



The Johannesburg Zoo NPC  
Trading as Johannesburg Zoo  
Annual Financial Statements  
for the year ended 30 June 2011

Auditor-General: South Africa  
Registered Auditors  
Issued 31 October 2011

# The Johannesburg Zoo NPC

(Registration number 2000/022951/08)

Trading as Johannesburg Zoo

Annual Financial Statements for the year ended 30 June 2011

## General Information

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<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	The core business of the company is the preservation and management of biodiversity through direct conservation action, education, research and recreation.
<b>DIRECTORS</b>	Prof HC Kasan (Chairperson) Dr SD van der Spuy (Chief Executive Officer) Mr S Snell Mr CD Kneale Dr J Ledger Ms N Naidu Mr R Tshikovhi Ms R Morojele
<b>REGISTERED OFFICE</b>	The Johannesburg Zoo Jan Smuts Avenue Parkview 2193
<b>BUSINESS ADDRESS</b>	The Johannesburg Zoo Jan Smuts Avenue Parkview 2193
<b>POSTAL ADDRESS</b>	Private Bag X13 Parkview 2122
<b>CONTROLLING ENTITY</b>	The City of Johannesburg Metropolitan Municipality incorporated in South Africa
<b>BANKERS</b>	Absa Bank Limited
<b>AUDITORS</b>	Auditor-General: South Africa Registered Auditors
<b>SECRETARY</b>	Ms H Feuerbach
<b>CHIEF FINANCE OFFICER (CFO)</b>	Ms N Thanjekwayo

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

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The following supplementary information does not form part of the annual financial statements and is unaudited:

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## ABBREVIATIONS

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IFRS	International Financial Reporting Standard
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
PFMA	Public Finance Management Act

# The Johannesburg Zoo NPC

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## Directors' Responsibilities and Approval

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The directors are required by the Municipal Finance Management Act, Act 56 of 2003, and the Companies Act of South Africa, Act 61 of 1973, 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 the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or deficit 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. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The company is wholly dependent on The City of Johannesburg Metropolitan Municipality for continued funding of operations. The annual financial statements are prepared on the basis that the company is a going concern and that The City of Johannesburg Metropolitan Municipality has neither the intention nor the need to liquidate or curtail materially the scale of the company.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements.

The annual financial statements set out on pages 5 to 47, which have been prepared on the going concern basis, were approved by the directors on 31 October 2011 and were signed on their behalf by:

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**Dr SD van der Spuy (Chief Executive Officer)**

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**Mr S Snell**  
**Non Executive Director**

**Johannesburg**

**31 October 2011**

# The Johannesburg Zoo NPC

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## Audit Committee Report

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We are pleased to present our report for the financial year ended 30 June 2011.

### Audit committee responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of section 166(2)(a) of the MFMA. We further report that we have conducted our affairs in compliance with this charter.

### The effectiveness of internal control

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management letter of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations there from. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

We are satisfied with the content and quality of monthly and quarterly reports prepared and issued by the auditors of the municipality during the year under review.

### Evaluation of annual financial statements

We have:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the auditors;
- Reviewed the Auditor-General of South Africa's management letter and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entities compliance with legal and regulatory provisions;
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

### Internal audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

### Auditor-General of South Africa

We have met with the Auditor-General of South Africa to ensure that there are no material unresolved issues.

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**Chairperson of the Audit Committee**

**Date:** \_\_\_\_\_

# The Johannesburg Zoo NPC

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Annual Financial Statements for the year ended 30 June 2011

## Directors' Report

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The directors submit their report for the year ended 30 June 2011.

### 1. INCORPORATION

The company was incorporated on 30 June 2000 and obtained its certificate to commence business on the same day.

### 2. GOING CONCERN

We draw attention to the fact that at 30 June 2011, the company had accumulated surplus of R341 178 (2010: R298 063) and that the company's total assets exceed its liabilities by R 2 200 892 (2010: R 2 157 777).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The existence of the company is dependant on the continued support of its sole shareholder, The City of Johannesburg Metropolitan Municipality which remains the company's main source of income.

### 3. SIGNIFICANT MATTERS

Executive Management Contracts

The CEO, Executive Manager Human Resources and Executive Manager Marketing and Education's employment contracts expired on or before the reporting date. These executive managers were allowed to act in the said positions in terms of the City of Johannesburg Metropolitan Municipality Circular 7/2010 transitional arrangements.

### 4. DIRECTORS INTEREST IN CONTRACTS

The directors of the company did not have any personal interest in contracts entered by the company.

### 5. ACCOUNTING POLICIES

The company has prepared its annual financial statements in terms of Generally Recognised Accounting Practices. Where no guidance is available in the current GRAP, paragraph 12 of GRAP3 was considered. The company did not change the accounting policies. Prior year errors have been accounted for in both the current period and the comparative period.

### 6. BORROWING LIMITATIONS

In terms of the sale of business agreement, The Johannesburg Zoo NPC does not have the authority to borrow funds on its own behalf. All external funding is managed under the auspices of The City of Johannesburg Metropolitan Municipality Asset and Liability Committee.

### 7. NON-CURRENT ASSETS

There are no major changes in the nature of the non-current assets of the company during the year. Useful lives and residual values were reviewed and adjusted in terms of GRAP17.

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## Directors' Report

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### 8. DIRECTORS

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality	Changes
Prof HC Kasan (Chairperson)	South Africa	Appointed 17/03/2011
Dr SD van der Spuy (Chief Executive Officer)	South African	
Prof HC Kasan	South African	
Mr S Snell	South African	
Mr CD Kneale	South African	
Dr J Ledger	South African	
Ms N Naidu	South African	
Mr R Tshikovhi	South African	
Ms R Morojele	South African	
P Mosupye	South African	Resigned 17 March 2011
Ms I Jacobs	South African	Resigned 17 March 2011

### 9. CORPORATE GOVERNANCE

#### General

The directors are committed to business integrity, transparency and professionalism in all their activities. As part of this commitment, the directors supports the highest standards of corporate governance and the ongoing development of best practice.

The company confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King III Report on Corporate Governance for South Africa. The directors discuss the responsibilities of management in this respect, at Board meetings and monitor the company's compliance with the code on a three monthly basis. The company is working towards compliance with King III report on corporate governance.

#### Board of directors

The Board:

- retains full control over the company, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the company;
- is of a unitary structure comprising:
  - 7 non-executive directors, all of whom are independent directors as defined in the Code; and
  - 1 executive director.

#### Chairperson and Chief Executive Officer

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

#### Remuneration

The remuneration of the Chief Executive Officer, who is the only executive director of the company, is determined by the shareholder. The remuneration of key management and directors are disclosed in a note of the annual financial statements.

The members of the Human Resources and Remuneration Committee are Ms RT Morojele and Ms N. Naidu.

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## Directors' Report

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### Executive meetings

The Board has met on 6 separate occasions during the financial year. The Board schedules to meet on a quarterly a basis.

Non-executive directors have access to all members of management of the company.

Name	Board Meeting	Risk committee meeting	Audit committee meeting	Human Resources and Remuneration Committee	Marketing & Education Committee meeting	Conservation Committee meeting	Planning and Oversight Committee Meeting
Prof HC Kasan (Chairperson)	6	1	1		3		2
Dr SD van der Spuy (Chief Executive Officer)	6	5	5	6	3	3	2
Mr S Snell	5	4	5				2
Mr CD Kneale	6					4	
Dr J Ledger	6	5				3	2
Ms N Naidu	4	5		6			2
Mr R Tshikovhi	6		2		4		2
Ms R Morojele	6				4		
Ms P Mosupye	1						
Ms I Jacobs	2		2				
Total number of meetings held	6	5	5	6	4	4	2

### Audit committee

The members of the Audit Committee are Mr S Snell (Chairperson) and Mr R Tshikovhi who was appointed on 17/03/2011. The committee met five times during the 2011 financial year to review matters necessary to fulfill its role. The independent committee members are Mr B Zungu, Mr A Torres and Mr G Dunnington.

### Internal audit

The company has appointed Joburg Risk and Audit Services as internal auditors. The internal auditors have performed a function that is compliant with the MFMA.

## 10. SPECIAL RESOLUTIONS

The Company did not pass any special resolutions.

## 11. BANKERS

The Johannesburg Zoo banks with the Amalgamated Bank of South Africa Limited ('ABSA').

The management of the treasury function within the company is managed under the auspices of The City of Johannesburg Metropolitan Municipality Assets and Liabilities Committee and Treasury department.

## 12. AUDITORS

Auditor-General: South Africa will continue in office in compliance with the Public Audit (Act No 25 of 2004), section 92 of the MFMA and section 270(2) of the Companies Act.

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## Directors' Report

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### 13. COMPANIES ACT

The Companies Act, 2008 (Act 71 of 2008) became effective on 1 May 2011 as per proclamation R. 32 published in Government Gazette 34239 on 26 April 2011. The Companies Act, 2008 repealed the whole of the Companies Act, 1973 (Act 61 of 1973), except for Chapter 14 in as far as it deals with the liquidation and winding-up of insolvent companies.

In term of Item 4(1)(a) of Schedule 5 (Transitional Arrangements) to the Companies Act, 2008, the company is deemed to have amended its Memorandum of Incorporation as of the general effective date to expressly state that it is a non-profit company, and to have changed its name in so far as required to comply with section 11 (3). Therefore, as from 1 May 2011, the name of the company is Johanennesburg Zoo NPC.

All references to the Companies Act in these annual financial statements are to the Companies Act, 2008, unless otherwise indicated.

# **The Johannesburg Zoo NPC**

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## **Company Secretary's Certification**

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### **Declaration by the company secretary in respect of Section 268G (d) of the Companies Act**

In terms of section 268G(d) of the Companies Act, Act 61 of 1973 (as amended), section 88(2)(e) of the Companies Act, Act 71 of 2008 (as amended) and the Municipal Finance Management Act, Act 56 of 2003, I certify that, to the best of my knowledge and belief, the company has lodged and/or filed, for the financial year ended 30 June 2011, all such returns and notices as required and that all such returns and notices are true, correct and up to date.

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**Ms H Feuerbach**  
**Company Secretary**

**The Johannesburg Zoo NPC**  
**31 October 2011**

# The Johannesburg Zoo NPC

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## Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
<b>ASSETS</b>			
<b>Current Assets</b>			
Inventories	3	666 773	655 446
Loans to shareholders	4	16 495 458	10 780 689
Trade and other receivables	5	1 901 434	1 419 348
Other receivables from non-exchange transactions		1 000	1 000
VAT receivable		148 037	-
Prepayments		-	33 165
Cash and cash equivalents	6	21 666	29 768
		<b>19 234 368</b>	<b>12 919 416</b>
<b>Non-Current Assets</b>			
Zoo animals (purchased and donated)	7	68 135	71 082
Property plant and equipment	8	5 898 151	5 998 143
Intangible assets	9	402 581	479 461
		<b>6 368 867</b>	<b>6 548 686</b>
<b>Total Assets</b>		<b>25 603 235</b>	<b>19 468 102</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Finance lease obligation	10	356 082	311 968
Trade and other payables	11	9 739 578	3 963 549
Other payables from non-exchange transactions	12	1 167 796	1 262 969
VAT payable		-	874 545
Provisions	13	2 740 727	3 866 898
Bank overdraft	6	71 780	37 468
		<b>14 075 963</b>	<b>10 317 397</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	10	2 171 380	1 077 213
Retirement benefit obligation	14	7 155 000	6 044 000
		<b>9 326 380</b>	<b>7 121 213</b>
<b>Total Liabilities</b>		<b>23 402 343</b>	<b>17 438 610</b>
<b>Net Assets</b>		<b>2 200 892</b>	<b>2 029 492</b>
<b>NET ASSETS</b>			
Contribution from shareholders		1 859 714	1 859 714
Accumulated surplus		341 178	169 778
<b>Total Net Assets</b>		<b>2 200 892</b>	<b>2 029 492</b>

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## Statement of Financial Performance

Figures in Rand		2011	2010
<b>Revenue</b>			
Service charges	31	16 917 219	12 279 419
Rental facilities and equipment	32	1 475 693	2 581 945
Interest received		418 066	452 557
Government grants	29	40 370 000	36 778 923
Other revenue		3 493 743	3 647 798
<b>Total Revenue</b>		<b>62 674 721</b>	<b>55 740 642</b>
<b>Expenditure</b>			
Employee costs	22	(40 587 528)	(40 441 479)
Depreciation, amortisation and impairments		(2 078 986)	(1 059 041)
Interest expense	20	(291 459)	(178 017)
Bad debts		25 593	(29 739)
Repairs and maintenance		(1 717 025)	(1 804 894)
Contracted services	33	(5 128 603)	(4 419 973)
General Expenses	28	(12 731 086)	(14 074 193)
<b>Total Expenditure</b>		<b>(62 509 094)</b>	<b>(62 007 336)</b>
Gain on disposal of assets		5 773	343 472
<b>Surplus (deficit) for the year</b>		<b>171 400</b>	<b>(5 923 222)</b>

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## Statement of Changes in Net Assets

Figures in Rand	Note(s)	Share capital	Other NDR	Accumulated surplus	Total equity
Opening balance as previously reported		1 859 714	987 571	6 018 337	8 865 622
Adjustments					
Prior year adjustments	19	-	(987 571)	74 663	(912 908)
<b>Balance at 01 July 2009 as restated</b>		<b>1 859 714</b>	<b>-</b>	<b>6 093 000</b>	<b>7 952 714</b>
Changes in net assets					
Deficit for the year		-	-	(5 923 222)	(5 923 222)
Total changes		-	-	(5 923 222)	(5 923 222)
<b>Balance at 01 July 2010</b>		<b>1 859 714</b>	<b>-</b>	<b>169 778</b>	<b>2 029 492</b>
Changes in net assets					
Surplus for the year		-	-	171 400	171 400
Total changes		-	-	171 400	171 400
<b>Balance at 30 June 2011</b>		<b>1 859 714</b>	<b>-</b>	<b>341 178</b>	<b>2 200 892</b>

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## Cash Flow Statement

Figures in Rand	Note(s)	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		21 132 631	18 405 653
Government grant		40 370 000	36 779 000
		<b>61 502 631</b>	<b>55 184 653</b>
<b>Payments</b>			
Employee costs		(40 562 267)	(40 441 479)
Suppliers		(14 221 432)	(13 987 334)
Interest expense		(5 302)	13 137
		<b>(54 789 001)</b>	<b>(54 415 676)</b>
<b>Net cash flows from operating activities</b>	<b>17</b>	<b>6 713 630</b>	<b>768 977</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment	8	(2 522 763)	(1 047 002)
Proceeds from sale of property plant and equipment		622 633	442 372
Purchase of other intangible assets	9	-	(247 981)
Proceeds from sale of other intangible assets	9	6 731	-
Purchase of zoo animals (purchased and donated)	7	-	(73 542)
<b>Net cash flows from investing activities</b>		<b>(1 893 399)</b>	<b>(926 153)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of shareholders loan		(5 714 769)	(8 944)
Finance lease payments		852 124	43 901
<b>Net cash flows from financing activities</b>		<b>(4 862 645)</b>	<b>34 957</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(42 414)</b>	<b>(122 218)</b>
Cash and cash equivalents at the beginning of the year		(7 700)	114 518
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>(50 114)</b>	<b>(7 700)</b>

# The Johannesburg Zoo NPC

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Annual Financial Statements for the year ended 30 June 2011

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements

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

##### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

##### Effective interest rate

The Company used the interest rate of 5.59% for the 2011 financial year ( 2010: 6.75%) to discount future cash flows.

#### 1.2 Zoo animals (purchased and donated)

Items of Zoo animals are recognised as assets when it is probable that:

- the company controls the asset as a result of past events;
- it is probable that future economic benefits or service potential associated with the asset will flow to the company; and
- the fair value or cost of the asset can be measured reliably.

Animals are accounted for in terms of GRAP17. The majority of animals are received as donations and transfers from other similar institutions for no consideration or from procreation. These assets are recorded at nominal amount, and therefore the animals are not depreciated.

Market determined prices or values are not available due to lack of market for the majority of the animals, because they are not commodities, as well as restrictions on trade of exotic animals which precludes the determination of a fair value.

Alternative estimate of fair value for Zoo animals will be influenced by the age, health, bloodline and other related issues which are arbitrary in nature. Alternative estimates of fair value are not considered to be reliable due to the number of variables involved and the arbitrary nature of the variables

Therefore, on the basis that many species cannot be valued and that reliable values cannot be obtained for other species, it was considered that any assessment value would be misleading to the user of the annual financial statements. .

The Johannesburg Zoo also acquires animals through supply chain processes and these newly acquired animals are carried at cost less accumulated depreciation and any impairment losses. The offspring of newly acquired animals shall be recorded at nominal amount and they are not depreciated.

The longevity of animals has been assessed as follows:

Amphibia	4 – 16 years
Arachnida	2 – 20 years
Aves	4 – 64 years
Mammalia	6 – 64 years

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## Accounting Policies

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### 1.2 Zoo animals (purchased and donated) (continued)

Pisces	1 – 35 years
Reptilia	7 – 80 years
Insecta	4 years

### 1.3 Property plant and equipment

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 company; 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 at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property plant and equipment.

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.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use and held for disposal unless the asset is fully depreciated. However, under usage methods of depreciation the depreciation charge can be zero while there is no production.

Property plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Average useful life
Plant and machinery	6 - 10 years
Furniture and fixtures	10 years
Motor vehicles	10 years
IT equipment	3 years
Operating software	8 years

The useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in 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.

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## Accounting Policies

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### 1.3 Property plant and equipment (continued)

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.

### 1.4 Intangible assets

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 company; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and comprise of software.

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

The computer software that forms an integral part of the computer equipment is included in the note on Plant and equipment and accounted for in terms of GRAP 17.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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

Item	Useful life
Computer software (application)	8 years

### 1.5 Financial instruments

#### Initial recognition

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

#### Loans to (from) shareholder

These loans are recognised initially at fair value plus direct transaction costs.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

On loans receivable an impairment loss is recognised in profit or loss when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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 had the impairment not been recognised.

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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### 1.5 Financial instruments (continued)

When a trade receivable is uncollectable, it is written off against the impairment allowance. Subsequent recoveries of amounts previously written off are credited to the statement of financial performance.

#### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand. These are initially and subsequently recorded at fair value.

#### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### 1.6 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.

#### 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 interest rate implicit in the lease.

Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents shall be charged as expenses in the periods in which they are incurred.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standard of GRAP on Property, Plant and Equipment and the International Accounting Standard on Intangible Assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

Income for leases is disclosed under revenue in statement of financial performance.

### 1.7 Inventories

Inventories shall be recognised as an asset if, and only if,

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

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis

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### 1.7 Inventories (continued)

Inventories are not held for trading and consist of consumables in stock

Inventories that qualify for recognition as assets shall initially be measured at cost.

Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition.

### 1.8 Impairment of assets

Property, plant and equipment and other non-current, and intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Financial Performance for the amount by which the carrying amount of the asset exceeds its recoverable amount, that is, the higher of the asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.9 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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 expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gains or losses are recognised recognised in the period that they occur.

Surplus or deficits on the curtailment or settlement of a defined benefit plan is recognised when the company is demonstrably committed to curtailment or settlement.

Virtually certain reimbursements by the CJMM for some or all of the expenditure required to settle a defined benefit obligation are recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In the statement of financial performance, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

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### 1.9 Employee benefits (continued)

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

The majority of the company employees are members of various defined benefit plans, the assets of which are held in separate trustee-administrated funds. These retirement funds are generally funded by payments from employees, the company and The City of Johannesburg Metropolitan Municipality.

The defined benefit obligation is calculated annually by independent actuaries using the projected credit method.

For defined benefit plans, the accounting costs are assessed and charged to the statement of financial performance. The obligation is measured at the present value of the estimated future cash flows using interest rates of government securities that have terms to maturity approximating the terms of the related liability.

Any asset is limited to unrecognised actuarial losses, plus the present value of available refunds and reduction in future contributions to the plan.

Actuarial gains and losses are charged to the statement of financial performance as the cost occur.

### Other post retirement obligations

The company provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The company also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

### 1.10 Provisions and contingencies

Provisions are recognised when:

- the municipality 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 some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the company settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are not recognised for future operating deficits.

If an company has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

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

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### 1.10 Provisions and contingencies (continued)

Contingent assets and contingent liabilities are not recognised.

### 1.11 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs is recognised as income of the period in which it becomes receivable.

Grants related to income are presented as a credit in the statement of financial performance (separately).

Repayment of a grant related to income is applied first in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

### 1.12 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipal entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Revenue from the provision of a service and the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

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.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### 1.13 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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### 1.13 Revenue from non-exchange transactions (continued)

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a company either receives value from another company without directly giving approximately equal value in exchange, or gives value to another company without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

### 1.14 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.15 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 year 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.

### 1.16 Irregular expenditure

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

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

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

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### 1.16 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

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### 2. Basis of preparation

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice on a basis consistent with the prior years.

### 3. Inventories

Stationery	65 696	82 782
Maintenance materials	15 458	18 614
Food and Beverage	312 444	297 159
Fuel (Diesel, Petrol)	47 027	36 414
Stores, materials and fuels	40 476	37 094
Vet Supplies	185 672	183 383
	<b>666 773</b>	<b>655 446</b>

Inventory consists of consumables which will be utilized by the company in their daily business operations. Inventory is recorded at cost.

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Figures in Rand	2011	2010
<b>4. Loans to shareholder</b>		
City of Johannesburg Metropolitan Municipality - Capex loans	4 541 679	4 510 887
City of Johannesburg Metropolitan Municipality - Sweeping account	11 953 779	6 269 802
	<b>16 495 458</b>	<b>10 780 689</b>

### 4.2. City of Johannesburg Metropolitan Municipality - Capex claim

#### Capex claim movement for the year

Balance at the beginning of the year	4 510 887	1 587 961
Payments received	(7 639 355)	(6 753 074)
Capex claim submitted	7 670 147	9 676 000
<b>Balance at end of year</b>	<b>4 541 679</b>	<b>4 510 887</b>

Capex amount to be claimed from The City of Johannesburg Metropolitan Municipality.

### 4.3. City of Johannesburg Metropolitan Municipality - Sweeping account

#### Sweeping account movement for the year

Balance at beginning of year	6 269 802	5 013 067
Increase in sweeping account	5 683 977	1 256 735
<b>Balance at end of year</b>	<b>11 953 779</b>	<b>6 269 802</b>

The sweeping account is the accumulated balance of Johannesburg Zoo's bank account that is cleared on a daily basis by The City of Johannesburg Metropolitan Municipality. The account bears interest at the repo rate, compounded daily.

## 5. Trade and other receivables

Trade debtors		834 022	1 388 084
Provision of Bad Debts		(4 614)	(30 207)
Related party debtors	18	1 066 323	49 684
Adjustment to fair value at amortised cost		5 703	11 787
		<b>1 901 434</b>	<b>1 419 348</b>

### Trade and other receivables past due but not impaired

Trade and other receivables which are more than 120 days past due are not considered to be impaired. At 30 June 2011, R183 069 (2010: R160 820) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

> 90 days	182 993	129 409
>120 days	76	31 411

### Trade receivables ageing

Current	503 106	161 069
>30 days	137 000	1 072 024
>60 days	2 071	30 162
>90 days	4 352	15 469
>120 days	1 924	12 896
>150 days	76	50
>180 days	181 994	93 880

### Reconciliation of provision for impairment of trade and other receivables

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<b>5. Trade and other receivables (continued)</b>		
Opening balance	30 206	(35 340)
Provision for impairment	-	30 674
Bad debts written off	-	34 872
Unused amounts reversed	(25 592)	-
	<b>4 614</b>	<b>30 206</b>

There is a policy in respect of bad debts in place. Bad debts may only be written off after the company has convinced itself that the debts are irrecoverable based on the existing bad debts policy.

### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	21 666	28 667
Max Trust Account	-	1 101
Bank overdraft	(71 780)	(37 468)
	<b>(50 114)</b>	<b>(7 700)</b>
Current assets	21 666	29 768
Current liabilities	(71 780)	(37 468)
	<b>(50 114)</b>	<b>(7 700)</b>

The Company has a sweeping arrangement with The City of Johannesburg Metropolitan Municipality whereby all cash is swept on a daily basis to The City of Johannesburg Metropolitan Municipality's bank account. Petty Cash is reflected as being on hand. The cash owed by the company to The City of Johannesburg Metropolitan Municipality is reflected as an amount payable to the shareholder. The Johannesburg Zoo has a second bank account which is a 'special purpose' account called the Max Trust Account. This account comprises donations from donors to bronze a statue of Max the Gorilla for the Zoo.

### 7. Zoo animals (purchased and donated)

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Zoo animals	73 543	(5 408)	68 135	73 543	(2 461)	71 082

#### Reconciliation of zoo animals (purchased and donated) - 2011

	Opening balance	Depreciation	Total
Zoo animals	71 082	(2 947)	68 135

#### Reconciliation of zoo animals (purchased and donated) - 2010

	Opening balance	Additions	Depreciation	Total
Zoo animals	1	73 542	(2 461)	71 082

### Non - Financial information

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<b>7. Zoo animals (purchased and donated) (continued)</b>		
<b>Quantities of animals</b>		
Mammals	667	663
Aves	613	699
Reptilia	155	143
Amphibia	171	147
Insecta	5	12
Pisces	188	146
Arachnida	13	14
Crustacea	6	-
	<b>1 818</b>	<b>1 824</b>

### 8. Property plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Plant and machinery	3 218 282	(1 779 684)	1 438 598	2 494 775	(1 464 632)	1 030 143
Furniture and fixtures	1 358 983	(656 058)	702 925	1 315 263	(514 259)	801 004
Motor vehicles	3 571 949	(1 502 835)	2 069 114	4 681 236	(1 827 306)	2 853 930
IT equipment	831 933	(642 767)	189 166	820 251	(502 334)	317 917
Computer software	58 297	(49 752)	8 545	58 297	(41 050)	17 247
Leased Assets	2 454 255	(964 452)	1 489 803	1 925 711	(947 809)	977 902
<b>Total</b>	<b>11 493 699</b>	<b>(5 595 548)</b>	<b>5 898 151</b>	<b>11 295 533</b>	<b>(5 297 390)</b>	<b>5 998 143</b>

#### Reconciliation of property plant and equipment - 2011

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	1 030 143	773 796	(1 276)	(364 065)	1 438 598
Furniture and fixtures	801 004	44 196	(212)	(142 063)	702 925
Motor vehicles	2 853 930	65 000	(396 207)	(453 609)	2 069 114
IT equipment	317 917	43 680	-	(172 431)	189 166
Computer software	17 247	-	-	(8 702)	8 545
Leased Assets	977 902	1 596 091	(219 170)	(865 020)	1 489 803
	<b>5 998 143</b>	<b>2 522 763</b>	<b>(616 865)</b>	<b>(2 005 890)</b>	<b>5 898 151</b>

#### Reconciliation of property plant and equipment - 2010

	Opening balance	Additions	Disposals	Depreciation	Total
Plant and machinery	1 475 091	-	-	(444 948)	1 030 143
Furniture and fixtures	934 138	6 850	-	(139 984)	801 004
Motor vehicles	3 331 062	-	-	(477 132)	2 853 930
IT equipment	146 202	181 988	(4 556)	(5 717)	317 917
Computer software	28 377	-	-	(11 130)	17 247
Leased Assets	118 877	858 164	(94 344)	95 205	977 902
	<b>6 033 747</b>	<b>1 047 002</b>	<b>(98 900)</b>	<b>(983 706)</b>	<b>5 998 143</b>

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### 8. Property plant and equipment (continued)

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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### Notes to the Annual Financial Statements

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#### 9. Intangible assets

	2011			2010		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	547 168	(144 587)	402 581	588 155	(108 694)	479 461

#### Reconciliation of intangible assets - 2011

	Opening balance	Disposals	Amortisation	Total
Computer software	479 461	(6 731)	(70 149)	402 581

#### Reconciliation of intangible assets - 2010

	Opening balance	Additions	Amortisation	Total
Computer software	304 351	247 981	(72 871)	479 461

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<b>10. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	606 318	504 857
- in second to fifth year inclusive	2 660 655	1 077 213
	<b>3 266 973</b>	<b>1 582 070</b>
less: future finance charges	(739 512)	(192 889)
<b>Present value of minimum lease payments</b>	<b>2 527 461</b>	<b>1 389 181</b>
<b>Present value of minimum lease payments due</b>		
- within one year	356 082	311 968
- in second to fifth year inclusive	2 171 380	1 077 213
	<b>2 527 462</b>	<b>1 389 181</b>
Non-current liabilities	2 171 380	1 077 213
Current liabilities	356 082	311 968
	<b>2 527 462</b>	<b>1 389 181</b>

It is company policy to lease certain equipment under finance leases.

The average lease term was 3-5 years and the average effective borrowing rate was 12% (2010: 14%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent. The entity has not defaulted on any of its interest capital repayments during the year, and none of terms and conditions of the finance leases were re-negotiated.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 8.

## 11. Trade and other payables

Trade payables		5 105 010	3 202 313
Payments received in advance		704 022	39 560
Other payables		462 480	109 439
Credit Card		22 617	(12 399)
Related party creditor	18	3 487 235	439 728
Adjustment for fair value at amortised cost		(41 786)	184 908
		<b>9 739 578</b>	<b>3 963 549</b>

The carrying amounts of the financial liabilities approximates their fair value due.

The accounting policies for the financial instruments have been applied to the line items below:

Payments made in advance relates to donations received from Hans Hoheisen Trust for the Wattle Crane Recovery Programme.

### Fair value of trade and other payables

Trade payables	9 692 236	3 887 987
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## 12. Other payables

Payroll creditors	1 167 796	1 262 969
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### 13. Provisions

#### Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised/paid during the year	Reversed during the year	Total
Staff 13th cheques	1 112 332	2 030 618	(1 769 615)	-	1 373 335
Leave pay	2 393 994	1 694 740	(2 721 342)	-	1 367 392
Other Provisions	360 572	-	-	(360 572)	-
	<b>3 866 898</b>	<b>3 725 358</b>	<b>(4 490 957)</b>	<b>(360 572)</b>	<b>2 740 727</b>

#### Reconciliation of provisions - 2010

	Opening Balance	Additions	Utilised during the year	Total
Staff 13th cheques	811 977	1 112 332	(811 977)	1 112 332
Leave pay	2 364 979	2 038 038	(2 009 023)	2 393 994
Other Provisions	-	360 572	-	360 572
	<b>3 176 956</b>	<b>3 510 942</b>	<b>(2 821 000)</b>	<b>3 866 898</b>

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### 14. Employee benefit obligations

#### 14.1 Defined benefit plan

The defined benefit plan to which the Johannesburg Zoo belongs is governed by the Pension Fund Act of 1956.

These funds are subject to an annual actuarial valuation. The last valuation was performed on 30 June 2011. These valuations indicate that the funds are in a sound financial position. The liability and fund in this respect will in the long-term be reduced to a nil balance.

The actuarial valuations were done by Independent Actuarial Consultants, an independent post retirement plan administrator and they determined that the retirement plan was in a sound financial position., taking into account the notional loan account receivable from The City of Johannesburg Metropolitan Municipality.

#### Post-retirement liability

Post-Retirement Medical Aid Plan	(2 266 000)	(2 011 000)
Post-Retirement Housing Subsidy Plan	(342 000)	(30 000)
Retirement Gratuity Plan	(4 547 000)	(4 003 000)
	<b>(7 155 000)</b>	<b>(6 044 000)</b>

#### 14.1.1 Post retirement medical aid plan

The Johannesburg Zoo NPC has obligations to subsidise medical aid contributions in respect of certain qualifying staff and pensioners and their surviving spouses. Only pensioners and employees who were aged 50 or older and were members of Lamaf.

The Johannesburg Zoo NPC provides medical aid in respect of certain qualifying staff members.

The above liabilities are unfunded. However, Johannesburg Zoo has undertaken to cover such portion of the liability for the staff of The Johannesburg Zoo NPC who are entitled to benefits that relates to their service with the City of Johannesburg Metropolitan Council since the company was established. This amount was determined at 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest and against which the company may claim benefit payments made. This loan does not constitute a plan asset and in terms of IAS 19 cannot be offset against the liability. It has however been included in the assets of the company.

City of Johannesburg Metropolitan Council paid the full Notional Accounts balances as at 30 June 2009 during the period since the last valuation, with no interest.

The Johannesburg Zoo operates on 4 accredited medical aid schemes, namely Sizwe, Bonitas, Samwumed and LA Health. Pensioners continue on the option they belonged to on the day of their retirement.

#### Movements for the year

Opening balance	(2 011 000)	(1 821 000)
Benefits paid	-	49 000
Net expense recognised in the statement of financial performance	(255 000)	(239 000)
	<b>(2 266 000)</b>	<b>(2 011 000)</b>

#### Net expense recognised in the statement of financial performance

Current service cost	(15 000)	(12 000)
Interest cost	(182 000)	(153 000)
Actuarial (gains) losses	(58 000)	(74 000)
	<b>(255 000)</b>	<b>(239 000)</b>

#### Key assumptions used

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### 14. Employee benefit obligations (continued)

The principal actuarial assumptions used were as follows: 30 June 2011.

Discount rates used	8.60 %	9.00 %
Expected rate of return on assets	8.60 %	9.00 %
Rate of increase in employer post-retirement medical contribution subsidy payments	7.10 %	7.40 %
Expected increase in salaries	5.60 %	5.90 %

Other assumptions.

Age of spouse	-	Husbands 5 years older than wives.
Mortality of in-service members for females)	-	In accordance with the SA 85-90 (Light) ultimate table (rated down 3 years for females)
Mortality of pensioners	-	In accordance with the PA(90) ultimate male and female tables

The expected effect of AIDS was taken into account by using the Actuarial Society of South Africa's ASSA2000lite AIDS model.

#### 14.1.2 Post retirement housing subsidy plan

The Johannesburg Zoo provides housing subsidies in respect of certain qualifying staff members. In the event that the housing loan that the subsidy related to is not fully repaid at retirement date, the subsidy will continue into the members' retirement. The subsidy amount is based on the subsidy being received at the date of valuation. The subsidy amount is assumed to remain constant and to continue for a period of 5 years after retirement.

The City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for the staff of The Johannesburg Zoo NPC who are entitled to benefits that relates to their service with the CJMM since the The Johannesburg Zoo NPC was established. This amount was determined at 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest against which the company may claim benefit payments made. This loan does not constitute a plan asset and in terms of IAS 19 cannot be offset against the liability. It has however been included in the assets of the The Johannesburg Zoo NPC.

City of Johannesburg paid the full Notional Accounts balances as at 30 June 2009 during the period since the last valuation, with no interest.

#### Movements for the year

Opening balance	(30 000)	(27 000)
Net expense recognised in the statement of financial performance	(312 000)	(3 000)
	<b>(342 000)</b>	<b>(30 000)</b>

#### Net expense recognised in the statement of financial performance

Current service cost	(1 000)	-
Interest cost	(3 000)	(2 000)
Actuarial (gains) losses	(308 000)	(1 000)
	<b>(312 000)</b>	<b>(3 000)</b>

#### Key assumptions used

Assumptions used on last valuation on 30 June 2011.

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### 14. Employee benefit obligations (continued)

Discount rates used	8.60 %	9.00 %
Expected rate of return on assets	8.60 %	9.00 %

Other assumptions.

#### 14.1.3 Post retirement gratuity plan

The Johannesburg Zoo NPC provides gratuities on retirement or prior death in respect of certain qualifying staff members who have service with The City of Johannesburg Metropolitan Municipality or The Johannesburg Zoo NPC when they were not members of one of the retirement funds and who meet certain service requirements in terms of The City of Johannesburg Metropolitan Municipality's conditions of employment. The gratuity amount is based on 1 month's salary per year of non-retirement funding service.

The above liability is unfunded. However, The City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for the staff of The Johannesburg Zoo NPC who are entitled to benefits that relates to their service with the The City of Johannesburg Metropolitan Municipality since the company was established. This amount was determined at 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest and against which the company may claim benefit payments, made. This loan does not constitute a plan asset and in terms of IAS 19 cannot be offset against the liability. It has however been included in the assets of the The Johannesburg Zoo NPC.

City of Johannesburg paid the full Notional Accounts balances as at 30 June 2009 during the period since the last valuation, with no interest.

The plan is a post-retirement gratuity benefit plan.

The amounts recognised in the Statement of Financial Position were determined as follows:

#### Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(4 003 000)	(3 457 000)
Benefits paid	334 000	2 348 000
Net expense recognised in the statement of financial performance	(878 000)	(2 894 000)
<b>Closing balance</b>	<b>(4 547 000)</b>	<b>(4 003 000)</b>

#### Net expense recognised in the statement of financial performance

Interest cost	(362 000)	(290 000)
Actuarial gains (losses)	(516 000)	(2 604 000)
<b>Total included in employee related costs</b>	<b>(878 000)</b>	<b>(2 894 000)</b>

#### Key assumptions used

Assumptions used at the reporting date:

Discount rates used	8.60 %	9.00 %
Expected rate of return on assets	8.60 %	9.00 %
Expected increase in salaries	5.60 %	5.90 %

#### 14.2 Defined contribution plan

The company is under no obligation to cover any unfunded benefits.

The Johannesburg Zoo provides post-employment benefits to all their permanent employees through two funds

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### 14. Employee benefit obligations (continued)

Defined Contribution Funds:

- The Johannesburg Zoo Pension Fund
- e-Joburg Retirement Fund.

Included in defined contribution plan information above, is the following plan(s) which is (are) a Multi-Employer Funds and is (are) a Defined Benefit Plans, but due to the fact that sufficient information is not available to enable the municipality to account for the plan(s) as a defined benefit plan(s). The municipality accounted for this (these) plan(s) as a defined contribution plan(s):

### 15. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

#### 2011

	Loans and receivables	Total
Loans to shareholders	16 495 458	16 495 458
Trade and other receivables	1 893 231	1 893 231
	<b>18 388 689</b>	<b>18 388 689</b>

#### 2010

	Loans and receivables	Total
Loans to shareholders	10 780 689	10 780 689
Trade and other receivables	1 669 361	1 669 361
Cash and cash equivalents	(7 700)	(7 700)
	<b>12 442 350</b>	<b>12 442 350</b>

### 16. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

#### 2011

	Financial liabilities at amortised cost	Total
Trade and other payables	9 248 927	9 248 927
Bank overdraft	(50 114)	(50 114)
	<b>9 198 813</b>	<b>9 198 813</b>

#### 2010

	Financial liabilities at amortised cost	Total
Trade and other payables	3 290 561	3 290 561

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Figures in Rand	2011	2010
<b>17. Cash generated from operations</b>		
Surplus (deficit)	171 400	(5 923 222)
<b>Adjustments for:</b>		
Depreciation and amortisation	2 078 986	1 059 041
Loss on sale of assets and liabilities	(5 773)	(343 472)
Finance costs - Finance leases	286 157	191 154
Debt impairment	(25 593)	29 739
Movements in retirement benefit assets and liabilities	1 111 000	739 000
Movements in provisions	(1 126 171)	689 942
Inventories	(11 327)	114 965
Trade and other receivables	(482 087)	(985 602)
Other receivables from non-exchange transactions	-	1 749 339
Trade debtors	25 593	(29 739)
Prepayments	33 165	(33 165)
Trade and other payables	5 776 035	(3 554 990)
VAT	(1 022 582)	7 023 436
Taxes and transfers payable (non exchange)	(95 173)	42 551
	<b>6 713 630</b>	<b>768 977</b>

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### 18. Related parties

#### Relationships

Directors

Controlling entity

Other members of the group

Refer to directors report note

The City of Johannesburg Metropolitan Municipality

City Housing Company SOC Ltd

City of Joburg Property Company SOC Ltd

City of Johannesburg Metropolitan Municipality

City Power Johannesburg SOC Ltd

Johannesburg City Parks NPC

Johannesburg Development Agency SOC Ltd

Johannesburg Metropolitan Bus Services SOCLtd

Johannesburg Roads Agency SOC Ltd

Johannesburg Tourism Company NPC

Johannesburg Water SOC Ltd

Metropolitan Trading Company SOC Ltd

Pikitup Johannesburg SOC Ltd

Roodepoort City Theatre

The Johannesburg Civic Theatre SOC Ltd

The Johannesburg Fresh Produce Market SOC Ltd

The Johannesburg Zoo NPC

Greater Newtown Development Company SOC Ltd

Constitutional Hill Development Company SOC Ltd

#### Related party balances

##### Loan accounts - Owing (to) by related parties

City of Johannesburg Metropolitan Municipality	11 953 778	6 269 802
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##### Amounts included in Trade Receivable regarding related parties

City of Johannesburg Property Company SOC Ltd	4 916	22 525
Johannesburg City Parks NPC	30 388	35 750
Johannesburg Social Housing Company SOC Ltd	-	9 464
City of Johannesburg Metropolitan Municipality	1 031 019	-

##### Amounts included in Trade Payable regarding related parties

City Power Johannesburg SOC Ltd	3 800	166 602
City of Johannesburg Metropolitan Municipality	3 378 241	147 337
Johannesburg Social Housing Company SOC Ltd	-	75 466
Johannesburg City Parks NPC	11 875	-
Pikitup Johannesburg SOC Ltd	-	9 913
The Johannesburg Fresh Produce Market SOC Ltd	93 319	40 410

#### Related party transactions

City of Johannesburg Metropolitan Municipality	40 714 686	37 304 370
City of Johannesburg Property Company SOC Ltd	48 228	66 609
Johannesburg City Parks NPC	245 230	137 134

#### Sales to related parties

	<b>41 008 144</b>	<b>37 508 113</b>
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#### Purchases from related parties

City Power Johannesburg SOC Ltd	3 800	1 520 726
City of Johannesburg Metropolitan Municipality	3 892 125	335 309
Johannesburg Water SOC Ltd	-	2 437 276
Pikitup Johannesburg SOC Ltd	-	143 937

#### Purchases from related parties

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<b>18. Related parties (continued)</b>	<b>3 895 925</b>	<b>4 437 248</b>
<b>19. Prior period errors</b>		
Amount of R196 289 relates to overstated output Vat on a related party receivable for the period (2009/2010) .		
Amount of R39 560 relates to income received in advance for annual passes for the period (2009/2010).		
Amount of R36 000 relates to expense accrual for the period (2009/2010).		
Amount of R52 724 relates to overstated accounts receivable for the period (2009/2010).		
The correction of the errors results in adjustments as follows:		
<b>Statement of financial position</b>		
Net decrease in trade and other payables	-	120 729
Decrease in trade and other receivables	-	(249 013)
	-	<b>(202 947)</b>

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<b>19. Prior period errors (continued)</b>		
<b>Statement of financial performance</b>		
Decrease in other revenue	-	39 560
Increase in contracted services	-	36 000
Decrease in other revenue	-	52 724
	-	<b>128 284</b>
<b>20. Interest expense</b>		
Finance leases	286 157	191 154
Fair value adjustments on payables	4 808	(14 412)
Other interest paid	494	1 275
	<b>291 459</b>	<b>178 017</b>
<b>21. Auditors' remuneration</b>		
Fees	525 839	531 661

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<b>22. Employee related costs</b>		
Employee related costs : Salaries and wages	32 178 224	29 232 698
Housing benefits and allowances	218 301	250 808
Overtime payments	1 151 365	1 457 279
Bonus	2 071 408	2 288 611
Travel, motor car, accommodation, subsistence and other allowances	324 833	487 044
UIF	222 291	211 652
WCA	292 650	277 839
SDL	277 783	280 163
Pension costs	2 574 638	2 442 722
Leave pay	(430 870)	164 716
Post-employment benefits - Pension - Defined contribution plan	1 444 681	3 136 104
Long-service awards	128 643	97 800
Acting allowances	66 313	38 088
Transport allowance (bus coupons)	67 268	75 955
	<b>40 587 528</b>	<b>40 441 479</b>
<b>Remuneration of Chief Executive Officer</b>		
Annual Remuneration	978 057	931 316
Performance Bonuses	-	70 151
Contributions to Pension Fund	156 581	66 175
Contributions to UIF and Medical	33 432	28 734
	<b>1 168 070</b>	<b>1 096 376</b>
<b>Remuneration of Chief Finance Officer</b>		
Annual Remuneration	528 449	538 138
Performance Bonuses	-	39 511
Contributions to Pension Fund	85 933	37 639
Contributions to UIF and Medical	10 812	18 531
	<b>625 194</b>	<b>633 819</b>
<b>Remuneration of Executive Manager: Research and Conservation</b>		
Annual Remuneration	391 636	381 802
Performance Bonuses	-	31 661
Contributions to Pension Fund	63 561	27 537
Contributions to UIF and Medical	25 446	15 047
	<b>480 643</b>	<b>456 047</b>
<b>Remuneration of Executive Manager: Human Resources</b>		
Annual Remuneration	532 930	560 875
Performance Bonuses	-	41 591
Contributions to Pension Fund	83 186	39 222
Contributions to UIF and Medical	17 982	11 524
	<b>634 098</b>	<b>653 212</b>
<b>Remuneration of Executive Manager: Technical</b>		
Annual Remuneration	466 386	533 905
Performance Bonuses	-	39 502

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<b>22. Employee related costs (continued)</b>		
Contributions to Pension Fund	80 478	37 294
Contributions to UIF and Medical	47 040	23 773
	<b>593 904</b>	<b>634 474</b>
<b>Remuneration of Executive Manager: Marketing and Education</b>		
Annual Remuneration	541 206	532 674
Performance Bonuses	-	39 502
Contributions to Pension Fund	85 017	37 248
Contributions to UIF	1 497	1 497
	<b>627 720</b>	<b>610 921</b>
<b>Remuneration of Executive Manager: Horticulture</b>		
Annual Remuneration	351 439	362 289
Performance Bonuses	-	26 567
Contributions to Pension Fund	59 199	25 130
Contributions to UIF and Medical	34 134	14 853
	<b>444 772</b>	<b>428 839</b>
<b>Remuneration of Executive Manager: Animal Department</b>		
Annual Remuneration	447 070	395 370
Performance Bonuses	-	11 889
Contributions to Pension Fund	70 114	28 851
Contributions to UIF	1 497	1 373
	<b>518 681</b>	<b>437 483</b>
<b>Remuneration of Executive Manager: Stores and Nutrition</b>		
Annual Remuneration	-	373 319
Performance Bonuses	-	27 375
Contributions to Pension Fund	-	25 874
Contributions to UIF and Medical	-	22 949
	-	<b>449 517</b>
<b>Remuneration of Company Secretary</b>		
Annual Remuneration	400 856	440 339
Performance Bonuses	28 974	-
Contributions to Pension Fund	63 744	31 272
Contributions to UIF and Medical	1 497	1 497
13th Cheque	-	34 825
	<b>495 071</b>	<b>507 933</b>
<b>Remuneration of Non Executive Directors</b>		
Directors fees	1 026 029	784 269

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### 23. Reclassification

The format of the income statement was changed from presentation by function to nature in the current year in order to comply with the reporting format of the National Treasury. Comparative figures were adjusted accordingly.

The sweeping account is the accumulated balance of Johannesburg Zoo's bank account that is cleared on a daily basis by The City of Johannesburg Metropolitan Municipality. The account bears interest at the repo rate, compounded daily and it does not have repayment terms.

The account was classified under current assets in the statement of financial position for the first time in the current year and comparative figures were adjusted accordingly.

The effects of the reclassification are as follows:

#### Statement of financial position

Increase in current assets	11 953 779	6 269 802
Decrease in non-current assets	11 953 779	6 269 802

### 24. Commitments

#### Commitments in respect of capital expenditure:

##### Authorised and not yet contracted for

• Property, plant and equipment	5 500 000	10 000 000
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##### Authorised and contracted for

• Property, plant and equipment	-	-
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The committed expenditure relates to construction of buildings and enclosures on the Johannesburg Zoo premises. A budget has been submitted and approved by The City of Johannesburg Metropolitan Municipality in this respect. This capital expenditure is to be financed from internally generated funds as well as from shareholder loans and capital expenditure funding from The City of Johannesburg Metropolitan Municipality

#### This expenditure will be financed from:

External Loans	5 500 000	10 000 000
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### 25. Risk management

#### Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide services to the public.

The capital structure of the company consists of cash and cash equivalents disclosed in note 7.

There are no externally imposed capital requirements.

There have been no changes to what the company manages as capital.

#### Financial risk management

This note presents information about the company's exposure to credit, liquidity and market risk, the companies objectives and the policies and procedures for managing risk.

The Board has established the Risk Management Committee, which is responsible for developing and monitoring the companies risk management policies.

#### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity when due. The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

At 30 June 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	6 204 996	-	-	-
At 30 June 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	3 460 658	-	-	-

#### Interest rate risk

Market risk is the risk that changes in market prices, such as interest rates that will effect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits.

The company's interest rate risk arises from long-term borrowings consisting of Loans from members and Finance Lease Obligations. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

#### Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables. Credit risk consists mainly of cash deposits, cash equivalents and trade debtors.

There is an established credit policy under which each new customer is analysed individual for creditworthiness. The carrying amount of financial assets represents the maximum credit exposure.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

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

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<b>25. Risk management (continued)</b>		
Financial instrument		
Loans to shareholders	16 495 458	10 780 689
Trade and other receivables	1 893 231	2 814 241
Cash and cash equivalents	50 114	(7 700)
<b>26. Fruitless and wasteful expenditure</b>		
<b>Reconciliation of fruitless and wasteful expenditure</b>		
Opening balance	129 260	3 455
Approved by Council or condoned	(129 260)	-
Fruitless and wasteful expenditure incurred in prior years and awaiting condonment by council	1 114 976	125 805
	<b>1 114 976</b>	<b>129 260</b>

The fruitless and wasteful expenditure relates to prepayment to supplier for the supply and installation of the acrylics panels for the Temple of Ancient project. The supplier did not deliver in terms of the prepayment made. Legal action has been taken against the supplier to recover the amount paid. As at the date of issuing these financial statements a forensic investigation was in progress.

## 27. OVERSPENDING OF THE ENTITY'S BUDGET AS PER MFMA, section 101(1)(iii)

<b>Reconciliation of irregular expenditure</b>		
Unauthorised awaiting condonment by council	740 094	4 390 862

The operating budget for the current year was exceeded R740 094 (101%). The overspending was mainly as a result of capitalisation of newly acquired leased assets.

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Figures in Rand	2011	2010
<b>28. General expenses</b>		
Advertising	864 591	663 682
Bank charges	87 885	86 327
Consulting and professional fees	129 224	120 451
Entertainment	17 428	15 097
Animal Costs	4 404 291	4 080 880
Gifts	45 440	18 852
Insurance	310 454	335 309
Conferences and seminars	55 588	37 683
Marketing	62 446	377 264
Horticulture	69 327	375 153
Motor vehicle expenses	5 686	80 681
Fuel and oil	425 761	395 591
Printing and stationery	239 743	253 553
Protective clothing	282 072	244 580
Staff welfare	177 153	247 942
Subscriptions and membership fees	62 651	68 034
Telephone and fax	179 409	212 058
Training	315 370	397 985
Travel - local	69 554	11 064
Travel - overseas	67 682	44 342
Assets expensed	77 991	6 593
Electricity	1 674 580	1 516 899
Water	1 689 015	2 414 880
Refuse	281 323	157 058
Irregular, fruitless and wasteful expenditure	-	125 805
Farm expenses	436 823	552 454
Study Loans	98 930	158 017
Cashiers Variances - Unders	40 503	4 522
Veterinary department	445 740	598 035
Venue expenses	35 055	11 084
Other expenses	79 371	462 318
	<b>12 731 086</b>	<b>14 074 193</b>
<b>29. Government grants and subsidies</b>		
Grants from shareholders : City of Johannesburg Metropolitan Council	40 370 000	36 778 923
<b>30. Revenue</b>		
Service charges	16 917 219	12 279 419
Rental of facilities & equipment	1 475 693	2 581 945
Interest received – trading	418 066	452 557
Government grants	40 370 000	36 778 923
Other revenue	3 493 743	3 647 798
	<b>62 674 721</b>	<b>55 740 642</b>
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Service charges	16 917 219	12 279 419
Rental of facilities & equipment	1 475 693	2 581 945
Interest received – trading	418 066	452 557
	<b>18 810 978</b>	<b>15 313 921</b>

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<b>30. Revenue (continued)</b>		
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
Government grants	40 370 000	36 778 923
SDL recoveries	488 956	425 617
Donations and sponsorships	915 196	291 302
	<b>41 774 152</b>	<b>37 495 842</b>
<b>31. Service charges</b>		
Admission income	16 021 831	11 604 793
Tours and rides	701 135	482 194
Membership fees	194 253	192 432
	<b>16 917 219</b>	<b>12 279 419</b>
<b>32. Rental of facilities and equipment</b>		
Third party rentals	768 311	796 549
Venue hire	366 685	765 547
Other rental income	47 244	788 662
Related party rentals	293 453	231 187
	<b>1 475 693</b>	<b>2 581 945</b>
<b>33. Contracted services</b>		
Information Technology Services	89 029	120 430
Specialist Services	1 016 654	654 413
Other Contractors	4 022 920	3 645 130
	<b>5 128 603</b>	<b>4 419 973</b>

### 34. Events after the reporting date

Non-adjusting events:

- A Contract with a supplier for the supply and installation of the acrylics panels for the Temple of Ancient project was signed and cancelled before reporting date. The Zoo was charged 4% of the project cost made up of designs and structural engineering fee, these costs were incurred after the reporting date. The Zoo was invoiced an amount equivalent to R171 536.02 relating to the above costs.
- Subsequent to year end The City of Johannesburg Metropolitan Municipality started a process for the amalgamation of municipal entities. This will affect the Johannesburg Zoo NPC as it will be amalgamated with Johannesburg City Parks NPC. This process is likely to take effect from 1 July 2012.

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### 35. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net surplus (deficit) per the statement of financial performance	171 400	(5 923 222)
Increase in Service charges	(455 219)	(806 989)
Increase in Other Revenue	(956 275)	1 903 385
Finance lease savings benefit	291 459	(348 028)
Losses due criminal acts	-	373 750
Employee costs	1 168 528	3 124 104
Depreciation and Finance charges	455 986	1 677 000
Debt impairment	(25 593)	-
Other expenditure	(1 150 286)	-
<b>Net deficit per approved budget</b>	<b>(500 000)</b>	<b>-</b>

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### 36. Statement of comparative and actual information

2011

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>Financial Performance</b>							
Service charges	11 428 000	16 462 000	16 462 000	16 917 219	(455 219)	103 %	148 %
Transfers recognised - operational	40 370 000	40 370 000	40 370 000	40 370 000	-	100 %	100 %
Other own revenue	8 079 000	4 437 000	4 437 000	5 393 275	(956 275)	122 %	67 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>59 877 000</b>	<b>61 269 000</b>	<b>61 269 000</b>	<b>62 680 494</b>	<b>(1 411 494)</b>	<b>102 %</b>	<b>105 %</b>
Employee costs	(30 368 000)	(39 419 000)	(39 419 000)	(40 587 528)	1 168 528	103 %	134 %
Debt impairment	25 000	-	-	25 593	(25 593)	- %	102 %
Depreciation and asset impairment	(938 000)	(1 623 000)	(1 623 000)	(2 078 986)	455 986	128 %	222 %
Finance charges	(292 000)	-	-	(291 459)	291 459	- %	100 %
Other expenditure	(28 304 000)	(20 727 000)	(20 727 000)	(19 576 714)	(1 150 286)	94 %	69 %
<b>Total expenditure</b>	<b>(59 877 000)</b>	<b>(61 769 000)</b>	<b>(61 769 000)</b>	<b>(62 509 094)</b>	<b>740 094</b>	<b>101 %</b>	<b>104 %</b>
<b>Surplus/(Deficit) for the year</b>	<b>-</b>	<b>(500 000)</b>	<b>(500 000)</b>	<b>171 400</b>	<b>(671 400)</b>	<b>(34)%</b>	<b>- %</b>