DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC

Registration Number : 1998/001781/08

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2015

Second Draft

General Information:

Country of incorporation and domicile	South Africa
Nature of business and principle activities	It is a management association whose main business is to look after the interests of the property owners within the Durban Point Waterfront Precinct and to ensure that the common public areas are adequately maintained.
Directors	Mr K D Mattias Mr G A Jacobson Mr N J Steyn Mr B S B Gangaraju (Appointed: January 2015)
Registered office	15 Timeball Boulevard Point 4001
Business address	15 Timeball Boulevard Point 4001
Postal address	P.O. Box 38073 Point 4069
Bankers	First National Bank and Rand Merchant Bank
Auditors	SizweNtsalubaGobodo Chartered Accountants (S.A) Registered Auditors
Secretary	Ngubane & Co.
Managing Agent	Umongi FM Services (Pty) Ltd
Company registration number	1998/001781/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financials have been prepared by Ms. L P Gcabashe under the supervision of Mr. P Pillay

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

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SUPPLEMENTARY SCHEDULE

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

STATEMENT OF RESPONSIBILITY AND APPROVAL BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors acknowledges that they are required by Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and 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 Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

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 loss.

The Directors have reviewed the company's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out in pages 7 to 22, which have been prepared on the going concern basis, were approved by the board and signed on its behalf by:

Director	**Date**
Director	**Date**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC

REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

We have audited the financial statements of Durban Point Waterfront Management Association NPC, which comprise the Statement of Financial Position as at 31 December 2015, Statement of Comprehensive Income and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Director's responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard and requirements of the Companies Act of South Africa, No. 71 of 2008, and for such internal controls as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Victor Sekese (Chief Executive)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Durban Point Waterfront Management Association NPC as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Report on other legal and regulatory requirements

Without qualifying our opinion, we draw attention to the fact that the annual financial statements have been finalized more than six months after the financial year end of the company, which is not in accordance with the Companies Act of South Africa, No 71 of 2008.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2015, we have read the director's' report for the purpose of identifying whether there are material inconsistencies between the report and the financial statements. The report is the responsibility of the preparer's. Based on reading the report we have not identified material inconsistencies between the report and the audited annual financial statements. However, we have not audited the report and accordingly do not express an opinion on the report.

OTHER MATTERS

Prior year financial statements audited by predecessor auditors

The financial statements of Durban Point Waterfront Management Association NPC for the year ended 31 December 2014 were audited by a predecessor auditor who expressed an unmodified opinion on those statements on 18 September 2015.

Supplementary information

The supplementary schedule set out on page 23 does not form part of the annual financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express as opinion on it.

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SizweNtsalubaGobodo Inc.
Director: Mr. D. L Saunders
Registered Auditor
Chartered Accountant (SA)

Date: ________________

Director's Report

The Directors have pleasure in presenting their report on the activities of the company for the year ended 31 December 2015.

NATURE OF BUSINESS AND OPERATIONS

The Association was incorporated in terms of the Companies Act. It is a management association whose main business is to look after the interests of the property owners within the Durban Point Waterfront Precinct and to ensure that the common public areas are adequately maintained.

REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial results for the period are reflected in the statement of comprehensive income set out on page 8 thereof. The results are summarised as follows:

	2015 R	2014 R
Revenue	8 057 914	7 265 568
Other Income	2 411 458	2 214 790
Expenses	(12 101 389)	(6 975 822)
(Deficit) / Surplus before tax	**(1 632 017)**	**2 504 536**

A decision was taken to provide for a doubtful debt for the grant in aid from the eThekwini Municipality for invoices for the 2014 & 2015 financial years. This resulted in the operating deficit in the 2015 financial year . The aforementioned matter has been handed over to legal to address .

DIRECTORATE

Mr K D Matthias
Mr G A Jacobson
Mr N J Steyn
Mr B S B Gangaraju

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

GOING CONCERN

The Directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient reserves to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the company. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

AUDITORS

SizweNtsalubaGobodo are appointed as auditors of the company for the 2015 financial period.

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	2015 R	2014 R
ASSETS			
Non-current assets		**27 161**	**3 319**
Property, plant and equipment	2	27 161	3 319
Current assets		**12 606 449**	**13 785 411**
Current tax receivable		20 583	20 583
Trade and other receivables	3	2 134 969	5 867 566
Cash and cash equivalents	4	10 450 898	7 897 262
Total assets		**12 633 611**	**13 788 730**
EQUITY AND LIABILITIES			
Equity		**10 792 370**	**12 013 738**
Retained income		10 792 370	12 013 738
Liabilities		**1 841 242**	**1 774 992**
Current liabilities		**1 841 242**	**1 774 992**
Trade and other payables	6	1 841 242	1 684 146
Provisions	5	-	90 846
Total equity and liabilities		**12 633 611**	**13 788 730**

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/00181/08
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 R	2014 R
Revenue	7	**8 057 914**	**7 265 568**
Other income	8	2 411 458	2 214 790
Operating expense		**(12 101 389)**	**(6 975 822)**
Operating (deficit)/surplus	9	**(1 632 017)**	**2 504 536**
Investment revenue	10	482 015	558 194
Operating (deficit) / surplus for the financial period		**(1 150 002)**	**3 062 730**
Tax Expense	11	**(71 367)**	-
Total Comprehensive (Loss)/Income for the year		**(1 221 368)**	**3 062 730**
Attributable to			
Equity holders of the company		**(1 221 368)**	**3 062 730**

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Accumulated surplus R	Total equity R
Balance as at 01 January 2014		8 951 008	8 951 008
Surplus for the financial period		3 062 730	3 062 730
Restated balance as at 01 January 2015		**12 013 738**	**12 013 738**
Deficit attributable to equity holders of the company		(1 221 368)	(1 221 368)
Balance as at 31 December 2015		**10 792 370**	**10 792 370**

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 R	2014 R
Cash flows from operating activities			
Cash receipts from customers		10 469 372	6 984 147
Cash payments to suppliers		(8 365 208)	(6 893 620)
Cash generated from operations	13	**2 104 164**	**90 527**
Interest income		482 015	558 194
Tax received	14	-	-
Net cash flows from operating activities		**2 586 179**	**648 721**
Cash flows from investing activities		**(32 542)**	-
Purchase of Property, plant and equipment		(33 858)	-
Disposal of Property, plant and equipment		1 316	
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		**2 553 636**	**648 721**
Cash and cash equivalents at beginning of year		7 897 262	7 248 541
Cash and cash equivalents at end of year	4	**10 450 898**	**7 897 262**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of 2008. The annual financial statements have been prepared on the historical cost basis of accounting, and the following principal accounting policies, which are consistent with those of previous year.

1.1 Property, plant and equipment

Property, plant and equipment are shown at historical cost less accumulated depreciation and accumulated impairment losses. Property, equipment, furniture and fittings are depreciated on the straight line method at rates considered appropriate to reduce the carrying amount of the assets to their residual values over their anticipated useful lives.

These rates are:

Boat	33.33%
Office equipment	33.33%
Furniture and fittings	33.33%
Plant and equipment	33.33%

Increase in carrying amounts are credited directly to a non-distributable reserve. Decreases in valuation that offset previous increases of the same amount are charged against the revaluation reserve and all other decreases are charged to the statement of comprehensive income.

Surplus and losses on disposal of plant and equipment are charged to the statement of comprehensive income. Where the recoverable amount of an asset is less than the carrying amount, the carrying amount of the asset is written down to its recoverable amount.

1.2 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

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 profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivables 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.

Accounting Policies (continued)
1.2 Financial instruments (continued)

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

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 and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.3 Deferred Taxation
Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The company provides for deferred tax on all temporary differences according to the comprehensive basis by using the financial position approach. Management has elected not to raise the deferred tax impact for the impairment for credit losses as recovery is anticipated. The delays were as a result of finalising approvals for payment.

1.4 Lease agreements

Lease rentals in respect of operating leases are charged against profit in a systemic manner to ensure matching of revenue and cost.

1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

a. tests intangible assets with an indefinite useful life or tangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

Accounting Policies (continued)

1.5 Impairment of Assets - (continued)

b. tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

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.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

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

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligati

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

Provisions are not recognised for future operating losses.

Accounting Policies (continued)
1.7 Provisions and contingencies - (continued)
If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

a. has a detailed formal plan for the
   - the business or part of a business concerned;
   - the principal locations affected;
   - the location, function, and approximate number of employees who will be compensated for terminating their services;
   - the expenditures that will be
   - when the plan will be implemented; and

b. 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.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

a. the amount that would be recognised as a provision; and
b. the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 16.

1.8 Revenue

Revenue from rendering of services is recognised when all the following conditions have been satisfied:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a. the amount of revenue can be measured reliably;
b. it is probable that the economic benefits associated with the transaction will flow to the company;
c. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
d. the costs incurred for the transaction and the costs to complete the transaction 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.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

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

Interest is recognised, in profit or loss, using the effective interest rate method.

Accounting Policies (continued)
1.8 Revenue - (continued)
Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.9 Borrowing Costs
Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

a. Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
b. Weighted average of the
purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

a. expenditures for the asset have occurred;
b. borrowing costs have been incurred, and
c. activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Accounting Policies (continued)

1.10 Standards in issue, not yet effective

IAS 8 requires that when an entity has not applied a new Standard or Interpretation that has been issued but is not yet effective, the entity shall disclose:

(a) this fact; and

(b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the entity's financial statements in the period of initial application.

Below is a list of the current standards and interpretations that have been issued, but may not be effective.

Standard	Details of Amendments	Start date
IFRS 7 Financial Instruments: Disclosures	Annual Improvements 2012-2014 Cycle:	01-Jan-16
	Amendment clarifying under what circumstances an entity will have continuing involvement in a transferred financial asset as a result of servicing contracts.	
IFRS 15 Revenue from Contracts from Customers	New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.	01-Jan-18
	The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element	
IAS 1, Presentation of Financial Statements	Disclosure Initiative: Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures.	01-Jan-18
IAS 7 Statement of Cash Flows	Disclosure Initiative: Amendments requiring entities to disclose information about changes in their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as foreign exchange gains or losses).	01-Jan-17

	2015	2014
	R	R

2. Property, plant and equipment

	2015			2014		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Plant and machinery	78 441	(78 441)	-	78 441	(78 441)	-
Furniture and fixtures	40 968	(40 968)	-	40 968	(40 968)	-
Office equipment	27 352	(27 352)	-	27 352	(27 352)	-
IT equipment	88 793	(76 245)	12 548	74 095	(70 776)	3 319
Boat	116 384	(101 770)	14 613	98 539	(98 539)	-
Total	**351 938**	**(324 777)**	**27 161**	**319 395**	**(316 076)**	**3 319**

Reconciliation of Property, plant and equipment - 2015

	Opening balance	Additions at cost	Disposals at carrying value	Depreciation	Total
Plant and machinery	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-
Office equipment	-	-	-	-	-
IT equipment	3 319	14 698	-	(5 469)	12 548
Boat	-	19 160	(1 316)	(3 231)	14 613
	3 319	**33 858**	**(1 316)**	**(8 700)**	**27 161**

Reconciliation of Property, plant and equipment - 2014

	Opening balance	Depreciation	Total
Plant and machinery	(1)	1	-
Furniture and fixtures	-	-	-
Office equipment	449	(449)	-
IT equipment	12 345	(9 026)	3 319
Boat	-	-	-
	12 793	**-9 474**	**3 319**

3. Trade and other receivables

	2015	2014
Trade receivables	5 246 832	4 606 364
Less: Allowance for credit losses (Refer to note 21)	(4 331 750)	-
Deposits	135 887	135 887
VAT	-	112 065
Other receivables	1 084 000	1 013 250
	2 134 969	**5 867 566**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2015	2014
Bank balances	559 839	753 649
Short-term deposits	9 891 059	7 143 613
	10 450 898	**7 897 262**

	2015 R	2014 R

5. Provisions

Reconciliation of provisions - 2015	Opening Balance	Utilised during the year	Total
Other provisions	90 846	(90 846)	-

Reconciliation of provisions - 2014	Opening Balance	Utilised during the year	Total
Other provisions	170 181	(79 335)	**90 846**

6. Trade and other payables

	2015 R	2014 R
Trade payables	439 578	857 588
Accruals	256 915	13 858
Deposits received	1 071 200	812 700
Current tax payable	71 367	-
Vat payable	2 182	-
	1 841 242	**1 684 146**

7. Revenue

	2015 R	2014 R
Levies received from property owners	7 257 914	6 465 568
Levies received from primary development - DPDC	800 000	800 000
	8 057 914	**7 265 568**

8. Other income

	2015 R	2014 R
Discount received	-	10
Operating costs recovery	92 571	63 015
Sundry income	80 138	58 765
Grant income	2 238 750	2 093 000
	2 411 458	**2 214 790**

9. Operating (Deficit)/Surplus

Operating (Deficit)/Surplus for the year is stated after accounting for the following:

	2015 R	2014 R
Interest	482 015	558 194
Operating lease charges		
Premises		
Rent paid	277 606	266 734

10. Investment revenue

	2015 R	2014 R
Interest income on call account	480 953	429 547
Interest income on customers accounts	1 063	128 647
	482 015	**558 194**

	2015 R	2014 R

11. SA Normal Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2015 R	2014 R
Accounting (deficit)/surplus	(1 150 002)	3 062 730
Tax at the applicable tax rate of 28% (2014: 28%)	(322 000)	857 564
Exempt differences		
Levies income (Sec 10(1)(e))	(2 256 216)	(2 034 359)
Non taxable income	(866 331)	(776 436)
Non deductible expenditure	3 444 547	1 953 230
Deductible expenditures (70%)	95 216	114 564
Assessed loss from prior year	(23 849)	(138 413)
Tax expense/Unprovided debit deferred tax asset (28%)	**71 367**	**(23 849)**
Tax loss available to reduce future taxable profits	-	85 176
Tax payable	71 367	-

12. Auditor's remuneration

	2015 R	2014 R
Audit Fees	100 841	42 996

13. Cash generated from operations

	2015 R	2014 R
(Deficit)/Surplus before taxation	(1 221 368)	3 062 730
Adjustments for:		
Depreciation and amortisation	8 700	9 475
Interest received - investment	(482 015)	(558 194)
Movements in provisions	(90 846)	(79 336)
Changes in working capital:		
Trade and other receivables	3 732 597	(2 496 211)
Trade and other payables	157 096	152 063
	2 104 164	**90 527**

14. Tax refunded

	2015 R	2014 R
Balance at beginning of the year	20 583	20 583
Balance at end of the year	(20 583)	(20 583)
Cash movement for the year	-	-

15. Commitments and contingencies liabilities

At year end, the Association had no capital commitments or contingent liabilities. Refer to Note 16 for disclosure of operating lease balance.

	2015	2014
	R	R

16. Operating lease commitments

The Association has two operating lease agreements. The details of the agreements are summarised below:

Agreement 1:

The surveillance control centre premises is leased from Durban Marine Theme Park (Pty) Ltd at monthly rental of R6 750 during the first year, payable in advance. The monthly rental for the second and each subsequent year of this lease shall be determined by escalating the monthly rental payable during the immediately preceding year by a rate equivalent to the rate by which the Consumer Price Index for all categories and for the whole of South Africa shall have escalated during the immediately preceding calendar year. The period of the lease is from 01 August 2014 to 31 July 2019.

The future minimum lease payments under non-cancellable operating lease is: (excluding CPI escalation) R 47 250.

Agreement 2:

Office space was leased from Durban Point Development Company (Pty) Ltd (DPDC) at monthly rental of R 10 815.00, payable in advance. The rental shall be escalated by the rate of the Consumer Price Index. The lease period in terms of the agreement is from 01 December 2014 to 30 November 2015.

	2015 R	2014 R

17. Related parties

Relationships
Related party relationships exist between Durban Point Waterfront Management Association and the following companies during the year:

Entity	***Nature of relationship***
Durban Point Development Company (Proprietary)	Property Developer - owner of the land in the Point Precinct presently being developed.
eThekwini Municipality	Contributor of the Grant-In-Aid
Durban Infrastructural Development Trust	50% shareholding in DPDC
Point Precinct Trust	Owner of certain parcels of land, deemed public zone, that is managed contractually by DPWMA
Laurusco Development (Proprietary) Limited	Project Directors of DPDC for 2014 year. Contract ended in November 2014
Rocpoint (Proprietary) Limited	50% shareholding in DPDC

	2015 R	2014 R
Related party balances (vat inclusive)		
Durban Point Development Company (Pty) Ltd	104 182	76 000
eThekwini Municipality	128 250	81 750
Point Precinct Trust	4 653 480	2 474 480
Related party transactions (vat inclusive)		
Levy income (expense) related parties		
Durban Point Development Company (Pty) Ltd	912 000	912 000
Recoveries from related parties		
Durban Point Development Company (Pty) Ltd	169 095	178 760
Grant in Aid		
eThekwini Municipality	59 750	81 750
Point Precinct Trust	2 179 000	2 011 250

18. Government Grant

The City paid a grant to DPWMA in relation to maintenance services provided by DPWMA on behalf of the City. The non-refundable grant cover services such as road infrastructure maintenance, cleaning, landscaping etc.

	2015 R	2014 R
Grant Received	2 238 750	2 093 000

	2015 R	2014 R

19. Canal Properties

Canal Properties	**100**	**100**

Canal properties comprise properties donated by Durban Point Development Company to the Association, as fiduciary and Point Precinct Trust, as *fideicommissary*. The properties are intended to accommodate canals in the Durban Point Precinct with the main aim of providing a form of attractive "public open space". The Association shall be obliged at its cost to provide services required in respect of the management, cleaning, maintenance, and good order of the properties other than, or additional to those services (if any) relating to the normal municipal provision thereto of water, sewerage, refuse removal, storm water drainage and law enforcement.

The Association does not have title deeds to these properties, because they have not yet been legally transferred by Durban Point Development Company. As a result, the Canal Properties have not been accounted for in the statement of financial position.

20. Levy Refund / (Levy Shortfall)

Total income for the year	10 951 388	10 038 552
Less: Interest on call account	(482 015)	(558 194)
Less: Grant income from eThekwini Municipality	(2 238 750)	(2 093 000)
Less: Total expenses	(12 101 389)	(6 975 822)
(Operating Levy Shortfall) / Levy Refundable	**(3 870 767)**	**411 536**

21. Allowance for credit losses

The Directors have raised an allowance for doubtful debt for the following long outstanding debtors to the extent of R 4,331,750:

The Directors believe that the outstanding amount will be recovered within the 2017 financial year. The effects of discounting cannot be determined as the settlement date has not been committed by the debtor. The effective interest rate method spreads the interest income over the life of the financial asset. Such a method does not seem to be relevant to the trade debtors where normally there is no interest payment to spread. IAS 39 therefore allows short-term debtors with no stated interest rate to be measured at the original invoice amount and the effect of discounting is immaterial.

22. Directors remuneration

The Directors have not received any remuneration for services rendered.

23. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation and classification in the current year.

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note(s)	2015 R	2014 R
REVENUE		**8 057 914**	**7 265 568**
Rendering of services		8 057 914	7 265 568
OTHER INCOME		**2 893 474**	**2 772 984**
Discount received		-	10
Grant income		2 238 750	2 093 000
Interest received	10	482 015	558 194
Operating costs recovery		92 571	63 015
Sundry income		80 138	58 765
		10 951 388	**10 038 552**
OPERATING EXPENSES			
Accounting fess		168 827	160 788
Administration fees		1 128 197	1 024 088
Advertising		7 119	3 057
Auditors remuneration	12	100 841	42 996
Bad debts/ (Recovered)		-	(1 186 989)
Bank charges		1 909	1 361
Cleaning		584 586	879 369
Computer expenses		3 364	2 141
Consulting fees		14 128	2 220
Courier and postage		297	-
Depreciation		8 700	9 475
Doubtful debts		4 331 750	-
Entertainment		-	1 738
Interest & Penalties		95	658
Insurance		80 262	79 813
IT Expenses		-	53 954
Landscaping expenses		798 137	754 878
Legal expenses		1 449	7 819
Management fees		882 000	854 373
PR and newsletters		21 000	-
Printing and stationery		44 251	46 036
Rent		277 606	266 734
Repairs and maintenance		1 333 621	990 970
Secretarial fees		1 316	-
Security		2 104 963	2 191 439
Subscriptions		-	10 800
Staff Welfare		9 458	-
Staff Uniforms		7 582	-
Telephone and fax		46 391	43 019
Travel and accommodation		1 370	-
Water & Electricity		142 170	735 085
		12 101 389	**6 975 822**
(Deficit)/Surplus for the Financial Period before taxation		**(1 150 002)**	**3 062 730**

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