Durban Point Waterfront Management Association NPC
(Registration number 1998/001781/08)
Annual Financial Statements
for the year ended 31 December 2013

General Information

Country of incorporation and domicile	South Africa
Directors	Mr C P Brink Mr K D Matthias Mr D B Shezi Mr G A Jacobson Mr N J Steyn
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 Rand Merchant Bank
Auditors	Ngubane & Co. Chartered Accountants (S.A.) Registered Auditors
Secretary	Ngubane & Co.
Managing Agent	Umongi FM Services (Pty) Ltd

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

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

Directors' Responsibilities and Approval

The directors are required in terms of the Section 21 of Companies Act 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 2014 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 external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page s 4 to 5.

The annual financial statements set out on pages 6 to 21, which have been prepared on the going concern basis, were approved by the board on 01 March 1900 and were signed on its behalf by:

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

Independent Auditors' Report

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC

We have audited the annual financial statements of Durban Point Waterfront Management Association NPC, as set out on pages 7 to 20, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

The company’s directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and requirements of the Section 21 of Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements.

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Durban Point Waterfront Management Association NPC as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Section 21 of Companies Act.

Desmond Msomi
Chartered Accountants
Registered Auditors

Directors' Report

The directors present their report for the year ended 31 December 2013. This report forms part of the audited financial statements.

1. Nature of business and operations

The Association is incorporated under section 10 of the Companies Act 2008. 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.

There have been no material changes to the nature of the company's business from the prior year.

2. 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. These reults are summarised as follows:

	2013 R	2012 R
Revenue	6 913 637	6 673 876
Other income	2 421 957	2 296 382
Expenses	(7 980 412)	(7 642 989)
Surplus before tax	**1 355 182**	**1 327 269**

3. Directorate

Mr C P Brink
Mr K D Matthias
Mr D B Shezi
Mr G A Jacobson
Mr N J Steyn

4. 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.

5. 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 borrowing facilities 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.

6. Auditors

Ngubane & Co. continued in office as auditors for the company for 2013.

Statement of Financial Position as at 31 December 2013

	Note(s)	2013 R	2012 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	12 793	26 303
Current Assets			
Current tax receivable		20 583	-
Trade and other receivables	3	3 371 355	3 159 801
Cash and cash equivalents	4	7 248 541	5 684 040
		10 640 479	**8 843 841**
Total Assets		**10 653 272**	**8 870 144**
Equity and Liabilities			
Equity			
Retained income		8 951 008	7 595 826
Liabilities			
Current Liabilities			
Current tax payable		-	18 262
Trade and other payables	6	1 532 083	1 220 947
Short - Term Provisions	5	170 181	35 109
		1 702 264	**1 274 318**
Total Equity and Liabilities		**10 653 272**	**8 870 144**

Statement of Comprehensive Income

	Note(s)	2013 R	2012 R
Revenue	7	6 913 637	6 673 876
Other income	8	2 072 239	1 903 753
Operating expenses		(7 980 412)	(7 642 989)
Operating surplus	9	**1 005 464**	**934 640**
Investment revenue	10	349 718	392 629
Surplus for the year		**1 355 182**	**1 327 269**

Statement of Changes in Equity

	Retained income R	Total equity R
Balance at 01 January 2012	**6 268 557**	**6 268 557**
Surplus for the year	**1 327 269**	**1 327 269**
Balance at 01 January 2013	**7 595 826**	**7 595 826**
Surplus for the year	**1 355 182**	**1 355 182**
Balance at 31 December 2013	**8 951 008**	**8 951 008**

Note(s)

Statement of Cash Flows

	Note(s)	2013 R	2012 R
Cash flows from operating activities			
Cash receipts from customers		9 667 120	8 260 953
Cash paid to suppliers and employees		(8 413 490)	(7 462 860)
Cash generated from operations	13	1 253 630	798 093
Interest income		349 718	265 848
Tax paid	14	(38 845)	(29 093)
Net cash from operating activities		**1 564 503**	**1 034 848**
Total cash movement for the year		**1 564 503**	**1 034 848**
Cash at the beginning of the year		5 684 040	4 649 193
Total cash at end of the year	4	**7 248 543**	**5 684 041**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Section 21 of Companies Act. 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 receivable 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.

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.

Accounting Policies

1.2 Financial instruments (continued)

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 tax

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.

1.4 Leases agreements

Lease rentals in respect of operating leases are charged against profit in a systematic 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:

- tests intangible assets with an indefinite useful life or intangible 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.
- 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 goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

Accounting Policies

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:
- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 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 obligation.

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.

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:
- has a detailed formal plan for the restructuring, identifying at least:
  - 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 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.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- 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:
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- 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 .

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.

Accounting Policies

1.8 Revenue (continued)

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

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, construction 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:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for 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:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- 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.

1.10 Provisions

Provisions are recognised where the Association has a present legal or constructive obligation as a result of a past event, at reliable estimate of the obligation can be made and it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation.

1.11 Financial instruments

inancial instruments recognised on the statement of financial position include cash and cash relevants, trade receivables and trade payables. On initial recognition, financial instruments are measured at the fair value of the consideration given or received. Subsequent to initial recognition, these financial instruments are measured as follows:

Trade receivables

These are classified as receivables originated by the association and are carried at amortised cost less impairment thereon.

Cash and cash equivalents

These are classified as receivables originated by the association and are carried at amortised cost and consists of cash on hand and balance at banks.

Long term liabilities, trade payables and short term borrowings

These instruments are classified as financial liabilities and are carried at amortised cost. Financial assets are derecognised when the association loses control of the contractual rights to receive cash from the financial asset. Financial liabilities are derecognised when and only when contractual obligations are extinguished through discharge, cancellation or expiry.

Notes to the Annual Financial Statements

	2013	2012
	R	R

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	**Accumulated depreciation**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Plant and machinery	78 441	(78 442)	(1)	78 441	(78 442)	(1)
Furniture and fixtures	40 968	(40 968)	-	40 968	(40 968)	-
Office equipment	27 352	(26 903)	449	27 352	(26 425)	927
IT equipment	74 095	(61 750)	12 345	74 095	(48 718)	25 377
Property, plant and equipment 1	98 539	(98 539)	-	98 539	(98 539)	-
Total	**319 395**	**(306 602)**	**12 793**	**319 395**	**(293 092)**	**26 303**

Reconciliation of property, plant and equipment - 2013

	Opening balance	**Depreciation**	**Total**
Plant and machinery	(1)	-	(1)
Office equipment	927	(478)	449
IT equipment	25 377	(13 032)	12 345
	26 303	**(13 510)**	**12 793**

Reconciliation of property, plant and equipment - 2012

	Opening balance	**Depreciation**	**Total**
Plant and machinery	-	(1)	(1)
Office equipment	927	-	927
IT equipment	25 377	-	25 377
	26 304	**(1)**	**26 303**

3. Trade and other receivables

Trade receivables	3 615 556	3 385 462
Less : Allowance for credit losses	(1 599 038)	(1 613 450)
Prepayments	1	1
Deposits	105 486	100 635
VAT	245 913	404 643
Other receivables	1 003 437	882 510
	3 371 355	**3 159 801**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	111	455
Bank balances	267 601	266 061
Short-term deposits	6 980 829	5 417 524
	7 248 541	**5 684 040**

Notes to the Annual Financial Statements

	2013 R	2012 R

5. Short - Term Provisions

Reconciliation of short - term provisions - 2013

	Opening balance	Additions	Utilised during the year	Total
Other provisions	35 109	298 593	(163 521)	170 181

Reconciliation of short - term provisions - 2012

	Opening balance	Additions	Utilised during the year	Total
Other provisions	156 647	38 341	(159 879)	35 109

The provision for the current year is in respect of VAT on Grant in aid that is receivable from eThekwini Municipality.

6. Trade and other payables

	2013 R	2012 R
Trade payables	824 916	864 699
Accruals	144 467	41 248
Deposits received	562 700	315 000
	1 532 083	**1 220 947**

7. Revenue

	2013 R	2012 R
Levies received from property owners	6 013 637	5 673 876
Levies received from primary development - DPDC	900 000	1 000 000
	6 913 637	**6 673 876**

8. Other income

	2013 R	2012 R
Operating costs recovery	76 404	92 553
Sundry income	38 095	44 369
Grant income	1 957 740	1 766 831
	2 072 239	**1 903 753**

9. Operating surplus

Surplus before tax for the year is stated after accounting for the following:

	2013 R	2012 R
Income		
Interest	349 718	392 629
Operating lease charges		
Premises		
• Rent paid	261 261	242 031
Auditor's remuneration	43 557	50 641
Allowance fro credit losses	295 731	(76 849)
Depreciation	13 510	15 426

Notes to the Annual Financial Statements

	2013 R	2012 R

10. Investment revenue

Interest income on call account	349 718	265 848
Interest income on customers accounts	-	126 781
	349 718	**392 629**

11. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting surplus	1 355 182	1 327 269
Tax at the applicable tax rate of 28% (2012: 28%)	379 451	371 635
Exempt differences		
Levies income (Sec 10(1)(e)	(1 935 818)	(1 868 685)
Non taxable income	(120 854)	(61 414)
Non deductable expenditure	2 075 793	2 140 036
Deductable expenditure (70%)	(601 366)	(633 851)
Increase in unprovided debit income tax loss	**(202 794)**	**(52 279)**
Tax loss available to reduce future taxable profits	(494 332)	(186 710)

12. Auditors' remuneration

Fees	43 557	50 641

13. Cash generated from operations

Surplus before taxation	1 355 182	1 327 269
Adjustments for:		
Depreciation and amortisation	13 510	15 426
Interest received - investment	(349 718)	(265 848)
Allowance for credit losses	-	(76 849)
Prior period adjustment	-	(135 048)
Changes in working capital:		
Trade and other receivables	(211 554)	(308 409)
Trade and other payables	446 210	241 552
	1 253 630	**798 093**

14. Tax paid

Balance at beginning of the year	(18 262)	(47 355)
Balance at end of the year	(20 583)	18 262
	(38 845)	**(29 093)**

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.

Notes to the Annual Financial Statements

	2013 R	2012 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. The period of the lease is from 1 August 2004 to July 2014.

The Association has an option to renew the lease for a further 10 year period.

The future minimum lease payments under non-cancellable operating lease is: (excluding CPI escalation) R47 250.

Agreement 2.

Office space is leased from Laurusco Developments (Pty) Ltd at monthly rental of R10 300, 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 1 October 2012 to 30 September 2013.

Notes to the Annual Financial Statements

	2013 R	2012 R

17. Related parties

Relationships

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

Durban Point Development Company (Proprietary) Limited (DPDC)

Relationship : Property Developer - owner of the land in the Point Precinct presently being developed.

eThekwini Municipality

Relationship : Contributor of the Grant-In-Aid

Durban Infrastructural Development Trust

Relationship : Has 50% shareholding in DPDC

Point Precinct Trust

Relationship : Owner of certain parcels of land, deemed public zone, that is managed contractually by DPWMA

Laurusco Development (Proprietary) Limited

Relationship : Project Directors of DPDC

Rocpoint (Proprietary) Limited

Relationship : Has 50% shareholding in DPDC

Related party balances

	2013 R	2012 R
Receivable from		
Durban Point Development Company (Pty) Ltd	-	18 415
Point Precinct Trust	-	1 963 650
Payable to		
eThekwini Municipality	-	109 484
Laurusco Development (Pty) Ltd	-	11 742
Rocpoint (Pty) Ltd	-	14 306

Related party transactions

	2013 R	2012 R
Rendering of services		
Durban Point Development Company (Pty) Ltd	900 000	1 000 000
Point Precinct Trust	-	1 722 500
eThekwini Municipality	-	69 690
Receipt of services		
Laurusco Development (Pty) Ltd	-	111 000

18. Government Grant

A non-refundable grant was received from eThekwini Municipality. The grant was awarded to the Association because one of the Association's objectives is to perform municipality related services at the Durban Point Precinct. The grant will be advanced to the Association annually for an indefine period of time.

	2013 R	2012 R
Grant received	1 893 497	1 766 831

Notes to the Annual Financial Statements

19. Categories of financial instruments

	Note(s)	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total

20. Canal Properties

Canal properties	100	100

Canal properties comprise proporties donated by Durban Point Development Company to the Association, as fiduciary and Point Precinct Trust, as *fideicommissary*. The properties are intended to accomodate 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.

21. Levy Refund / (Levy Shortfall) - DPDC

Total income for the year	9 335 594	8 970 258
Less : Interest on call account	(349 718)	(265 848)
Less : Grant income from eThekwini Municipality	(1 957 740)	(1 766 831)
Less : Total expenses	(8 282 542)	(7 642 987)
(Opearating Levy Shortfall) / Levy refundable to DPDC	**(1 254 406)**	**(705 408)**

Detailed Income Statement

	Note(s)	2013 R	2012 R
Revenue			
Rendering of services		6 913 637	6 673 876
Other income			
Grant income		1 957 740	1 766 831
Interest received	10	349 718	392 629
Operating costs recovery		76 404	92 553
Sundry income		38 095	44 369
		2 421 957	**2 296 382**
Operating expenses			
Accounting fees		150 264	141 759
Administration fees		905 933	938 310
Advertising		9 013	-
Auditors remuneration	12	43 557	50 641
Bad debts		(14 410)	(76 849)
Bank charges		5 760	5 333
Cleaning		823 671	814 156
Computer expenses		2 500	3 669
Consulting fees		57 940	9 950
Depreciation		13 510	15 426
Donations		-	2 000
Security		2 622 891	2 476 084
Landscaping expenses		716 433	693 251
Interest & Penalties		220	-
Management fees		897 689	842 230
IT expenses		23 300	33 380
Insurance		78 156	67 841
Rent paid		261 261	242 031
Legal expenses		4 089	1 717
Motor vehicle expenses		-	(3 351)
Water & electricity		602 664	668 363
Courier & Postage		297	320
Printing and stationery		35 728	32 568
Repairs and maintenance		682 838	639 119
Subscriptions		9 800	-
Telephone and fax		47 308	45 040
		7 980 412	**7 642 989**
Surplus for the year		**1 355 182**	**1 327 269**