESOURCE MANAGEMENT

1. Overview of HR Matters

The Human Resources (HR) function continues to operate as a strategic business partner, with a focus on talent management, workforce optimisation, and employee wellness. Human Capital Management (HCM) remains a key contributor to the organisation's strategic and operational success. With the previous HCM Strategy concluding on 31 March 2025, the 2024/25 financial year centred on transitioning into the new strategic period (2025–2030), including the development and approval of a refreshed HCM Strategy and supporting frameworks. Throughout the year, significant efforts were made to align HR practices with the evolving priorities of the organisation, as outlined in the 2025–2030 Strategic Plan. Amid growing expectations, limited resources, and shifting policy landscapes, the HR team remained committed to empowering employees, advancing transformation, and cultivating a high-performance culture. This report outlines the key HR developments, priorities, achievements, and challenges encountered during the year under review.

Set HR priorities and impact

Key HR priorities included:

- Finalisation and approval of the Employment Equity Plan 2025-2030.
- Roll-out of the Talent Management Framework.
- Enhancing recruitment, onboarding, and retention strategies.
- Strengthening employee engagement and culture-building.
- Promoting health and wellness through holistic programmes.

Impact:

The above priorities yielded improved workforce morale, skills development, and employee alignment to strategic goals, while also laying the foundation for leadership continuity and organisational sustainability.

Workforce planning framework and recruitment strategies

GPF adopted a forward-looking workforce planning approach that included:

- A comprehensive workforce analysis to identify skills shortages.
- Leveraging social and professional digital platforms for recruitment.
- Developing graduate and internship pathways in partnership with academic institutions.
- Embedding employment equity in recruitment and selection processes.

These approaches enhanced the organisation's ability to source and retain diverse and competent talent.

Employee performance management framework

The Performance Management and Development System (PMDS) remained a key driver of accountability. Key elements included:

- Regular performance reviews (contracting, mid-year, final).
- Clear linkages between individual key performance indicators and organisational goals.
- Inclusion of developmental objectives within performance contracts.

This framework facilitated early identification of performance gaps and strengthened a culture of results-based management.

Employee wellness programmes

Employee wellness was supported through targeted initiatives such as:

- Mental wellness awareness and counselling services;
- Annual health and wellness days;
- Financial literacy sessions; and
- Promotion of flexible working to support work-life integration.

These initiatives contributed to a healthier and more resilient workforce.

Policy development

Several HR policies were reviewed and/or developed to promote governance and compliance, including:

- Remote Work and Hybrid Work Policy;
- Succession Planning and Career Development Plan;
- Code of Conduct and Ethics review; and
- Leave Management Policy updates.

Policy development was consultative and aligned with emerging workplace trends and legal requirements.

Highlights

Achievements during the year included:

- Finalisation and approval of the Employment Equity Plan 2025 - 2030;
- Roll-out of the Talent Management Framework across all departments;
- Improvement in employment equity ratios;
- Delivery of over 95% of planned training interventions; and
- Recognition and reward of high-performing employees at the annual awards ceremony.

Challenges

Key challenges experienced during the year included:

- Financial constraints limiting broader training opportunities.
- Difficulty in recruiting specialised roles due to market shortages.
- Change management resistance among some staff.
- Slow adoption of digital HR systems.

Despite these challenges, the HR team remained agile and solution-oriented, using innovation and stakeholder engagement to navigate hurdles.

Future HR plans/goals

Looking forward, the GPF HR team will prioritise the following initiatives:

- Full implemtation of digital HR systems and e-learning platforms;
- Leadership and management capacity-building programmes;
- Deeper integration of wellness into everyday operations;
- Implementation of a Recognition and Reward Policy; and
- Strengthening monitoring and evaluation of HR initiatives.

These efforts will further entrench a high-performance, employee-centric culture that supports organisational excellence and transformation.

Zitha Properties, 169 Jacoba Road

2. Human Resource Oversight Statistics

The tables that follow provide an overview of personnel-related expenditure, broken down by occupational level and division. In addition, the tables reflect training-related expenditure, employee movements, terminations, and disciplinary matters for the financial year under review.

Personnel related expenditure

Table 17: Personnel cost by division

Division	Total expenditure for the entity	Personnel expenditure	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
Office of the CEO	12 650 532,04	12 650 532,04	20,55%	9	1 405 614,67
Corporate Services Division	20 862 878,63	20 862 878,63	33,88%	19	1 098 046,24
Finance Division	15 181 950,42	15 181 950,42	24,66%	17	893 055,91
Investment and Development Division	12 878 673,55	12 878 673,55	20,92%	13	990 667,20
Total	**61 574 034,64**	**61 574 034,64**	**100%**	**58**	**4 387 384,02**

Table 18: Personnel cost by salary band

Salary band	Personnel expenditure	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
Top Management	3 868 232,96	6,28%	1	3 868 232,96
Senior Management	11 120 874,79	18,06%	6	1 853 479,13
Professional Qualified	24 442 101,37	39,70%	14	1 745 864,38
Skilled	20 821 743,30	33,82%	33	630 961,92
Semi-skilled	1 021 944,30	1,66%	3	340 648,10
Unskilled	299 137,92	0,49%	1	299 137,92
Total	**61 574 034,64**	**100,00%**	**58**	**8 738 324,41**

Table 19: Performance rewards

Salary band	Performance rewards	Personnel expenditure	% of performance rewards to total personnel cost
Top Management	117 575,23	3 868 232,96	0,19%
Senior Management	0,00	11 120 874,79	0,00%
Professional Qualified	0,00	24 442 101,37	0,00%
Skilled	0,00	20 821 743,30	0,00%
Semi-skilled	0,00	1 021 944,30	0,00%
Unskilled	0,00	299 137,92	0,00%
Total	**117 575,23**	**61 574 034,64**	**0,19%**

No performance rewards or bonuses were paid for staff members, except for the one employee who was seconded to the GDHS and her bonus for the prior period 2023/24 was only paid in 2024/25.

Table 20: Training costs

Category	Training expenditure
Bursaries	R438 934,94
Short courses unit standard based	R53 085,15
Short courses non-unit standard based	R415,387,04
Total	**R907 407,13**

Table 21: Employment and vacancies

Salary band	2023/24 No. of employees	2024/25 Approved posts	2024/25 No. of employees	2024/25 Vacancies	% of vacancies
Top Management	4	1	1	0	0,00%
Senior Management	3	6	5	1	1,69%
Professional Qualified	14	18	13	5	8,47%
Skilled	28	30	29	1	1,69%
Semi-skilled	4	3	3	0	0,00%
Unskilled	0	1	1	0	0,00%
Total	**53**	**59**	**52**	**7**	**11,85%**

Note: The reduction in Top Management from four (4) to one (1) is due to the reclassification and movement of three (3) executives to Senior Management.

During the reporting period, the organisation made several concerted efforts to fill vacancies at highly skilled levels. These attempts included public advertisement of posts through reputable digital media platforms, as well as engagement with recruitment agencies to widen the talent pool and attract appropriately qualified candidates.

Despite these efforts, certain vacancies could not be filled internally due to the non-availability of staff with the required qualifications, competencies, or experience for the highly skilled roles.

Some of the critical vacancies have remained unfilled for a minimum period of six to twelve months, depending on the role. The prolonged vacancy periods can be attributed to various factors, including:

- A limited pool of suitably qualified candidates in the market;
- High competition from both public and private sector employers;
- Delays in recruitment approvals and budget constraints; and
- The need for specialised and scarce skills not readily available.

To mitigate these challenges and improve the organisation's ability to attract and retain talent, several strategic measures have been implemented:

- Offering market-aligned remuneration and flexible benefits packages;
- Reviewing and strengthening the Employee Value Proposition (EVP);
- Enhancing employer branding through social media and professional platforms;
- Promoting internal talent development through structured succession planning and leadership development programmes; and
- Establishing partnerships with institutions of higher learning to develop future talent pipelines.

These interventions are aimed at not only closing current vacancies but also ensuring the long-term sustainability of the organisation’s human capital capacity.

Employment changes

Table 22: Employment changes

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	4	0	0	1
Senior Management	3	0	1	5
Professional Qualified	14	0	1	13
Skilled	28	6	5	29
Semi-skilled	4	0	0	3
Unskilled	0	0	0	1
Total	**53**	**6**	**7**	**52**

Note: The reduction in Top Management from four (4) to one (1) is due to the reclassification and movement of three (3) executives to Senior Management.

Table 23: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0,0%
Resignation	5	62,5%
Dismissal	0	0,0%
Retirement	1	12,5%
Ill health	0	0,0%
Expiry of contract	1	25,0%
Other	0	0,0%
Total	**7**	**100,0%**

Table 24: Labour relations: Misconduct and disciplinary action

Reason	Number
Verbal Warning	0
Written Warning	0
Final Written Warning	1
Dismissal	0
Total	1

Equity target and employment equity status

Table 25: Equity demographics – Male

Salary band	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	0	0	0
Professional Qualified	5	0	1	0	0	0	0	0
Skilled	13	0	1	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**18**	**0**	**2**	**0**	**1**	**0**	**0**	**0**

Table 26: Equity demographics – Female

Salary band	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0
Senior Management	2	0	1	0	0	0	1	0
Professional Qualified	7	0	0	0	0	0	0	0
Skilled	12	0	2	0	0	0	1	0
Semi-skilled	4	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
Total	**26**	**0**	**3**	**0**	**0**	**0**	**2**	**0**

Table 27: Equity demographics – Persons living with disabilities

Salary band	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	1	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	**1**	**0**	**0**	**0**

PART E: PFMA COMPLIANCE REPORT

1. Irregular, Fruitless and Wasteful Expenditure and Material Losses

Irregular expenditure

Reconciliation of irregular expenditure

Description	2024/25 R'000	2023/24 R'000
Opening balance	43 984	36 300
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	56	7 684
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**44 040**	**43 984**

Reconciling notes

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	56	7 684
Total	**56**	**7 684**

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

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	44 040	43 984
Irregular expenditure under investigation	-	-
Total	**44 040**	**43 984**

Details of irregular expenditure condoned

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure condoned	-	-
Total	**-**	**-**

Details of irregular expenditure – (not condoned)

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure NOT condoned and removed	-	-
Total	**-**	**-**

Details of irregular expenditure recoverable

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure recoverable	-	-
Total	**-**	**-**

Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/25 R'000	2023/24 R'000
Irregular expenditure written off	-	-
Total	**-**	**-**

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2024/25 R'000	2023/24 R'000
Opening balance	216	216
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
Closing balance	**216**	**216**

Reconciling notes

Description	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

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

Description	2024/25 R'000	2023/24 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	216	216
Fruitless and wasteful expenditure under investigation	-	-
Total	**216**	**216**

Details of fruitless and wasteful expenditure recoverable

There was no fruitless and wasteful expenditure recoverable.

Details of fruitless and wasteful expenditure not recoverable and written off

There was no fruitless and wasteful expenditure not recoverable and written off.

Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

There were no disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure.

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

Details of material losses through criminal conduct

There were no details of material losses through criminal conduct.

2. Late and/or Non-Payment of Suppliers

Nature of losses	Number of invoices	Consolidated value R'000
Valid invoices received	769	705 656
Invoices paid within 30 days or agreed period	769	705 656
Invoices paid after 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

3. Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Leadership magazine advertorial	Cape Media Corporation	Sole service provider	Once off	115
Leadership magazine advertorial	Picasso Headline (Arena Holdings)	Sole service provider	Once off	52
Township online subscription	Teamwork crew limited	Sole service provider	Once off	90
Township Economies Conference and EXPO	Manufacturing Indaba	Sole service provider	Once off	45
Amendment of a report by the appointed service provider	Mwrebi Auditors and Accountants Incorporation	Sole service provider	Once off	15
Indemnity insurance for the Board	Sankofa Insurance Brokers	Sole service provider	Once off	948
HR standards benchmarking	SABPP	Sole service provider	Once off	116
Facilitation of strategic risk assessment for the Board and Executive committee	IOSDA	Sole service provider	Once off	53
Total				**1 434**

Contract variations and expansions

Project description	Name of supplier	Contract modification type	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s R'000	Value of current contract expansion or variation R'000
Website hosting and management services	Big Mouth Marketing T/A Wow Interactive	Variation				18
UISP alternative sewer pilot project	Prana Water and Sanitation	Variation	SLA252	65 000		8 315
Relocation of informal settlement at Cape Gate	Makole Property Development	Variation				251
IT managed services	CS Bits JV (Pty) Ltd	Variation	SLA247	3 484		125
LMS and LAS	Vululwani Technologies	Variation	SLA218	5 774		155
LMS and LAS	Vululwani Technologies	Variation		5 774	155	621
Total				**80 032**	**155**	**9 360**

PART F:

FINANCIAL INFORMATION

Index

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

Report of the Auditor-General to the Gauteng Provincial Legislature on Gauteng Partnership Fund

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Partnership Fund set out on pages 99 to 141, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Partnership Fund as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Context for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Emphasis of matters

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

Material impairments – Loans and receivables at amortised cost

6. As disclosed in note 3 to the financial statements, material impairments of R50 452 538 were incurred as a result of irrecoverable loans to developers.

Restatement of corresponding figures

7. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of omissions or misstatements in the financial statements of the entity at, and for the year ended, 31 March 2025.

Responsibilities of the accounting authority for the financial statements

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA; and for such internal control as the accounting, authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 7, forms part of my auditor's report.

Report on the annual performance report

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

13. I selected the following material performance indicator related to project implementation, development and management programme presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
    - Percentage of disbursements on integrated programmes delivered by the GPF on behalf of the GDHS from the project implementation, development and management programme.
14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected indicators.

Material misstatements

18. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for project implementation, development and management programme. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

Other information in the annual report

22. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.
23. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
24. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

27. I did not identify any significant deficiencies in internal controls.

Auditor-General

Johannesburg

7 August 2025

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(4)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a) 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 33.1.1; 33.1.3
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

Report of the Trustees

The members submit their report for the 12 months ended 31 March 2025.

1. Review of activities

Main business and operations

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

The vision of the organisation, namely "To be a Partner of Choice in Catalysing the Funding and Development of Integrated and Sustainable Human Settlements in Gauteng", encapsulates the mandate.

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

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

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

- GDHS Rapid Land Release Programme management fee of R15,509,053
- GDHS management fees for Mega Projects to a value of R31,397,825; and
- Management fees for UISP amounting to R3,291,871.

2. Statements of responsibility

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

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

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the GPF and place considerable importance on maintaining a strong control environment. To enable the Trustees to meet these responsibilities, the Trustees set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

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

3. Subsequent events

The GPF approved the write-off for Kimovax. (Refer to note 3).

4. Going concern

The Annual Financial Statements have been prepared on a going concern basis, since the Trustees have every reason to believe that the GPF has sufficient resources for the medium-term expenditure period and will continue in operation for the foreseeable future. At reporting date, GPF's assets were sufficient to cover liabilities incurred by the GPF.

Factors considered by management to manage sustainability:

- Monitoring the financial health and quality of assets
- Reducing contractual obligations by assessing the organisations needs
- Revising of budget estimates; and
- Reducing the reliance on government assistance and alternative sources of funding.

5. Property, plant and equipment, and intangible assets

During the period under review, the GPF purchased property plant, and equipment to the value of R3 148 470 (March 2024: R2 820 942).

The carrying value of intangible assets for the period amount to R3 327 399.

6. Secretary

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

7. Constitution of the Board of Trustees

The GPF Board consisted of the following:

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

8. Auditors

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

9. Provision for doubtful debts

In the period under review the provision for doubtful debts decreased to R72 539 588 (March 2024: R79 846 120) (Refer to note 3).

10. Contingencies

The organisation will apply to retain R456 440 019 of its surplus funds from the Provincial Treasury (Refer to note 28).

11. Irregular, fruitless and wasteful expenditure

Irregular expenditure of R55 638 was incurred in the period under review. The irregular expenditure arose as a result of not following normal SCM bid processes (Refer to note 32).

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

In the period under review, the organisation has recorded a surplus of R64 723 452 (2024:R7 378 522).

The Annual Financial Statements set out on 99 to 141, which have been prepared on a going concern basis, were approved by the Board and were signed by the Board of Members on 28 May 2025.

Mr Craig Cornish
Chairperson of the Board
Gauteng Partnership Fund

Statement of Financial Position

as at 31 March 2025

Figures in Rand	Note(s)	12 months ended 31 March 2025	12 months ended 31 March 2024*
Assets			
Current assets			
Cash and cash equivalents	2	746 780 689	811 493 404
Current-portion loans and receivables from exchange transactions	3	81 584 836	51 655 480
Other financial assets	5	676 284 074	947 202 871
Receivables from exchange transactions	6	44 790 141	16 294 994
Loans and receivables held-for-trade	7	47 087 429	68 147 843
		1 596 527 169	**1 894 794 592**
Non-current assets			
Loans and receivables from exchange transactions	3	1 041 429 256	1 010 151 545
Property, plant and equipment	8	4 814 848	3 594 592
Intangible assets	9	3 327 399	3 782 834
Investments	4	8 209 175	7 392 494
		1 057 780 678	**1 024 921 465**
Total assets		**2 654 307 847**	**2 919 716 057**
Liabilities			
Current liabilities			
Unspent funds from the GDHS	10	979 498 793	1 286 357 860
Finance lease obligation	11	125 611	103 826
Payables from exchange transactions	12	28 314 607	51 398 949
Provisions	13	3 089 586	3 408 301
		1 011 028 597	**1 341 268 936**
Non-current liabilities			
Finance lease obligation	11	117 502	243 113
Operating lease liability	14	234 288	-
		351 790	**243 113**
Total liabilities		**1 011 380 387**	**1 341 512 049**
Accumulated surplus		1 642 927 460	1 578 204 008

***Restated refer to note 33**

Statement of Financial Performance

Figures in Rand	Note(s)	12 months ended 31 March 2025	12 months ended 31 March 2024*
Revenue			
Interest received from loans and receivables	15	138 997 947	143 648 623
Management fees	15	50 706 879	44 196 814
Interest received from banks	15	36 096 339	35 685 213
Other income	16	5 159 921	4 960 647
Total revenue		**230 961 086**	**228 491 297**
Expenditure			
Employee related expenses	21	(62 489 416)	(59 778 097)
Depreciation and amortisation	8&9	(2 086 128)	(1 837 515)
Finance costs	19	(58 470)	(16 155)
Lease rentals on operating lease		(5 179 954)	(7 907 750)
Increase in provision for doubtful debts	30	(1 943 753)	(45 906 447)
Repairs and maintenance		(5 362 144)	(3 439 233)
General Expenses	20	(17 813 135)	(19 583 323)
Total expenditure		**(94 933 000)**	**(138 468 520)**
Operating surplus	17	136 028 086	90 022 777
(Loss)/Gain on disposal of assets	31	(260 144)	(71 430)
Fair value adjustments	18	(20 618 952)	(4 811 282)
Impairment loss of loans	3	(50 425 538)	(77 761 543)
		(71 304 634)	**(82 644 255)**
Surplus for the 12 months ended 31 March 2025		**64 723 452**	**7 378 522**

***Restated refer to note 33**

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Restated Balance at 01 April 2023	**1 568 105 280**	**1 568 105 280**
Changes in net assets		
Reversal of fair value loss	2 720 206	2 720 206
Net income (losses) recognised directly in net assets	2 720 206	2 720 206
Surplus for the year	7 378 522	7 378 522
Total recognised income and expenses for the 12 months	10 098 728	10 098 728
Total changes	10 098 728	10 098 728
Restated Balance at 01 April 2024	**1 578 204 008**	**1 578 204 008**
Changes in net assets		
Surplus for the 12 months ended	64 723 452	64 723 452
Total changes	64 723 452	64 723 452
Balance at 31 March 2025	**1 642 927 460**	**1 642 927 460**

***Restated refer to note 33**

Statement of Cash Flows

Figures in Rand	Note(s)	12 months ended 31 March 2025	12 months ended 31 March 2024*
Cash flows from operating activities			
Receipts			
Cash receipts - from borrowers and senior funders		68 076 414	120 714 982
Cash receipts - interest from banks		36 096 339	35 685 213
Management fees received		8 180 007	28 380 412
Funds received from Gauteng Department of Human Settlements and interest earned thereof		643 473 736	440 103 615
Total receipts		**755 826 496**	**624 884 222**
Payments			
Employee costs		(61 698 386)	(59 561 032)
Suppliers		(30 743 196)	(33 921 798)
Finance costs		(31 670)	(16 155)
Payments made to Mega Project contractors and upgrade of Informal Settlement Programme and RLRP		(679 617 700)	(1 577 646 561)
Cash paid to borrowers		(45 450 927)	(97 038 507)
Total payments		**(817 541 879)**	**(1 768 184 053)**
Net cash flows from operating activities	27	**(61 715 383)**	**(1 143 299 831)**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(2 916 184)	(2 345 534)
Purchase of other intangible assets	9	-	(509 557)
Net cash flows from investing activities		**(2 916 184)**	**(2 855 091)**
Cash flows from financing activities			
Finance lease payments		(81 148)	(29 193)
Net cash flows from investing activities		**(64 712 715)**	**(1 146 184 115)**
Cash and cash equivalents at the beginning of the period		811 493 404	1 957 677 519
Cash and cash equivalents as at 31 March 2025	2	**746 780 689**	**811 493 404**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue	120 669 677	-	120 669 677	69 377 718	(51 291 959)	Note 29
Other income	-	-	-	1 086 353	1 086 353	Note 29
Total revenue	**120 669 677**	-	**120 669 677**	**70 464 071**	**(50 205 606)**	
Expenditure						
Personnel	75 422 656	(12 945 471)	62 477 185	61 698 386	(778 799)	Note 29
Lease rentals on operating lease	6 579 200	(217 772)	6 361 428	6 361 428	-	Note 29
General expenses	36 931 219	(10 906 317)	26 024 902	23 211 415	(2 813 487)	Note 29
Total expenses	**118 933 075**	**(24 069 560)**	**94 863 515**	**91 271 229**	**(3 592 286)**	
Surplus/Deficit for the year	**1 736 602**	**-**	**25 806 162**	**(20 807 158)**	**(46 613 320)**	
Statement of Financial Position						
Assets						
Non-current assets						
Property, plant and equipment	5 260 000	(2 170 000)	3 090 000	2 916 143	(173 857)	Note 29
Intangible assets	1 000 000	(1 000 000)	-	-	-	Refer to note 29
Total assets	**6 260 000**	**(3 170 000)**	**3 090 000**	**2 916 143**	**(173 857)**	

The approved budget covers the period from 1 April 2024 to 31 March 2025 and is approved on an actual cash basis by economic classification. The comparison is between the budget and actual expenditure paid which does not include accruals.

Accounting Policies

1. Presentation of financial statements

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

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

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

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

1.1 Significant judgement and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Receivables from exchange transactions

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

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

Financial instruments at fair value

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

Fair value estimation

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

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

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

Impairment testing

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

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 3 and 13 - Provisions.

Taxation

The GPF was granted tax exemption status by the South African Revenue Services in terms of Section 30 of the Income Tax Act, and receipts and accruals are exempt from income tax in terms of Section 10(1) (CN) of the Income Tax Act. The status quo is applicable for the period ended 31 March 2025.

Effective interest rate

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

Useful life of property, plant and equipment

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

Useful life of intangible assets

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

1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

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

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

Property, plant and equipment is initially measured at cost.

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

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

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	4 to 15 years
Motor vehicles	Straight line	13 years
Office equipment	Straight line	2 to 12 years
Computer equipment	Straight line	2 to 11 years
Leasehold improvements	Straight line	10 years

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

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

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

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

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

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

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

1.3 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from GPF and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the GPF intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

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

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

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	10 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.4 Financial instruments

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

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

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

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

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

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

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The GPF is mainly exposed to interest rate risk. Currency risk transactions are minimal.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

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

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

A financial asset is:

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

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

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

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

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

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

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

- instruments held for trading. A financial instrument is held for trading if:
    - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
    - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking.

Classification

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

Class	Category
Loans and receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Loans and receivables from held-for-trade	Financial asset measured at fair value
Other financial assets	Financial asset measured at amortised cost
Financial liabilities	Financial asset measured at amortised cost
Finance lease	Financial liabilities measured at amortised cost
Payables from exchange transactions	Cost
Investment	Financial asset measured at amortised cost
Financial instruments	Financial asset measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at the initial recognition. Classification is re-assessed on an annual basis.

Initial recognition

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

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

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

Subsequent measurement of financial assets and financial liabilities

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

Receivables from exchange transaction

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

Loans and receivables from exchange transactions and receivables held-for-trade

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

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

Impairment and uncollectibility of financial assets

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

For amounts due to the GPF, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.Impairment losses are recognised in surplus or deficit.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the original interest rate from financial asset. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of collateral type and past due status. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed, shall not exceed what the amortised cost would have been has the impairment not been recognised. In determining whether an impairment allowance should be recorded in the statement of financial position, the GPF makes judgments as to whether there is objective evidence that the asset might be impaired. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Criteria used to determine the objective evidence would include financial analysis and non-compliance with the loan agreement. Objective evidence would include a significant or prolonged decline in the fair value of the loan below its cost. Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Assets past due and that have been renegotiated are impaired

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

Payables from exchange transactions

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These amounts are initially measured at amortised fair value and subsequently recorded at amortised cost.

Loans and receivables held-for-trade

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

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

Derecognition

Financial instruments are derecognised when the rights to receive cashflows have been fulfilled or the risk and rewards have been transferred. Any surplus or deficit is recognised through surplus or deficit.

Financial assets

The entity derecognised a financial asset only when:

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

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

Financial liabilities

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

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

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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

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

Finance leases - lessee

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

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

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.6 Impairment of cash-generating assets

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

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

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

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

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

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

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

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

Useful life is either:

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

1.7 Impairment of non-cash-generating assets

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

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

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

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

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

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

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

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

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

Useful life is either:

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

1.8 Share capital/contributed capital

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

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

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

1.9 Employee benefits

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

Insurance policy

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

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

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

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

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

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

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

Post-employment benefits: Defined contribution plans

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

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

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

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

1.10 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

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

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

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

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

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

A constructive obligation to restructure arises only when GPF:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.11 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.12 Revenue from exchange transactions

Revenue from exchange transactions is recognised as revenue to the extent that the GPF has complied with any of the criteria, conditions embodied in the agreement. To the extent that the criteria, conditions or obligations have been met, an asset is recognised.

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

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

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

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

1.13 Revenue from non-exchange transactions

Revenue from non-exchange transactions is recognised as revenue to the extent that the GPF has complied with any of the criteria, conditions embodied in the agreement. To the extent that the criteria, conditions or obligations have been met, an asset is recognised.

GPF revenue from exchange comprises of Government grants.

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

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

1.14 Borrowing costs

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

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

1.15 Principals/agents arrangement

Identification

In reference to GRAP 109, the GPF is an agent that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

Identifying whether an entity is a principal or an agent

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

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

The GPF is the implementing agent for Mega projects and Upgrade of Informal Settlements Programme for the Gauteng Provincial Department of Human Settlements.The GPF acts as a pay master for the Mega Projects Programme while the GPF fully implemented the Upgrade of the informal Settlement Programme. The GPF also administers institutional subsidies on behalf of Gauteng Provincial Department of Human Settlements.

As such, funds received for Mega projects, Upgrade of informal Settlements Programme and institutional subsidies during the financial period is accounted for as a payables from exchange transactions and the corresponding cash deposits received are accounted for as cash and cash equivalents. (Refer note 2 and 10).The GPF does bridging finance for Aspari (RF) (Pty) Ltd and Future Growth Asset Management. These funds are treated as loans and receivables Held-for-trade as they are expected to be repaid during the period.

Recognition

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

The GPF entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

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

1.16 Fruitless and wasteful expenditure

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

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

1.17 Irregular expenditure

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

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

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

a) expenditure incurred in contravention of, or not in accordance with legislation; and
(b) expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance) in a case of institutions that are required to comply with Standards of Generally Recognised Accounting Practice (GRAP) or the International Financial Reporting Standards (IFRS). The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

1.18 Budget information

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

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

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

The approved budget covers the fiscal period from 2024/04/01 to 2025/03/31.

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

1.19 Related parties

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

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

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

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

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

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

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

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

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

1.20 Subsequent events

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

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

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred. The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.21 Going concern assumptions

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

Goldburg Property Development, 52 Northrand Road, Kempton Park, 1619

Notes to the Annual Financial Statements

2. Cash and cash equivalents

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Cash and cash equivalents consist of:		
Petty cash	439	585
Capital accounts	441 765 899	452 980 883
Gauteng Department of Human Settlements	303 062 500	350 522 036
Current account	1 951 851	7 989 900
	746 780 689	**811 493 404**

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

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

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

Credit rating		
First Rand Bank (Ba2)	111 179	15 009 952
Standard Bank (Ba2)	306 258 412	362 847 951
South African Reserve Bank (Ba2)	440 410 659	433 634 916
	746 780 250	**811 492 819**

The entity had the following bank accounts

Account number/description	Bank statement balances		Cash book balances	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Corporate of Public deposits Reserve Account	440 410 659	433 634 916	440 410 659	433 634 916
FNB Capital Account	-	14 259 101		14 259 101
FNB Mega, UISP and RLRP Account	111 179	496 125	111 179	496 125
FNB Operational Account	-	254 727		254 727
Standard Bank Implementing Agent Account	302 951 321	350 025 912	302 951 321	350 025 912
Standard Bank Capital Account	1 355 240	5 086 866	1 355 240	5 086 866
Standard Bank Operational Account	1 951 851	7 735 172	1 951 851	7 735 172
Petty cash	439	585	439	585
Total	**746 780 689**	**811 493 404**	**746 780 689**	**811 493 404**

The GPF's funds for lending activities amounting to R121 038 545 of which R41 893 348 has been committed to future projects. there is also an allocation for the Kasi for Real programme for R11 157 318. The operational reserve account has R311 521 886 which is intended to be utilised over the MTEF for the operational budget.

The First Rand Group Mega Projects, Upgrade of the Informal Settlement Programme, Rapid Land Release Programme, and the Standard bank Implementing account holds project funding of R303 062 500 which is inclusive of interest. These funds are held in terms of the principle agent relationship.

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

3. Loans and receivables from exchange transactions

12 months ended 31 March 2025

Figures in Rand	Emerging Entrepreneur Property Fund	Rental Housing Fund	Social Housing Fund	Student Accommodation	Total
Opening balance	398 112 019	177 533 685	167 844 287	266 661 554	1 010 151 545
Prior years current term portion reversed	28 449 366	13 552 734	8 201 320	1 452 060	51 655 480
Prior years loans and receivables held for trade reversed	66 807 877	-	-	16 856 434	83 664 311
Prior years provision for bad debts reversed	64 934 560	14 911 561	-	-	79 846 121
Advance	35 875 904	-	-	9 007 520	44 883 424
Interest earned	41 492 552	17 419 752	21 372 845	30 559 522	110 844 671
Short-term payment received	(16 528 486)	(14 089 400)	(10 110 131)	(26 409 077)	(67 137 094)
Social benefit adjustment	(11 959 065)	-	-	(252 520)	(12 211 585)
Interest amortised using the effective interest rate methods	22 953 991	6 341 690	(1 585 476)	(3 139 312)	24 570 893
Impairments	(25 918 544)	(17 328 276)	(5 025 234)	(2 180 484)	(50 452 538)
Current-portion of loans and receivables transferred to current assets	(49 844 680)	(18 235 351)	(10 258 838)	(3 245 967)	(81 584 836)
Loans and receivables held for trade	(68 769 057)	-	-	(2 242 207)	(71 011 264)
Provision for bad debts	(55 765 820)	(16 773 768)	-	-	(72 539 588)
Bad debts written off	(9 250 284)	-	-	-	(9 250 284)
Closing balance	**420 590 333**	**163 332 627**	**170 438 773**	**287 067 523**	**1 041 429 256**

In the current period, loans and receivables have been categorised in accordance with various GPF product offerings.

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

12 months ended 31 March 2024

Figures in Rand	Emerging Entrepreneur Property Fund	Rental Housing Fund	Social Housing Fund	Student Accommodation	Total
Opening balance	434 806 395	215 200 671	168 190 627	213 998 586	1 032 196 279
Prior years current-portion of loans and receivables reversed	21 670 652	3 052 921	5 780183	4 543 599	35 047 355
Prior years loans and receivables held for trade reversed	66 675 941	24 251 321	-	11 128 804	102 056 066
Prior years provision for bad debts reversed	33 939 675	-	-	-	33 939 675
Advance	2 627 359	3 194 974	708 169	61 780 560	68 311 062
Interest earned	56 041 948	24 131 665	20 982 928	30 518 721	131 675 262
Short-term payment received	(12 761 836)	(43 140 452)	(18 126 752)	(34 254 407)	(108 283 447)
Social benefit adjustment	(1 371 391)	(119 605)	(81 384)	(1 226 711)	(2 799 091)
Interest amortised using the effective interest rate methods	8 034 274	508 369	1 807 322	585 874	10 935 839
Impairments	(51 359 195)	(21 081 884)	(3 215 486)	(2 104 978)	(77 761 543)
Current-portion of loans and receivables transferred to current assets	(28 449 366)	(13 552 734)	(8 201 320)	(1 452 060)	(51 655 480)
Loans and receivables held for trade	(66 807 877)	-	-	(16 856 434)	(83 664 311)
Provision for bad debts	(64 934 560)	(14 911 561)	-	-	(79 846 121)
Closing balance	**398 112 019**	**177 533 685**	**167 844 287**	**266 661 554**	**1 010 151 545**

Reconciliation of provisions for bad debts

Opening balance	79 846 121	33 939 674
Increase in provision	1 943 753	45 906 447
Reversal of write-off	(9 250 286)	-
Balance as at 31 March 2025	**72 539 588**	**79 846 121**
Total loans and receivables from exchange including current term portion		
Non-current assets	1 041 429 256	1 010 151 545
Current assets	81 584 836	51 655 480
	1 123 014 092	**1 061 807 025**

4. Investment

Name of entity	Listed/Unlisted	% holding 2025	% holding 2024	Carrying amount 31 March 2025	Carrying amount 31 March 2024
Cicima	Unlisted	19,00 %	19,00 %	8 209 175	7 392 494

The GPF entered into an agreement with Cicima to restructure a portion of its loan amounting to R6.2 million into 19% preference shares which are redeemable over a period of 360 months.The shares earn a premium that is linked to the prime lending rate.

5. Other financial assets

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
At amortised cost		
Other financial assets	676 284 074	947 202 871
The funds transferred to attorneys relates to the deposits made in relation to the Rapid Land Release Programme for the purchase of land parcels which will be distributed to beneficiaries inline with our agreement with the GDHS as an implementing agent on their behalf. These funds accrue interest which is due to the GPF.		
Current assets		
Amortised cost	676 284 074	947 202 871

6. Receivables from exchange transactions

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Office lease deposit	970 000	-
UISP fee receivable	1 062 189	7 406 319
Sundry debtors - Aspari (RF) (Pty) Ltd	2 113 500	1 605 372
Sundry debtors - Clients	27	27
Sundry debtor - Future Growth Asset Management (Pty) Ltd	2 024 667	2 024 667
Gauteng Department of Human Settlements management fees accrued	26 660 487	-
Employee debtors	378 350	-
Other receivables	7 182 000	3 591 000
Prepayments and sundry debtors	4 398 921	1 667 609
	44 790 141	**16 294 994**

Current

Sundry debtors as above are as a result of:

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

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

Employee debtors relate to leave days owed to the GPF by its employees at the end of the reporting period.

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

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Reconciliation of other receivables		
Arkein Capital Claim	3 591 000	3 591 000
Add interest charged on legal claim	3 591 000	-
	7 182 000	**3 591 000**

The court ruled in favour of the GPF on the matter that relates to the Arkein Capital claim. The organisation is awaiting the bill of costs for the legal fees from the taxing master which will be charged against Arkein Capital.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Fair value of trade and other receivables

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

7. Loans and receivables held for trade

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Aspari Bridging Finance		
Bixowize (Pty) Ltd - Erf 278, Primrose Hill	5 424 527	6 392 789
Bravo Enterprise and Projects (Pty) Ltd - Erf 231, Kempton Park located on 26 Kempton	4 958 669	5 837 042
Cicima Property Management Solutions (Pty) Ltd - Erf 1686, Benoni	6 979 740	8 228 629
Epitome	4 056 047	4 853 712
Hectofield (Pty) Ltd - Erf 644, Pretoria North	740 303	868 900
Izakhiwo Properties (Pty) Ltd	6 575 951	7 840 812
Lekotu Enterprise (Pty) Ltd	11 974 406	14 258 443
Korema Property Group (Pty) Ltd - Erf 436 & 437, Bellevue East, JHB	54 616	64 529
Nelisa Properties (Pty) Ltd - Erf 388, Windsor, Randburg	2 748 292	3 269 161
Property Kalcha (Pty) Ltd - Portion 1&2 of Erf 1871 Albertville, Randburg	184 520	215 448
K2023733111	1 961 179	-
Simelani Business Solutions (Pty) Ltd - Erf 2682, Kempton Park	216 062	253 969
Stormstrong (Pty) Ltd - Erf 299 Windsor, Randburg	501 797	594 026
FutureGrowth Bridging Finance		
Watershed Properties (Pty) Ltd - Portion 202 of farm 265, Ruimsig, Ext 102	711 320	856 157
PDC Development	-	14 614 226
	47 087 429	**68 147 843**

Loans and receivables held for trade comprise senior bridging loans that will be repaid by a senior funders which are measured at fair value.Of the R47 087 429 (March 2024:R68 147 843) R46 376 109 is attributable to Aspari (RF) (Pty) Ltd and R711 320 is attributable to Future Growth Asset Management (Pty) Ltd.

8. Property, plant and equipment

Figures in Rand	12 months ended 31 March 2025			12 months ended 31 March 2024		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	1 660 413	(1 474 134)	186 279	1 660 413	(1 401 852)	258 561
Motor vehicles	1 097 623	(246 926)	850 697	161 076	(160 973)	103
Office equipment	3 091 136	(1 889 811)	1 201 325	3 335 585	(1 614 518)	1 721 067
Computer equipment	8 052 490	(5 478 443)	2 574 047	6 777 317	(5 223 779)	1 553 538
Leasehold improvements	5 261 300	(5 258 800)	2 500	5 261 300	(5 199 977)	61 323
Total	**19 162 962**	**(14 348 114)**	**4 814 848**	17 195 691	**(13 601 099)**	**3 594 592**

Reconciliation of property, plant and equipment - 12 months ended 31 March 2025

Figures in Rand	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	258 561	-	-	(72 282)	186 279
Motor vehicles	103	936 547	-	(85 953)	850 697
Office equipment	1 721 067	325 587	(262 955)	(582 374)	1 201 325
Computer equipment	1 553 538	1 886 336	(34 551)	(831 276)	2 574 047
Leasehold improvements	61 323	-	-	(58 823)	2 500
	3 594 592	**3 148 470**	**(297 506)**	**(1 630 708)**	**4 814 848**

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

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

Pledged as security

No assets were pledged as security.

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

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Office equipment	(221 338)	(4 206)
Computer equipment	(29 184)	(67 224)
	(250 522)	**(71 430)**
Assets subject to finance lease (Net carrying amount)		
Office equipment	269 199	330 185
Repairs and Maintenance		
Office equipment	-	2 000
Computer equipment	90 362	-
Furniture and fittings	-	53 820
	90 362	**55 820**

The reassesment of useful lives have been conducted and the impact of the assessment was deemed as immaterial under note 8.

9. Intangible assets

	12 months ended 31 March 2025			12 months ended 31 March 2024		
Figures in Rand	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	4 574 117	(1 246 718)	3 327 399	4 574 117	(791 283)	3 782 834

Reconciliation of intangible assets -12 months ended 31 March 2025

Figures in Rand	Opening balance	Amortisation	Total
Computer software	3 782 834	(455 435)	3 327 399

Reconciliation of intangible assets - 12 months ended March 2024

Figures in Rand		Additions	Amortisation	Total
Computer software	3 717 950	509 557	(444 673)	3 782 834

10. Unspent funds from the GDHS

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Movement during the year		
Balance at the beginning of the year	1 286 357 860	1 674 648 983
Transfers from the GDHS	624 489 058	398 813 946
Funds utilised	(1 002 030 771)	(860 008 237)
Interest earned	70 683 939	72 685 870
Bank charges	(1 293)	(1 465)
Transfers/Adjustment	-	218 763
	979 498 793	**1 286 357 860**

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

11. Finance lease obligation

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Minimum lease payments due		
- within one year	162 296	162 296
- in second to fifth year inclusive	127 591	289 887
	289 887	452 183
less: future finance charges	(46 774)	(105 244)
	243 113	**346 939**
Non-current liabilities	117 502	243 113
Current liabilities	125 611	103 826
Total	**243 113**	**346 939**

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

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

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

12. Payables from exchange transactions

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Accruals salary related	73 623	73 623
Gauteng Department of Human Settlements Management fees received in advance	24 030 623	45 733 010
Payables Aspari (RF) (Pty) Ltd	2 587 839	3 157 797
Trade and other payables	1 622 522	2 434 519
	28 314 607	**51 398 949**

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

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

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

13. Provisions

Reconciliation of provisions - 12 months ended 31 March 2025

Figures in Rand	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for long service awards	422 607	343 354	(249 833)	-	516 128
Provision for leave pay	2 615 448	1 161 769	(1 203 759)	-	2 573 458
Provisions for bonuses	370 246	-	(117 575)	(252 671)	-
	3 408 301	**1 505 123**	**(1 571 167)**	**(252 671)**	**3 089 586**

Reconciliation of provisions - 12 months ended 31 March 2024

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

Provision for leave is based on current salary rates and included in the statement of financial position. A provision is made for the estimated liability as a result of services rendered by employees up to reporting date. The timing and payout of this provision is uncertain. The organisation further allocated a provision for long service awards.

14. Operating lease liability

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Current assets	-	-
Non-current liabilities	234 288	-
Current liabilities	-	-
	234 288	**-**

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

15. Revenue

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Interest received from banks	36 096 339	35 685 213
Interest received from loans and receivables	138 997 947	143 648 623
Management fees	50 706 879	44 196 814
	225 801 165	**223 530 650**
The amount included in revenue arising from management fees are as follows:		
Mega Projects management fees	31 397 825	28 903 655
Aspari (RF) (Pty) Ltd management fees	508 128	-
Upgrade of Informal Settlement Programme management fee	3 291 873	7 876 913
Rapid Land Release Programme fees	15 509 053	7 416 246
	50 706 879	**44 196 814**

16. Other income

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Contract recovery costs	1 050 000	4 774 420
Discount received for assets purchased	112 628	90 372
Fees on legal claim	3 960 940	-
Proceeds from Insurance claim	36 353	95 855
	5 159 921	**4 960 647**

17. Operating surplus

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Operating surplus of R136 028 086 (2024: R90 022 777) is stated after accounting for the following:		
External audit management fees	2 752 911	2 251 550
Internal audit management fees	715 092	1 401 761
	3 468 003	**3 653 311**
Operating lease charges		
Premises		
• Contractual amounts	4 206 660	6 578 789
• Utilities	973 294	1 306 748
Office equipment		
• Contractual amounts	-	22 213
	5 179 954	**7 907 750**
(Loss)/Gain on sale of assets	(260 144)	(71 430)
Amortisation on intangible assets	457 412	444 673
Depreciation property, plant and equipment	1 628 716	1 392 842
Employee costs	62 489 416	59 778 097

18. Fair value adjustments

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Fair value loss on held for trade instruments	(8 407 367)	(2 012 191)
Social benefit on loans and receivables	(12 211 585)	(2 799 091)
	(20 618 952)	**(4 811 282)**

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

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

19. Finance costs

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Finance lease	58 470	16 155

Finance cost is interest charged for the finance leases.

20. General expenses

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Auditors remuneration	3 468 003	3 653 311
Bank charges	2 068	5 491
Board fees	4 241 156	4 188 409
Consulting and professional fees	3 494 199	6 539 643
Entertainment	79 609	92 852
Insurance	761 447	222 134
Marketing	2 735 767	2 716 619
Magazines, books and subscriptions	146 862	149 438
Fuel and oil	14 081	13 510
Printing and stationery	32 322	36 242
Corporate social investment	99 900	-
Security	27 067	31 522
Telephone and fax	1 427 682	766 480
Training	738 816	860 009
Travel	485 403	273 207
Offsite storage	58 753	34 456
	17 813 135	**19 583 323**

21. Employee related expenses

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Basic	54 986 997	53 202 387
Medical aid - company contributions	2 859 894	2 949 794
Life cover	1 275 740	585 408
Retirement annuity	3 366 785	3 040 508
	62 489 416	**59 778 097**

22. Taxation

No provision has been made for period as the GPF has been granted tax exemption status by the South African Revenue Service in terms of Section 30 of the Income Tax Act, and receipts and accruals are exempt from income tax in terms of Section 10(1) (CN) of the Income Tax Act. The status quo is applicable for the current financial period.

23. Commitments

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Authorised capital expenditure		
Already contracted for but not provided for		
- Intangible assets	327 661	327 661
Total capital commitments		
Already contracted for but not provided for	327 661	327 661

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

Operating lease		
Minimum lease payments due		
- within one year	3 296 691	3 047 642
- in second to fifth year inclusive	3 228 437	6 798 146
	6 525 128	**9 845 788**

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

Loan commitments - 12 months ended 31 March 2025

Figures in Rand	Emerging Entrepreneur Property Programmes	Rental Housing	Social Housing	Reversed during the year	Total
Opening balance	49 600 722	5 661 128	12 000 000	57 883 595	125 145 445
Additions	-	-	-	24 198 454	24 198 454
Drawdowns	(34 770 796)	-	-	(7 916 330)	(42 687 126)
Cancellations	(4 146 528)	(5 661 128)	(12 000 000)	(42 955 768)	(64 763 424)
Closing balance 12 months ended 31 March 2025	**10 683 398**	**-**	**-**	**31 209 951**	**41 893 349**

Loan commitments - 12 months ended 31 March 2024

Figures in Rand	Emerging Entrepreneur Property Fund	Commercial Housing	Social Housing Fund	Rental Housing Fund	Student Accommoda-tion	Total
Opening balance	32 704 924	8 814 335	-	5 661 128	44 735 824	91 916 211
Additions	17 088 297	-	12 000 000	-	38 617 075	67 705 372
Drawdowns	(192 499)	-	-	-	(25 469 304)	(25 661 803)
Cancellations	-	(8 814 335)	-	-	-	(8 814 335)
Closing balance 12 months ended 31 March 2025	**49 600 722**	**-**	**12 000 000**	**5 661 128**	**57 883 595**	125 145 445

24. Related parties

The GPF is a related to all departments and entities under the Gauteng Department of Human Settlements by virtue of being under control of the same MEC.

Relationships

Ultimate controlling entity	
Controlling entity	Gauteng Department of Human Settlements
Controlled entities	Refer to note
Joint ventures	Refer to note

Related party transactions

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Fees Earned		
Mega Projects management fees	31 397 826	28 903 655
UISP management fees	3 291 872	7 876 913
RLRP management fees	15 509 053	7 416 246

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

Related party balances

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Amounts included in trade payable regarding related parties		
Subsidies Programme	9 316 347	8 920 207
Mega Projects	187 089 859	177 612 485
UISP	84 373 280	121 230 386
RLRP	698 719 306	978 594 781

Principle agent transactions

Figures in Rand	Mega Projects Programme	Rapid Land Release Programme	Upgrade of the Informal Settlements Programme	Subsidies Programme	Total
Payments	627 956 513	332 681 652	41 392 606	-	1 002 030 771

Related party transactions

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Non-executive Trustees Board fees		
C Cornish (Chairperson appointed 15 May 2023)	489 100	477 704
M Kganedi (Deputy Chair appointed 15 May 2023)	279 142	309 961
NM Matebese	386 498	371 357
LG Marincowitz	409 147	419 796
B Mhaga	337 211	282 897
E Ndwandwe	294 934	284 005
G Martins	376 037	287 610
G Phakathi	358 781	273 220
L Mbokotho	347 277	305 455
M Hlahla	376 037	307 892
R Kikine	281 992	284 884
S Mabuza	305 000	287 760
HC Bhengu (Term ended 15 May 2023)	-	64 638
D Kutumela (Term ended 15 May 2023)	-	38 826
K Khoza (Term ended 15 May 2023)	-	74 776
LE Mthimunye (Term ended 15 May 2023)	-	80 204
SE Morero (Term ended 15 May 2023)	-	37 424
	4 241 156	**4 188 409**

Ms Puleng Gadebe-Mabaso is the shareholder representative and is not remunerated.

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

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Executive Management - Chief Executive Officer - L Kwele		
Basic	3 494 548	3 260 794
Performance bonus	-	205 845
Retirement annuity contribution, medical aid and life cover	316 105	349 807
	3 810 653	**3 816 446**
Executive Management - Chief Financial Officer - N Genuka		
Basic	1 999 123	1 865 395
Performance bonus	-	117 575
Retirement annuity contribution, medical aid and life cover	164 508	216 748
	2 163 631	**2 199 718**
Executive Management - Corporate Services Executive - A Clark		
Basic	1 828 011	1 651 190
Performance bonus	-	101 714
Retirement annuity contribution, medical aid and life cover	184 224	195 701
Acting allowance	-	71 970
	2 012 235	**2 020 575**
Executive Management - Chief Investment and Development Officer - L Manenzhe		
Basic	1 999 123	-
Performance bonus	117 575	-
Retirement annuity contribution, medical aid and life cover	164 508	-
	2 281 206	**-**
Company Secretary - T Zide		
Basic	1 787 096	1 659 487
Performance bonus	-	104 759
Retirement annuity contribution, medical aid and life cover	148 582	197 114
	1 935 678	**1 961 360**
Investment and Development Officer - S Lorgart (Appointed acting CIDO in October 2022 - 31 March 2024)		
Basic	-	998 268
Performance bonus	-	106 290
Retirement annuity contribution, medical aid and life cover	-	99 813
Acting allowance	-	209 147
	-	**1 413 518**

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

25. Financial risk and objectives

Objective

The GPF's principal financial instruments comprise of financial instruments at fair value, loans and receivables from exchange transactions, cash and cash equivalents, financial liabilities and receivables from exchange transactions. The nonfinancial liabilities are finance lease and provisions. The main purpose of the financial instruments at fair value, loans and receivables from exchange transactions and cash and cash equivalents is to assist Social Housing Institutions to leverage funding from private financial institutions, in line with one of the objectives of the GPF. The receivables from exchange transactions, payables from exchange transactions, finance lease and obligations arise directly from the GPF's operations.

The risks arising from the GPF's financial instruments are credit risk, interest rate risk and liquidity risk. The Board of Trustees reviews and agrees on policies for managing these risks.

The objective of managing financial instrument risk is to safeguard the GPF assets whilst still enabling fulfillment of the GPF mandate. The GPF's method of measuring the risks mentioned below involves detailed project feasibility, regular project monitoring and management.

Liquidity risk

Liquidity risk is the risk arising from default of the counter-party. The GPF manages liquidity risk by granting of loans to borrowers for affordable housing through proper management of working capital, capital expenditure and actual vs forecasted cash flows and its cash management policy. The objective of managing liquidity risk is to safeguard the GPF assets whilst still enabling fulfillment of the GPF mandate. The GPF manages liquidity risk through regular monitoring of financial assets. The forecasted cash flows considers the maturity of its financial assets and project cash flows from operations. Adequate reserves and liquid resources are also maintained. The following table sets forth details of the remaining contractual maturities of financial assets and liabilities as at the period ended 31 March 2025. Liquidity risk is currently 1.74% (2024:3.7%). Liquidity risk is calculated by dividing the financial and non-financial liabilities by the financial assets as per the table shown below:

Financial assets - 12 months ended 31 March 2025

Figures in Rand	Due or due no later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Loans and receivables from exchange transactions	17 411 041	44 451 884	168 337 188	1 033 157 613	1 501 558 062	2 764 915 788
Cash and cash equivalents	746 780 689	-	-	-	-	746 780 689
Receivables from exchange transactions	44 790 141	-	-	-	-	44 790 141
Other financial assets	-	-	676 284 074	-	-	676 284 074
	808 981 871	**44 451 884**	**844 621 262**	**1 033 157 613**	**1 501 558 062**	**4 232 770 692**

Financial and non-financial liabilities - 12 months ended 31 March 2025

Figures in Rand	Due or due no later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Payables from exchange transactions	(28 240 985)	-	-	-	-	(28 240 985)
Non-financial liabilities						
Provisions	(3 089 586)	-	-	-	-	(3 089 586)
Commitments	(41 893 349)	-	-	-	-	(41 893 349)
	(73 223 920)	-	-	-	-	(73 223 920)
	735 757 951	**44 451 884**	**844 621 262**	**1 033 157 613**	**1 501 558 062**	**4 159 546 772**

Financial assets - 12 months ended March 2024

Figures in Rand	Due or due no later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Loans and receivables from exchange transactions	19 106 406	43 586 393	168 997 162	881 654 487	1 964 946 261	3 078 290 709
Cash and cash equivalents	811 493 404	-	-	-	-	811 493 404
Receivables from exchange transactions	16 294 994	-	-	-	-	16 294 994
Other financial assets	-	-	947 202 871	-	-	947 202 871
	846 894 804	**43 586 393**	**1 116 200 033**	**881 654 487**	**1 964 946 261**	**4 853 281 978**

Financial and non-financial liabilities - 12 months ended 31 March 2024

Figures in Rand	Due or due no later than one month	Due later than one month but not later than three months	Due later than three months but not later than one year	Due later than one year but not later than five years	Due later than five years	Total
Payables from exchange transactions	(51 325 329)	-	-	-	-	(51 325 329)
Non-financial liabilities						
Provisions	(3 408 301)	-	-	-	-	(3 408 301)
Loan commitments	(125 145 455)	-	-	-	-	(125 145 455)
Subtotal	(179 879 085)	-	-	-	-	(179 879 085)
Total	**667 015 719**	**43 586 393**	**1 116 200 033**	**881 654 487**	**1 964 946 261**	**4 673 402 893**

Interest rate risk/market risk

The GPF's exposure to the risk of changes in the market interest rate relates primarily to the GPF's loans and receivables from exchange transactions with floating interest rates. The objective of interest rate risk management is to consider the effect of fluctuations in interest rates that might affect the fair value or future cash flows of a financial instrument. The method for measuring interest rate risk is the sensitivity analysis for fluctuations in the interest rate. Interest rate risk is managed internally by ensuring that allowances for increased interest rates are provided for in the project assessment. The GPF's exposure to interest rate risk arises from increases in the rate that could give rise to unexpected changes in cash flows.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the GPF's surplus (through the impact of floating rate loans). The effect on surplus has been determined by calculating an increase or decrease of a basis point on the current interest rates of the receivables from exchange transaction and interest received from banks. There has been no movement in the period under review for an interest rate change.

	Effect on surplus (R'000)	Increase/ decrease in basis points
Year		
for the 12 months ended 31 March 2025		
Effect of increase in basis points on surplus	1 313	75
Effect of a decrease in basis points on surplus	(1 313)	(75)
	-	**-**

Credit risk

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

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

ii) an integrated system of internal credit risk ratings, pricing and mitigation guided by its risk appetite, and
iii) a rigorous standard for the measurement, monitoring and control of credit risk exposures in the credit portfolios.

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

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

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

- Emerging entrepreneur fund
- Rental housing fund
- Social housing fund
- Student accommodation.

Credit risk mitigation

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

At portfolio level:

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

Maximum exposure

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

The Gauteng Partnership Fund's credit risk exposure arises from default of the counter-party is R72 539 588 (2024: R79 846 121) (Refer to note 3), with a maximum exposure of R1 1961 672 (2024: R2 029 270 890) equal to the carrying amount of loans and receivables from exchange transactions, cash and cash equivalents and receivables from exchange transaction.

Financial assets exposed to credit risk at period-end were as follows:

Credit risk - 12 months ended 31 March 2025

Class of financial instrument	Credit risk exposure	Collateral	Expected credit losses
Loans and receivables from exchange transactions	1 123 014 092	Mortgage bond held by the Gauteng Partnership Fund	72 539 588
for the 12 months ended 31 March 2025	44 790 141		
Cash and cash equivalents	746 780 689	-	-
Loans and receivables held-for-trade	47 087 429		
	1 961 672 351	**-**	**-**

Credit quality analysis

Credit bracket	Default rate Probability of	Default	% of loan book
Loans and receivables from exchange transactions	Low risk	5%	2%
Loans in default greater than 2 months but not more than 4 months	Medium risk	15%	1%
Loans in default over 4 months in arrears	High risk	80%	60%

Collateral held and other credit enhancements

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

The loan is then monitored more closely.

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

- guarantees,
- cession of debtors/rent/other income, and mortgage

Credit quality analysis

Credit bracket	Type	Amount
Current loans not greater than 2 months installments in arrears	Low risk	33 788 965
Loans in default greater than 2 months but not more than 4 months installments	Medium risk	2 676 388
Loans in default over 4 months installments in arrears	High risk	1 108 978 987
		1 145 444 340

Assessments of clients

The GPF assesses credit risk on loans on an individual basis using all relevant information about the loan and the borrower.

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

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

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

26. Financial and non-financial instruments

For the 12 months ended 31 March 2025

Figures in Rand	Financial Instruments at Amortised Cost	Financial Instruments at fair value	Other assets	Other Liabilities	Total
Financial Assets					
Loans and receivables from exchange transactions	1 123 014 092	-	-	-	1 123 014 092
Loans and receivables held-for-trade	-	47 087 429	-	-	47 087 429
Receivables from exchange transactions	-	-	44 790 141	-	44 790 141
Cash and cash equivalents	746 780 689	-	-	-	746 780 689
Investment	8 209 175	-	-		8 209 175
Intangible assets	-	-	3 327 399	-	3 327 399
Property, plant and equipment	-	-	4 814 848	-	4 814 848
Other financial assets	676 284 074	-	-	-	676 284 074
Financial Liabilities					
Payables from exchange transactions	-	-	-	(28 314 607)	(28 314 607)
Finance lease	-	-	-	(243 113)	(243 113)
Unspent conditional grants and receipts	-	-	-	(979 498 793)	(979 498 793)
Operating lease	-	-	-	(234 288)	(234 288)
Provisions	-	-	-	(3 089 586)	(3 089 586)
	2 554 288 030	**47 087 429**	**52 932 388**	**(1 011 380 387)**	**1 642 927 460**

For the year ended 31 March 2024

Figures in Rand	Financial Instruments at Amortised Cost	Financial Instruments at fair value	Other assets	Other Liabilities	Total
Financial Assets					
Loans and receivables from exchange transactions	1 061 807 025	-	-	-	1 061 807 025
Loans and receivables held-for-trade	-	68 147 843	-	-	68 147 843
Receivables from exchange transactions	-	-	16 294 994	-	16 294 994
Cash and cash equivalents	811 493 404	-	-	-	811 493 404
Investment	7 392 494	-	-		7 392 494
Intangible assets	-	-	3 782 834	-	3 782 834
Property, plant and equipment	-	-	3 594 592	-	3 594 592
Other financial assets	947 202 871	-	-	-	947 202 871
Payables from exchange transactions	-	-	-	(51 398 949)	(51 398 949)
Finance lease	-	-	-	(346 939)	(346 939)
Unspent conditional grants and receipts	-	-	-	(1 286 357 860)	(1 286 357 860)
Provisions	-	-	-	(3 408 301)	(3 408 301)
	2 827 895 794	**68 147 843**	**23 672 420**	**(1 341 512 049)**	**1 578 204 008**

The above table illustrates the categorisation of financial instruments.

The GPF uses level 2 valuations techniques to initially recognise:

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

The fair value of finance leases are capitalised at the lower of present value of minimum lease payments or fair value. The discounted rate used in calculating the present value of minimum lease payments is 22% for printers.

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

Figures in Rand	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial Assets				
Loans and receivables from exchange transactions	1 123 014 092	1 061 807 025	1 123 014 092	1 061 807 025
Receivables from exchange transactions	44 790 141	16 294 994	44 790 141	16 294 994
Cash and cash equivalents	746 780 689	811 493 404	746 780 689	811 493 404
Loans and receivables held-for-trade	47 087 429	68 147 843	47 087 429	68 147 843
Other financial assets	676 284 074	947 202 871	676 284 074	947 202 871
	2 637 956 425	**2 904 946 137**	**2 637 956 425**	**2 904 946 137**

Figures in Rand	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Financial Liabilities				
Non-financial liabilities - Finance lease obligation	243 113	346 939	243 113	346 939
Liabilities - Payables from exchange transactions	28 314 607	51 398 949	28 314 607	51 398 949
	28 557 720	**51 745 888**	**28 557 720**	**51 745 888**

27. Net cash outflow from operating activities

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Surplus	64 723 452	7 378 522
Adjustments for:		
Depreciation and amortisation	2 086 128	1 837 515
Loss/(Gain) on sale of property, plant and equipment	260 144	71 430
Impairment loss	50 425 538	77 761 543
Fair value adjustments	20 618 952	4 811 282
Finance costs - Finance leases	58 470	16 155
(Decrease)/Increase in operating movements in operating lease assets and accruals	234 288	(398 708)
Increase/(Decrease) in provisions	(318 715)	(2 323 885)
Non-cash fees earned	(1 162 628)	(4 774 420)
Increase in provision for doubtful debts	1 943 752	45 906 447
Changes in working capital:		
(Increase)/Decrease in receivables from exchange transactions	(28 495 147)	2 115 453
Increase in other financial asset	270 918 797	(748 618 873)
(Decease)/Increase in payables from exchange transactions	(22 932 342)	(39 744 145)
(Decrease)/Increase in unspent grants	(306 859 067)	(388 291 123)
(Increase) in loans and receivables from exchange transactions	(52 928 306)	31 609 308
Decrease in loans and receivables held-for-trade	21 060 414	17 683 739
Difference in interest capitalised	(81 349 113)	(148 340 071)
	(61 715 383)	**(1 143 299 831)**

28. Contingencies

Contingent liabilities and assets

Contingent liabilities

The Gauteng Partnership fund will apply to retain R456 440 019 of its surplus funds from the Gauteng Provincial Treasury.

Contingent asset

The court ruled in favour of the GPF regarding the Arkein Capital matter, The GPF awaits the taxing bill from the taxing master in order to claim for the legal costs.

29. Budget comparison

Comparison between budget and actual amounts for the 12 months ended 31 March 2025.

The budget for the 2024/25 financial year was adjusted down to R97 953 515. The spending for the year ended 31 March 2025 amounts to R94 187 372 which translates to 96% spending on the overall budget. The saving in expenditure was as a result of stringent monitoring on the budget and expenditure.

The actual cash generated in the period under review was R70 446 071, the under recovery was due to the non-payment of management fees.

30. Increase in provision for doubtful debts

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
ClareWater	446 117	2 686 645
Comucap	212 349	192 487
DNM Estate	(849 670)	3 348 399
Shukumani	244 700	1 130 119
SOA	280 400	271 495
Lakeside	156 608	657 986
Golden City	47 718	2 998 701
Kimovax	(378 304)	892 550
Volatorque	681 397	1 414 049
Simelani	(799 300)	14 665 119
EGC Wolhunter	358 114	171 645
Kesef	822 696	13 325 868
Fundzo	720 927	4 151 384
	-	-
	1 943 752	**45 906 447**

The GPF has provided for an increase in provision for doubtful debts due to the non-payment by the developers on the loans. These loans have been referred to legal for recovery.

The loan balance for Comucap, SOA, Tumaini and Kimovax were written off during the year.

The loan to Clarewater (Pty) Ltd - Erf 1509, Discovery, Roodepoort was provided for as a doubtful debt due to breach of contract. Management has provided for a total loss of R4 812 077. The GPF has instituted legal proceedings against the borrower.

The loan to Shukumani Trading Enterprise (Pty) Ltd - Erf 550 Bertrams was provided for as a doubtful debt due to breach of contract. Management has provided for a total loss of R4 307 440. The GPF has instituted legal proceedings against the borrower.

The loan to DNM Estate (Pty) Ltd - Erf 517 and 518, City and Suburban was provided for as a doubtful debt due to breach of contract in the prior period. Management has provided for a total loss of R24 047 180. GPF has instituted legal proceedings against the borrower.

The loan to Lakeside (Pty) Ltd was provided or as a doubtful debt due to breach of contract in the prior period. Management has provided for a total loss of R814 594. GPF has instituted legal proceedings against the borrower.

The loan to Golden City (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R3 046 418 The GPF has instituted legal proceedings against the borrower.

The loan to Valortorque (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a total loss of R2 095 446.The GPF has instituted legal proceedings against the borrower.

The loan to Simelani was provided for as a doubtful debt due to breach of contract. Management has provided for a total loss of R13 865 819. The GPF has instituted legal proceedings against the borrower.

The loan to EGCWolhunter (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R529 759.The GPF has instituted legal proceedings against the borrower.

The loan to Kesef (Pty) Ltd was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R14 148 563. The GPF has instituted legal proceedings against the borrower.

The loan to Fundzo Trading (Pty) Ltd - Portion 15 of Erf 8489, Protea North was provided for as a doubtful debt due to breach of contract. Management has provided for a loss of R4 872 310. The GPF has instituted legal proceedings against the borrower.

31. (Loss)/Gain on disposal of assets

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Loss on disposal of assets	**(260 144)**	**(71 430)**

32. Irregular expenditure

Figures in Rand	12 months ended 31 March 2025	12 months ended 31 March 2024
Irregular expenditure - current year	55 638	7 683 754
	-	-
Total	55 638	7 683 754

Details of current year irregular expenditure incident	Disciplinary steps taken/criminal proceedings	
No three quotations obtained	Under Determination	55 638

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

33. Prior period errors

During the period under review, Management discovered misstatements relating to the prior years and adjustments effected are reported in this note.

Statement of financial position

2024

	Note	As previously reported	Correction of error	Restated
Current term portion loans and receivables from exchange transaction	3&26	51 079 659	575 821	51 655 480
Loans and receivables from exchange transactions non-current	3&26	1 082 254 990	(72 103 445)	1 010 151 545
Operating lease liability	14	234 288	(234 288)	-

Statement of financial performance

2024

	Note	As previously reported	Correction of error	Restated
Interest received from loans and receivables	15	155 322 907	(11 674 284)	143 648 623
Increase in provision for doubtful debts	30	120 792 122	(74 885 675)	45 906 447
Fair value adjustment	18	4 583 933	227 349	4 811 282
Impairment of loans	3	15 094 404	62 667 139	77 761 543
General expenses	20	15 394 914	4 188 409	19 583 323
Employee related expenses	21	63 966 506	(4 188 409)	59 778 097
Lease rentals on operating lease		8 142 038	(234 288)	7 907 750

Statement of changes in Net Assets

2024

	Note	As previously reported	Correction of error	Restated
Accumulated surplus		1 649 497 341	(71 293 333)	1 578 204 008

The organisation noted an error in the published Annual Financial Statements of R433 million under the provision for bad debts, this had no material bearing on the reported sum as it was correct.

34. Subsequent events

The GPF wrote off the loan balance for Kimovax after the reporting date (Refer to note 3).

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PR296/2025

ISBN: 978-1-83491-164-9

Title of Publications: Gauteng Partnership Fund (GPF) Annual Report 2024/25.