

**Durban Point Waterfront Management Association NPC
(Registration number 1998/001781/08)
Annual Financial Statements
for the year ended 31 December 2014**

Durban Point Waterfront Management Association NPC

(Registration number 1998/001781/08)

Annual Financial Statements for the year ended 31 December 2014

General Information

Country of incorporation and domicile	South Africa
Directors	Mr C P Brink (Resigned) Mr K D Matthias Mr D B Shezi(Resigned) 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 and 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:

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Directors' Responsibilities and Approval

The directors are required in terms of Companies Act 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 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 annual financial statements set out on pages 9 to 25, 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 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 10 to 24, which comprises the statement of financial position as at 31 December 2014, 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 Companies Act of 2008, 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 2014, 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 Companies Act of 2008.

Desmond Msomi
Chartered Accountants
Registered Auditors

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Directors' Report

The directors present their report for the year ended 31 December 2014. This report forms part of the audited financial statements.

1. 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.

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 11 thereof. These results are summarised as follows:

	2014	2013
	R	R
Revenue	7,265,568	6,913,637
Other income	2,214,790	2,421,957
Expenses	(6,975,822)	(7,980,412)
Surplus before tax	2,504,536	1,355,182

3. Directorate

Two directors resigned and one director was appointed during the year.

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 2014.

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Statement of Financial Position as at 31 December 2014

	Note(s)	2014 R	2013 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	3,319	12,793
Current Assets			
Current tax receivable		20,583	20,583
Trade and other receivables	3	5,867,566	3,371,355
Cash and cash equivalents	4	7,897,262	7,248,541
		13,785,411	10,640,479
Total Assets		13,788,730	10,653,272
Equity and Liabilities			
Equity			
Retained income		12,013,738	8,951,008
Liabilities			
Current Liabilities			
Trade and other payables	6	1,684,146	1,532,083
Provisions	5	90,846	170,181
		1,774,992	1,702,264
Total Equity and Liabilities		13,788,730	10,653,272

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Statement of Comprehensive Income

	Note(s)	2014 R	2013 R
Revenue	7	7,265,568	6,913,637
Other income	8	2,214,790	2,072,239
Operating expenses		(6,975,822)	(7,980,412)
Operating surplus	9	2,504,536	1,005,464
Investment revenue	10	558,194	349,718
Surplus for the year		3,062,730	1,355,182

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Statement of Changes in Equity

	Accumulated surplus R	Total equity R
Balance at 01 January 2013	7,595,826	7,595,826
Surplus for the year	1,355,182	1,355,182
Balance at 01 January 2014	8,951,008	8,951,008
Surplus for the year	3,062,730	3,062,730
Balance at 31 December 2014	12,013,738	12,013,738

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Statement of Cash Flows

	Note(s)	2014 R	2013 R
Cash flows from operating activities			
Cash receipts from customers		6,984,147	9,667,120
Cash paid to suppliers and employees		(6,893,620)	(8,413,490)
Cash generated from operations	13	90,527	1,253,630
Interest income		558,194	349,718
Tax received	14	-	(38,845)
Net cash from operating activities		648,721	1,564,503
Total cash movement for the year			
Cash at the beginning of the year		7,248,541	5,684,038
Total cash at end of the year	4	7,897,262	7,248,541

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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 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.

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Accounting Policies

1.2 Financial instruments (continued)

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 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.

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Accounting Policies

1.5 Impairment of assets (continued)

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.

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.

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Accounting Policies

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 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.

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.

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Accounting Policies

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

Financial instruments recognised on the statement of financial position include cash and cash equivalents, 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.

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Notes to the Annual Financial Statements

	2014 R	2013 R
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2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Plant and machinery	78,441	(78,441)	-	78,441	(78,442)	(1)
Furniture and fixtures	40,968	(40,968)	-	40,968	(40,968)	-
Office equipment	27,352	(27,352)	-	27,352	(26,903)	449
IT equipment	74,095	(70,776)	3,319	74,095	(61,750)	12,345
Property, plant and equipment 1	98,539	(98,539)	-	98,539	(98,539)	-
Total	319,395	(316,076)	3,319	319,395	(306,602)	12,793

Reconciliation of property, plant and equipment - 2014

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

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

3. Trade and other receivables

Trade receivables	4,606,364	3,615,556
Less : Allowance for credit losses	-	(1,599,038)
Prepayments	-	1
Deposits	135,887	105,486
VAT	112,065	245,913
Other receivables	1,013,250	1,003,437
	5,867,566	3,371,355

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	-	111
Bank balances	753,649	267,601
Short-term deposits	7,143,613	6,980,829
	7,897,262	7,248,541

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	2014 R	2013 R		
5. Provisions				
Reconciliation of provisions - 2014				
	Opening balance	Utilised during the year	Total	
Other provisions	170,181	(79,335)	90,846	
Reconciliation of provisions - 2013				
	Opening balance	Additions	Utilised during the year	Total
Other provisions	35,109	298,593	(163,521)	170,181
6. Trade and other payables				
Trade payables		857,588	824,916	
Accruals		13,858	144,467	
Deposits received		812,700	562,700	
		1,684,146	1,532,083	
7. Revenue				
Levies received from property owners		7,265,568	6,913,637	
Levies received from primary development - DPDC		800,000	900,000	
		8,065,568	7,813,637	
8. Other income				
Discount received		10	-	
Operating costs recovery		63,015	76,404	
Sundry income		58,765	38,095	
Grant income		2,093,000	1,957,740	
		2,214,790	2,072,239	
9. Operating surplus				
Operating surplus for the year is stated after accounting for the following:				
Interest		558,194	349,718	
Operating lease charges				
Premises				
• Rent paid		266,734	261,261	

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	2014 R	2013 R
10. Investment revenue		
Interest income on call account	429,547	349,718
Interest income on customers accounts	128,647	-
	558,194	349,718
11. Taxation		
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting surplus	3,062,730	1,355,182
Tax at the applicable tax rate of 28% (2013: 28%)	857,564	379,451
Exempt differences		
Levies income (Sec 10(1)(e))	(2,034,359)	(1,935,818)
Non taxable income	(639,705)	(120,854)
Non deductible expenditure	195,320	2,075,793
Deductible expenditures (70%)	(835,116)	(601,366)
Increase in unprovided debit income tax loss	(2,456,296)	(202,794)
Tax loss available to reduce future taxable profits	(837,799)	(494,332)
12. Auditors' remuneration		
Fees	42,996	43,557
13. Cash generated from operations		
Surplus before taxation	3,062,730	1,355,182
Adjustments for:		
Depreciation and amortisation	9,475	13,510
Interest received - investment	(558,194)	(349,718)
Movements in provisions	(79,336)	-
Changes in working capital:		
Trade and other receivables	(2,496,211)	(211,554)
Trade and other payables	152,063	446,210
	90,527	1,253,630
14. Tax refunded		
Balance at beginning of the year	20,583	(18,262)
Balance at end of the year	(20,583)	(20,583)
	-	(38,845)

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Notes to the Annual Financial Statements

2014	2013
R	R

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.

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 2014 to 31 July 2019.

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

Agreement 2.

Office space was 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 30 September 2013 to 30 November 2014. A new lease has been entered into with DPDC for a monthly rental of R10 815.00. The agreement runs from 1 December 2014 to 30 November 2015.

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	2014	2013
	R	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		
Related party transactions		
Interest paid to (received from) related parties		
Durban Point Development Company (Pty) Ltd	800,000	900,000
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 indefinite period of time.		
Grant Received	2,026,500	1,893,497

Durban Point Waterfront Management Association NPC

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Annual Financial Statements for the year ended 31 December 2014

Notes to the Annual Financial Statements

	2014	2013
	R	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	10,038,552	9,335,594
Less : Interest on call account	(558,194)	(349,718)
Less : Grant income from eThekweni Municipality	(2,093,000)	(1,957,740)
Less : Total expenses	(6,966,350)	(8,282,542)
(Operating Levy Shortfall) / Levy refundable	421,008	(1,254,406)

Durban Point Waterfront Management Association NPC

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Annual Financial Statements for the year ended 31 December 2014

Detailed Income Statement

	Note(s)	2014 R	2013 R
Revenue			
Rendering of services		7,265,568	6,913,637
Other income			
Discount received		10	-
Grant income		2,093,000	1,957,740
Interest received	10	558,194	349,718
Operating costs recovery		63,015	76,404
Sundry income		58,765	38,095
		2,772,984	2,421,957
Operating expenses			
Accounting fees		160,788	150,264
Administration fees		1,024,088	905,933
Advertising		3,057	9,013
Auditors remuneration	12	42,996	43,557
Bad debts		(1,186,989)	(14,410)
Bank charges		1,361	5,760
Cleaning		879,369	823,671
Computer expenses		2,141	2,500
Consulting fees		2,220	57,940
Depreciation		9,475	13,510
Entertainment		1,738	-
Security		2,191,439	2,622,891
Landscaping expenses		754,878	716,433
Interest & Penalties		658	220
Management fees		854,373	897,689
IT expenses		53,954	23,300
Insurance		79,813	78,156
Rent paid		266,734	261,261
Legal expenses		7,819	4,089
Water & electricity		735,085	602,664
Courier & Postage		-	297
Printing and stationery		46,036	35,728
Repairs and maintenance		990,970	682,838
Subscriptions		10,800	9,800
Telephone and fax		43,019	47,308
		6,975,822	7,980,412
Surplus for the year		3,062,730	1,355,182