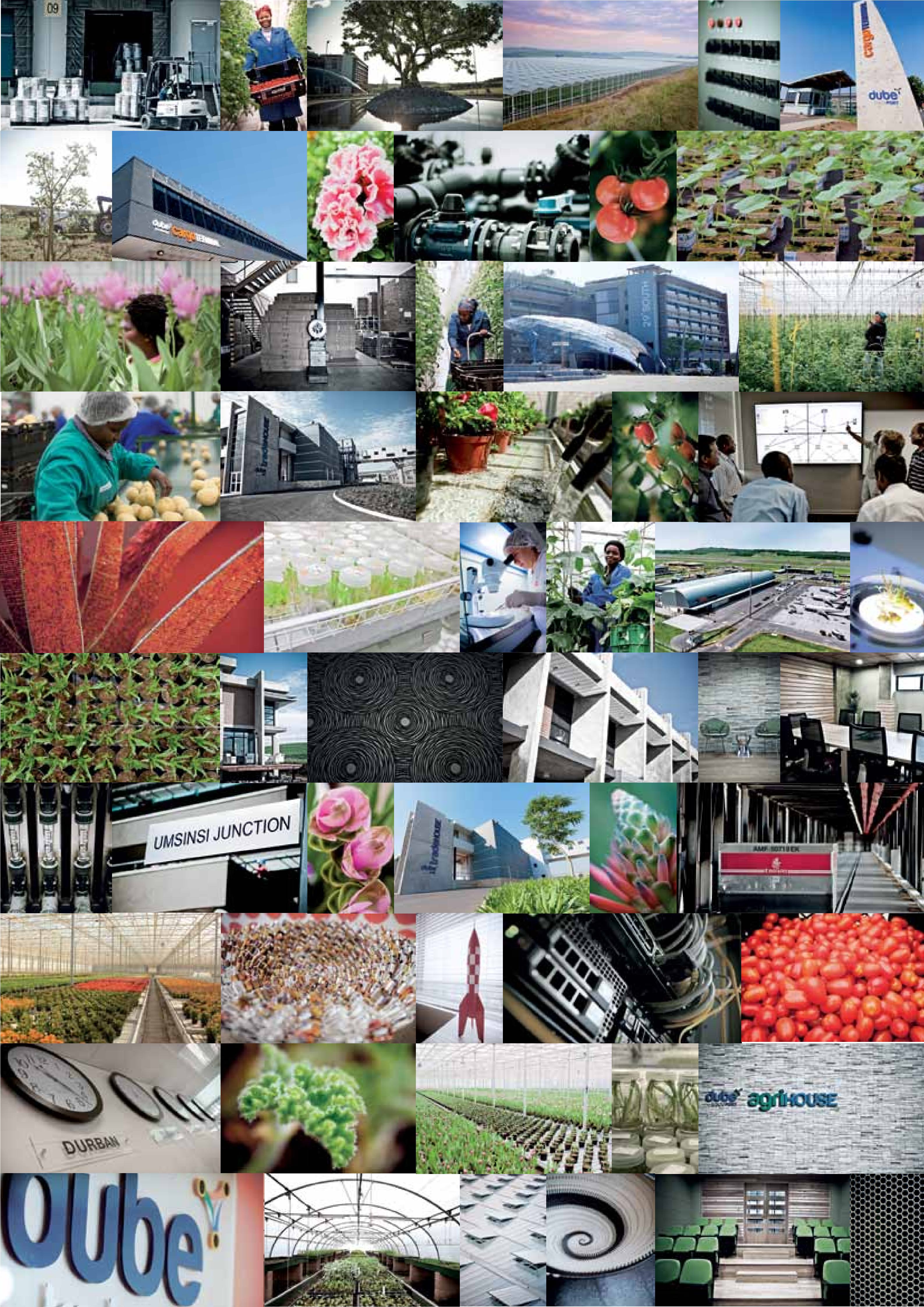
1 GOAL TO MOVE YOUR BUSINESS FORWARD

2012/13
ANNUAL REPORT
DUBE TRADEPORT

dube tradePORT
SOUTHERN AFRICA'S PREMIER
AIR LOGISTICS PLATFORM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UMSINSI JUNCTION
DURBAN
dube agriHOUSE

CONTENTS

VISION, MISSION, BUSINESS PRINCIPLES, VALUES, STRATEGIC OBJECTIVES AND CODE OF BUSINESS CONDUCT

BACK TO CONTENTS

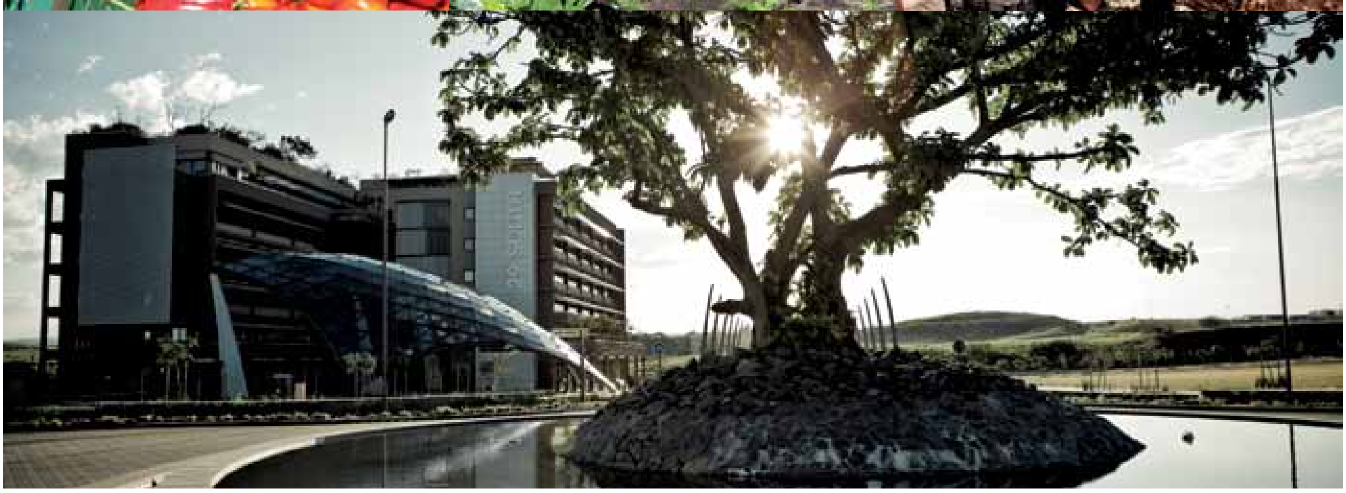
VISION
To be a catalyst for the creation of a globally competitive multi-modal trade gateway in Southern Africa.

MISSION
To stimulate economic development through the provision of a world-class integrated trade and logistics platform.

VALUES
In conducting its day-to-day business activities with honesty and integrity, Dube TradePort is mindful of the need to adhere to a further clear set of values, which include:
- Professional excellence: Being passionate about value-adding professionalism;
- Ubuntu: Creating open, honest relationships built on trust, mutual respect, dignity and fairness;
- Empowerment: Actively embracing the economic transformational and developmental agenda of stakeholders;
- Innovation and creativity: Succeeding through innovative, creative and adaptable teams; and
- Service excellence: Providing unsurpassed service excellence of which our clients may be proud.

STRATEGIC OBJECTIVES
Dube TradePort's key strategic business objectives include:
- The facilitation of new intercontinental air services;
- The support for and enablement of new export supply chains, inclusive of high-value manufacturing;
- The support for and the strengthening of the tourism and perishable goods sectors;
- The establishment of an electronic trading platform; and
- The stimulation of private sector investment.

CODE OF BUSINESS CONDUCT
Dube TradePort has in place a Code of Business Conduct, giving effect to the business culture of the organisation and its members of staff. Principles contained in the Code of Business Conduct include:
- Upholding the values of the organisation in all dealings with customers, suppliers and stakeholders;
- Treating all people with respect and dignity, while fostering a productive environment free of harassment, intimidation and discrimination;
- Being professional at all times;
- Refraining from using any position of power afforded by the organisation for the furtherance of self-interest or the interests of family and friends;
- Avoiding being compromised by allowing personal interests to influence business decisions or by any conflict of interest;
- Honouring the content and spirit of any and all business transactions and agreements;
- Addressing any and all instances of crime, bribery, corruption or inducements by adopting a policy of zero tolerance against offenders;
- Displaying the highest levels of confidentiality;
- Maintaining records in an appropriate manner and complying with all policies and procedures and internal control systems; and
- Embracing a culture of tolerance regarding diversity, especially as it applies to culture, religion and sexual orientation.



FOREWORD: MR MICHAEL MABUYAKHULU (MPP) MEC FOR ECONOMIC DEVELOPMENT AND TOURISM

BACK TO CONTENTS

Our vision for the Province of KwaZulu-Natal becoming the global trade gateway to the African continent remains on-track and is likely to be realised rather sooner than later given the indisputable fact that many countries are continuing to express serious interest in forging trade relations with our Province's stakeholders.

In this regard, there can be no question that Dube TradePort has played and continues to play a crucial role in efforts to realise the achievement of this goal.

The operationalisation of Dube TradePort, Africa's first purpose-planned airport city – with King Shaka International Airport at its heart – ably demonstrates KwaZulu-Natal's offering to investors, both local and, especially, international.

In May 2012, we were pleased to have announced the creation of a partnership between Dube TradePort Corporation and SA Express; a partnership designed and destined to increase regional connectivity between Durban in KwaZulu-Natal and key commercial centres in the SADC region. Such increased regional connectivity with points outside South Africa's borders is already paying dividends for our Province and will have an immensely positive impact on our international services.

KwaZulu-Natal is also poised for a multi-billion Rand injection in foreign direct investments as a consequence of a landmark agreement between Dube TradePort Corporation and The Action Group, a highly diversified India-based business conglomerate. This was announced during the fifth BRICS Summit, held in Durban during March 2013, and paves the way for the development of a Mega Industrial Integrated Township, providing a critical business gateway for the benefit of specifically, though not exclusively, investors from BRICS countries.

We have every confidence in the fact that the advent of this mega-project will provide welcome new impetus to industrial growth in KwaZulu-Natal, significantly increasing our Province's share of world trade, while also contributing to sustainable employment creation, the attraction of modern technologies and the enhancement of infrastructure. In addition, such a development and associated capital inflows are expected to benefit local suppliers and increase the beneficiation of local products.
Construction activities at Dube TradePort which related to investments by Shree Property Holdings and Brenco-Reelin, being previously announced projects, are jointly set to add some R313,1 million to the provincial Gross Domestic Product and will create some 2 504 direct, indirect and induced employment opportunities in KwaZulu-Natal, of which about 35% will be unskilled. Once operational, these facilities are likely to sustain as many as 813 direct jobs.

In a new and critically important development, my department, together with the Department of Trade and Industry, has proposed that Dube TradePort be declared a Special Economic Zone, or SEZ, for the benefit of trade and industry, a move which would greatly boost trade expansion, economic development and export diversification at Dube TradePort.

Lastly, we are pleased to welcome our new Chief Executive Officer, Ms Saxen van Coller, into the Dube TradePort Corporation fold. We have every confidence in her ability to effectively manage the organisation, taking it to ever greater successes going forward. Accordingly, we look forward to working closely with both Ms van Coller and the Board in the year ahead as we all re-commit ourselves to ensuring the success of Dube TradePort and the development of Africa's first purpose-planned airport city.

In conclusion, we should like to thank the members of Dube TradePort Corporation's Board for their exemplary leadership in a period characterised by extremely difficult circumstances. In addition, we extend our grateful thanks to Dube TradePort Corporation's executive team and staff complement for their sterling work in driving Dube TradePort forward during the past financial year. Lastly, we take this opportunity to thank our Provincial and National Government colleagues for the unwavering support they have given so freely in our continuing quest to efficiently establish and effectively develop Dube TradePort, our Province's flagship infrastructural project.

The commitment displayed by all those associated with Dube TradePort is most certainly contributing in no small measure to our concerted efforts to transform KwaZulu-Natal, making sure that our Province becomes a major economic driver in South Africa and the business gateway to Africa and the world.

....

Michael Mabuyakhulu (MPP)
MEC for Economic Development and Tourism

INTRODUCING DUBE TRADEPORT CORPORATION

Dube TradePort Corporation is a Schedule 3C Provincial Public Entity and is charged by the KwaZulu-Natal Provincial Government with the responsibility to develop the Province's single biggest infrastructural development project, Dube TradePort, located 30km north of Durban.

Occupying a 2 040 hectare Greenfield site, Dube TradePort is a master-planned, world-class passenger and airfreight hub, comprising four development zones.This airport-related project, encircling King Shaka International Airport, which is owned by Airports Company South Africa, is set to become a highly competitive business operating environment and forms the foundation of an emerging airport city.

Dube TradePort Corporation is mandated to drive the development of Dube TradeZone, Dube City, Dube Cargo Terminal and Dube AgriZone, as well as the support service, Dube iConnect.

DUBE TRADEZONE

Dube TradeZone is the first resource of its kind in the world where all freight forwarders and shippers are located in a single facility, with airside access and specialised industrial land for development.

01

IN AFRICA THE FIRST PURPOSE-BUILT AIRPORT CITY

TRADEZONE

77 HECTARES

OF INDUSTRIAL LAND WITHIN 1 MIN

DUBE CARGO TERMINAL

309

HECTARES OF LAND ALREADY

REHABILITATED

701kWp

CAPACITY TO GENERATE

ENERGY BY SOLAR PANELS

AT DUBE AGRIZONE

This 26-hectare site – set to increase to 77 hectares with the completion of Phase Two – specialist precinct occupies prime, fully-serviced airside real estate and is ideal for new-generation warehousing, manufacturing, assembling, air-related cargo distribution, high-tech aerospace services, automotive industries, clothing, textiles and cold storage activities.

Dube TradeHouse, where a number of well-known freight forwarders and shippers are based, enjoys direct connection with the adjacent Dube Cargo Terminal via an elevated cargo conveyor-system AirBridge. This ensures access by forwarders and shippers to seamless cargo flows which, in turn, allows speed and agility for tenant connection with customers and suppliers both nationally and internationally.

Long-term leases for Dube TradeZone stands of between 4 250m² and 8 000m² are available to prospective investors to develop properties.

DUBE CITY

Dube City, Africa's first purpose-planned airport city, follows sustainable development principles, creating an ultra-modern urban 'green' hub.

This world-class business and leisure area's first phase, comprising 12 hectares, is divided into 10 blocks providing 45 level, fully-serviced stands. Proposed land use includes a mix of hotel, conference, entertainment, retail and knowledge-intensive activities. Dube City is supported by fully-reticulated fibre-optic cabling from which all tenants may access voice and data services at competitive rates.

Perpetuating environmental sensitivities, Dube City's overall design incorporates pedestrian-friendly zones, a tree-lined boulevard, dedicated cycle lanes and lawns.

DUBE CARGO TERMINAL

The Dube Cargo Terminal building, a 14 000m² state-of-the-art facility is one of the most secure of its kind in Africa.

Owned and operated by Dube TradePort Corporation, this is one of the most technologically advanced cargo facilities in the world. Dube Cargo Terminal has an enviable security track-record, maintaining an impressive 0% cargo loss since inception.

With direct airside access, stringent access controls, computerised tracking and storage and 'in-line' scanning, the cargo facility is capable of rapidly and safely handling 100 000 tonnes of cargo annually, increasing to 2 million tonnes by 2060.

DUBE AGRIZONE

Dube AgriZone is Africa's first integrated perishables supply chain and hosts this continent's largest climate-controlled growing area under glass.

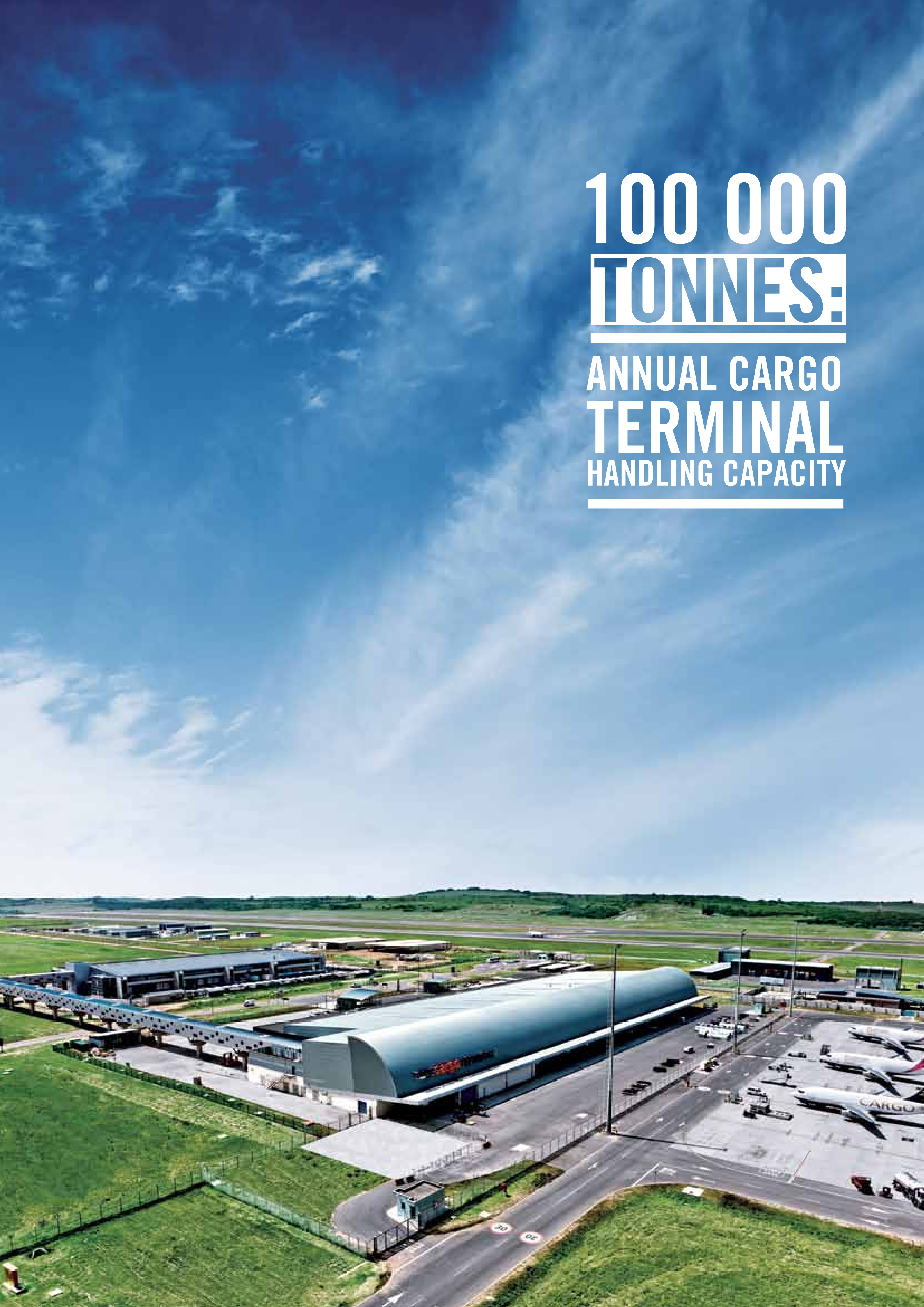
It focuses on the production of short shelf-life vegetables and cut flowers requiring immediate post-harvest airlifting. The AgriZone comprises greenhouses, pack-houses, a distribution centre, a nursery and an AgriLab – a highly specialised tissue culture laboratory – all off-set by a range of 'green' initiatives, inclusive of rainwater harvesting, solar energy usage, on-site waste management and the growth of indigenous plants for site-wide rehabilitation activities.

DUBE ICONNECT

Dube iConnect, offering South Africa's most advanced metro Ethernet network, is a world-class IT and telecommunications platform which digitally links precinct-based businesses with each other and the rest of the world.

It provides superior service solutions, including voice and broadband, virtual computing platforms, secure virtual storage, back-up and recovery, IT security, hosted call-centre services, media services and dark fibre.

In essence, Dube TradePort – including its four development zones and attendant IT support infrastructure – re-invents the way of doing business, facilitating new global business and trade opportunities for the benefit of the local and international business community.



100 000 TONNES:

ANNUAL CARGO TERMINAL HANDLING CAPACITY

COMPANY STRUCTURE, BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND ORGANISATIONAL STRUCTURE

BACK TO CONTENTS

COMPANY STRUCTURE

Dube TradePort Non-Profit Company is structured as follows:

Provincial Government of KwaZulu-Natal

▼

Department of Economic Development and Tourism

▼

Board of Directors

▼

Chief Executive Officer

▼

Executive Team and Staff

THE BOARD OF DIRECTORS

The Dube TradePort Corporation's Board is structured in such a way as to create a diverse mix of skills and experience which is wholly relevant to the business of the organisation and the diverse environment in which it operates, whilst also ensuring effective inter-governmental co-operation and collaboration.

Board members are drawn from both the private and public sectors.

As a result of various legal, taxation and practical considerations the previous Non-Profit Company was not wound up during the 2012/13 financial year. Accordingly, the financial statements for the organisation have been prepared for the Non-Profit Company.

Although the Schedule 3C Public Entity had an effective registration date of 01 April 2011, no transactions have been accounted for in this entity and, therefore, the entity is regarded as being effectively dormant.

The Board of the Schedule 3C Public Entity was appointed on 08 March 2012 and this Board has been providing leadership and strategic direction to the entity.

To ensure transparency, the Boards of both the Non-Profit Company and the Schedule 3C Public Entity are disclosed herein.

The Directors of the Non-Profit Company are as follows:

Name	Designation	Age	Qualifications	Other Directorships
Mel Clark	Chairperson	46	• B.Soc. Science • PG Dip IR • LLB (Curr)	• KZN Growth Fund Managers (Pty) Ltd • Black Balance Projects (Pty) Ltd • Ventureworx (Pty) Ltd • Imvusa Trading 290 CC • Participative Development Initiative (S21 NPO) • St Theresa's Children's Home (NPO)
Dr Kwazi Mbanjwa	Special Advisor on Ministerial Lead Projects: National Department of Transport	57	Not available	Not available
Siddiq Adam	CEO: KZN Growth Fund	42	• M.Sc (Applied Economics) (cum laude)	None
Christopher Hlabisa	HOD: Department of Transport	50	• B. Tech (Civil)	None
Owen Mungwe	Executive: Development Planning and Infrastructure **Resigned 30 April 2011**	43	• University Honours degree in Financial Analysis and Portfolio Management	None
Rohan Persad	Chief Executive Officer **Resigned 08 August 2012**	50	• B.Soc. Science • Masters in Town and Regional Planning	Not available

Dube TradePort Corporation's Board currently comprises five Non-Executive Members and an Executive Member, as shown below:

Name	Designation	Age	Qualifications	Other Directorships
Dr Bridgette Gasa	Chairperson	36	• B.Building Arts in Architecture • M.Comm. (Project Management) • PhD. Construction Management	• Passenger Rail Agency of South Africa • Umso Construction • Chairperson: Nelson Mandela Metropolitan Business School • Visiting Fellow of Nottingham Trent University • National Planning Commissioner • Elliox Group (Pty) Ltd
Carol Silindile Sibiya	Deputy Chairperson	37	• B.Proc • LLB (Post Grad)	• Trustee of Adams College Educational Trust Fund • Member of the Bar Council of the Society of Advocates of KwaZulu-Natal

Velenkosini Lindokuhle Mtshali	Board Member	35	• CA (SA)
			• B.Comm (Accounting)
				• Chairperson: Umzimvubu Audit Committee
				• Member of the following Audit Committees:
				  • Inkandla Municipality
				  • Hlabisa Municipality
				  • Alfred Nzo District Municipality
				  • Mtubatuba Municipality

BACK TO CONTENTS

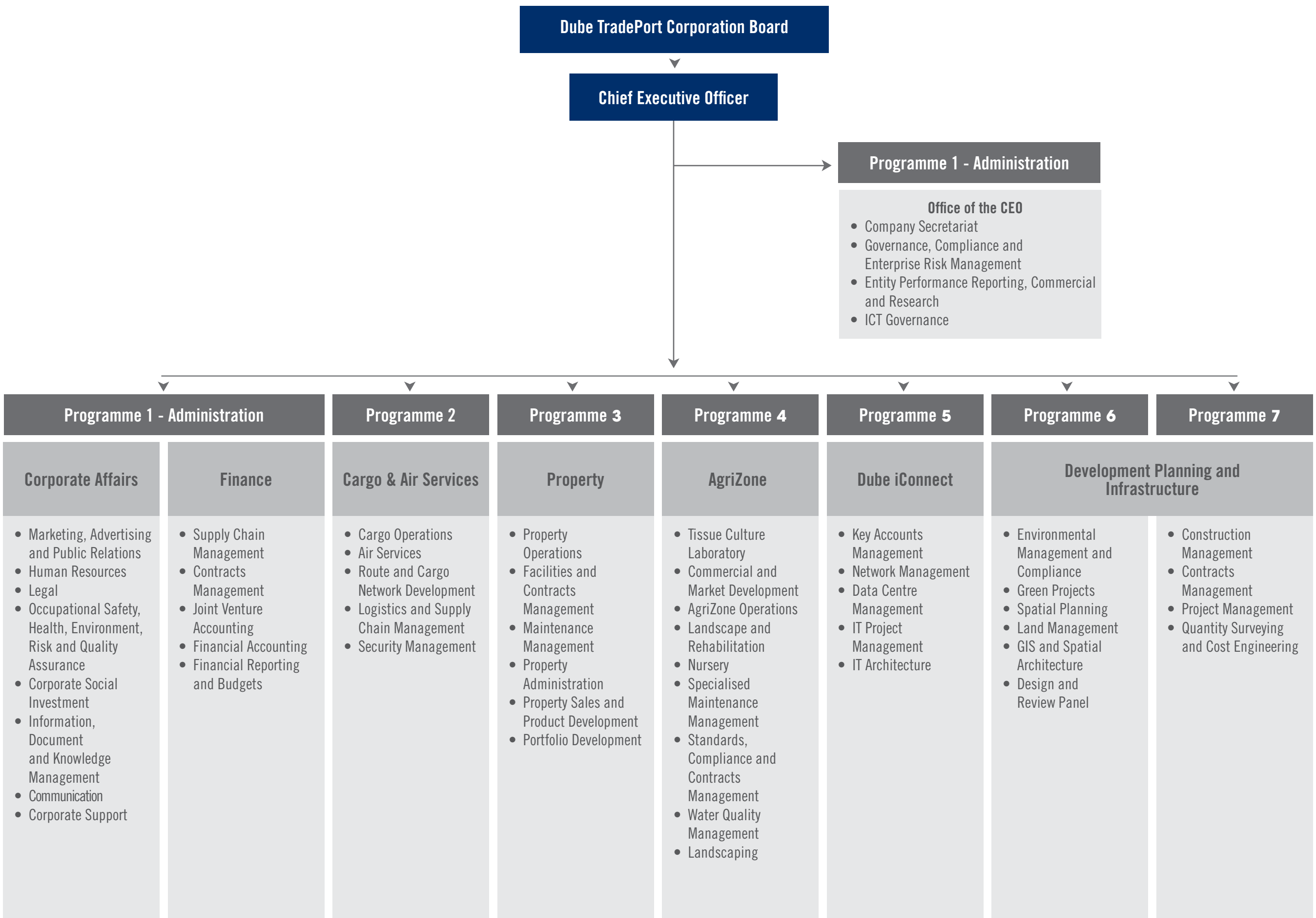
Name	Designation	Age	Qualifications	Other Directorships
Graham Muller	Board Member	62	• B.A. (Hons) (Economics) • M.Sc (Statistics) • ACMA • GCMA	• Proprietor: Graham Muller Associates
Mewa Ramgobin	Board Member	81	• B.A. (Hons)	• Chairperson: Phoenix Settlement Trust • Member of Parliament (retired)
Saxen van Coller	Chief Executive Officer **Appointed 01 March 2013**	49	• B.A. (Hons) (Bus. Eng.) • MBA	• Member of Institute of Directors

EXECUTIVE MANAGEMENT

Dube TradePort Corporation's executive team comprises the following members:

• Saxen van Coller	Chief Executive Officer
• Ayesha Swalah	Chief Financial Officer
• Mlibo Bantwini	AgriZone Executive and caretaking Corporate Affairs Executive
• Hamish Erskine	ICT and Property Sales Executive and caretaking Air Services Portfolio
• Mark Beckett	Property Operations Executive
• Owen Mungwe	Development Planning and Infrastructure Executive

PROGRAMME STRUCTURE



CHAIRPERSON'S STATEMENT

BACK TO CONTENTS

In my Chairperson's Statement of last year – my first as Chairperson of Dube TradePort Corporation – I reflected on the fact that the Board, executive team, management and staff of Dube TradePort Corporation had all taken to heart President Jacob Zuma's appeal to widely broadcast the achievement of and available investment opportunities in Dube TradePort.

This year I am pleased to be in a position to report that our hard work, passion and vigour have paid handsome dividends.

The 2012/13 financial year saw a series of exciting announcements regarding business developments within Dube TradePort, all geared towards assisting in opening the door still further to new global business and trade opportunities and, ultimately, resulting in improved economic growth within the KwaZulu-Natal region.

The review period has proved pivotal in the overall development of Dube TradePort, as the heart of Africa's first purpose-planned airport city, given the vital need to convince the local business community of our precinct's viability. We have been particularly cognisant of the fact that all the construction efforts, the strategic importance of King Shaka International Airport and the state-of-the-art trade, cargo, agricultural and information technology infrastructure we have in place, would come to naught without the support of and buy-in by the private sector.

With our first two multi-million Rand private sector investments in Dube TradeZone – Shree Property Holdings and the Brenco-Reelin joint venture – having been secured, we were confident that such announcements would give effect to the stimulation of further investment in Dube TradeZone and, indeed, throughout Dube TradePort, in turn, impacting positively on cargo movement. Such is the confidence already displayed by logistics giant, Shree Property Holdings, that we were delighted to learn that the company had opted to grow its initially-announced R300 million Dube TradeZone project to a massive R460 million investment in the precinct.

This was just the investment impetus we required to further strengthen the case for the business community's selection of Dube TradePort as its preferred location. Construction of world-class facilities for both companies is set to commence during the first quarter of the 2013/14 financial year.

Of course, the provision of appropriate support infrastructure is of paramount importance to attracting private sector investment and in this respect, the construction of a new link road to the uShukela (formerly Watson) Highway continued progressing apace, with several environmental impact assessments in varying stages of completion.

On the agricultural front, we were especially pleased to announce the conclusion of an export contract for cut flowers being grown in our Dube AgriZone greenhouses. Carmel Nurseries, working in partnership with KP Holland, grows cut flowers, inclusive of Curcuma Alismatifolia, or the Thai Tulip. Dube AgriZone's first international contract involved the growth – to exacting standards – and export of some 30 000 Thai Tulips to Amsterdam, in the Netherlands, every week between October and March, this being the Dutch off-season.

This important project served to effectively showcase our supply-chain expertise. The tulips were cultivated in the zone's AgriLab, grown in Dube AgriZone's climate-controlled greenhouses, transported by refrigerated Dube AiRoad trucks to the nearby cargo terminal, where they were inspected by the on-site authorities before being prepared for dispatch on regular flights to Amsterdam.

A momentous 2012/13 financial year was rounded off with our announcement in March 2013 that a Memorandum of Understanding had been signed between Dube TradePort Corporation and The Action Group, a highly diversified India-based business enterprise which will lead to the roughly R2 billion development of a Mega Industrial Integrated Township (MIIT).

The MIIT, set to attract major foreign direct investment, is designed to bring on-stream state-of-the-art infrastructure, inclusive of new industrial space, commercial areas, a logistics hub comprising truck, bus and container depots, warehousing facilities, a weigh-bridge centre, a training institute and a South African first-of-its-kind industrial retail park.

With the operations of Dube Cargo Terminal having been absorbed into the activities of Dube TradePort Corporation, we have focused closely on ensuring the effective integration of the cargo terminal. The financial year saw the bedding-down of the operation against a backdrop of difficult economic conditions internationally. Importantly, and in spite of lethargic economic recovery since the recession of 2008/09, cargo volumes processed through our state-of-the-art and ultra-secure facility continued to show pleasing growth.

Holistically, we achieved in excess of 80% of our Annual Performance Plan targets in the 2011/12 financial year, creating the foundation for a sound business development base for the future. It is therefore gratifying to convey the fact that we attained 79% of our 2012/13 Annual Performance Plan targets. This, I believe, constitutes a commendable performance in the face of continued world economy woes.

Looking forward, we now eagerly await the formal transition of Dube TradePort Corporation from its status as a Non-Profit Company (formerly known as a Section 21 Company) to the Schedule 3C Public Entity. In spite of the winding-up of the Non-Profit Company remaining outstanding, our current Board, appointed by the MEC for Economic Development and Tourism, Mr Michael Mabuyakhulu in March 2012, has taken responsibility for and has assumed accountability for the continued and on-going leadership and strategic direction of Dube TradePort Corporation.

In closing, I must thank Mr Mabuyakhulu, in his capacity as MEC for Economic Development and Tourism, for his confidence in me and in my Board colleagues. I am also most grateful for his continuous support of Dube TradePort and his leadership in taking this mega-project forward. His proposed Special Economic Zone status for Dube TradePort will have the undoubted effect of further stimulating business interest in the precinct and will lead to significant economic growth for the eThekwini region, KwaZulu-Natal and, indeed, South Africa. We trust that his proposal finds favourable consideration.

I also take this opportunity to extend my most grateful thanks to my fellow Board members for their support and guidance in a year which has proved challenging and which was not without a number of extreme difficulties. The organisation has emerged stronger for the experience and, with lessons learned, is now steering a course over the next five to 10 years which focuses on ensuring that Dube TradePort Corporation builds effectively on the initial evolutionary phases of Dube TradePort's development, becoming the pulse of business and the heart of the emerging airport city.

Lastly, I must express my thanks to and admiration for the management and staff of Dube TradePort Corporation for their efforts during the 2012/13 financial year. I commend their diligence and dedication to getting the job done and in delivering so many exciting initiatives during this review period in spite of often trying conditions.

In particular, I am especially grateful to Ms Ayesha Swalah who rose to the challenge of filling the role of Acting Chief Executive Officer for a little more than seven months. She, with the support of the organisation's executive team did a magnificent job, holding Dube TradePort Corporation on a steady course in an otherwise turbulent operating environment. She delivered the organisation in good standing to new Chief Executive Officer, Ms Saxen van Coller.

I take this opportunity to welcome Ms van Coller to her new role and have every confidence that she will make a telling contribution to the continued growth and development of Dube TradePort Corporation and the advancement of Dube TradePort. I look forward to working closely with her as we enter exciting times ahead.

Dr Bridgette Gasa
Chairperson

BACK TO CONTENTS

INTRODUCTION

It is an honour and a privilege to have been selected and appointed as Chief Executive Officer of Dube TradePort Corporation. The responsibility, together with the executive team, of leading Dube TradePort into its next exciting phase of development is a challenge I relish and I have committed myself to living up to the expectations of all those who have shown belief in my ability to deliver.

The 2012/13 financial year was a tough period in the history of Dube TradePort Corporation; a period fraught with extreme difficulties, but those involved in the development of Dube TradePort rallied admirably to overcome adversity. Their dedication to the cause resulted in our having successfully achieved 79% of our admittedly ambitious Annual Performance Plan targets during the period under review.

Operational progress was – and will necessarily remain – swift, resulting in the most pleasing growth of our organisation from a group of just 86 to a close-knit team of 170 specialists in a diverse range of skills in 2012/13.

The organisation's delivery and development initiative successes of the 2012/13 financial year were achieved in the face of continued global economic gloom, conditions which were particularly hard-felt in the aviation and related industries the world-over, inclusive of South Africa. The property market in this country, too, has also been slow to show signs of recovery from the 2008/09 recession and subsequent moribund economic circumstances.

It was noted in our 2011/12 annual report that organisational transition from being a Non-Profit Company to a legislated Schedule 3C Provincial Public Entity was being addressed. Regrettably, administrative challenges in advancing this transition have proved frustrating, although I am pleased to report that the winding-up of the Non-Profit Company and transition to a Schedule 3C Public Entity is now imminent.

As a result of the aforesaid, our 2012/13 annual financial statements have been prepared for the Non-Profit Company. Pleasingly, however, I am certain that our 2013/14 financial statements will be prepared for the Schedule 3C Public Entity, with all the rights and obligations having been transferred to that new entity.

OVERALL PERFORMANCE

Financial:

In spite of the economic difficulties which characterised the review period, our total assets exceeded R3,5 billion while trading revenue increased by 31,5%, from R17,8 million in 2011/12 to R23,4 million by the conclusion of the 2012/13 financial year.

This is a pleasing performance in the circumstances and provides a sound platform for future activities.

Dube Cargo Terminal:

During May/June 2012 Dube TradePort Corporation took over the operations of Dube Cargo Terminal following our organisation's cancellation of the existing management and operations agreement with former service provider, Worldwide Flight Services (South Africa).

Of course, the integration of this facility into our core business activities was not without its challenges, but through the commitment of all those involved in the process, the operations of the cargo terminal remained largely unaffected, ensuring the seamless provision of reliable processing of time-sensitive freight to our valued customers.

During the period under review, Dube Cargo Terminal processed some 6 123 tonnes of cargo, inclusive, but not restricted to, perishables, automotive parts, electronic components and dangerous goods. Furthermore we maintained, for the third consecutive year since the facility's inception, a zero incidents rate with regard to pilferage, theft or loss of airfreight from Dube Cargo Terminal.

In addition to operating one of the most technologically advanced cargo terminals in Africa, Dube TradePort Corporation controls a fleet of trucks, Dube AiRoad, which provides a vital and additional airfreight link. Through Dube AiRoad, we are able to close the loop, making available a complete airfreight solution by seamlessly connecting cargo, on behalf of customers, between King Shaka International Airport and major cities around South and Southern Africa.

The review period also saw a distinct change in our cargo profile, resulting in Emirates, which has been flying direct international flights to and from Durban since the inception of the new airport, replacing its previous A330-200 with a Boeing 777-300 ER with increased cargo capacity for all its scheduled Durban-Dubai flights from June 2012. This eagerly awaited decision had an immediate impact and will most certainly have a positive and far-reaching effect on cargo movement into and out of Durban going forward.

In addition, we are especially pleased that a number of dedicated freighter operators are showing keen interest in commencing operations at King Shaka International Airport. This will have the effect of again growing the throughput of airfreight at Dube Cargo Terminal.

Dube Air Services:

One of our key strategic objectives is to develop business cases to enable new international and regional air services. In this respect, our organisation stepped-up its endeavours, preparing no fewer than 15 business cases for specific routes during the 2012/13 financial year and utilised the annual World Routes Conference, together with a number of individual bi-laterals, in order to formally present these cases to relevant airlines. Critically, further discussions are underway as a consequence of these interactions.

Following an earlier agreement with SA Express, through which the airline would adopt Dube TradePort as its Southern African route base, the 2012/13 financial year witnessed, in May 2012, the signing of a co-operation agreement with SA Express to introduce 10 new routes into the SADC region from King Shaka International Airport.

The introduction in July and November 2012 of the first two such routes to Lusaka, Zambia, and Harare, Zimbabwe, respectively sees Durban and KwaZulu-Natal set to benefit from the direct connectivity this creates. These new routes pave the way for many new air cargo, trade, investment and leisure opportunities on the continent.

Dube TradePort and SA Express are committed to continuing the exploration of additional opportunities to further expand this network during the course of the 2013/14 financial year.

While Emirates continues being the only international long-haul carrier utilising King Shaka International Airport with its daily service to Dubai, our intention now is to expand international connectivity by targeting strategic routes which demonstrate sustainability and engaging with relevant airlines operating these routes.

Dube iConnect – Information and Communications Technology:

During the 2012/13 financial year our world-class IT and telecommunications platform, Dube iConnect, continued developing, thus ensuring the provision of a wide range of connectivity solutions which meet world standards.

April 2012 marked the commercial launch of Dube iConnect's Data Centre Services, complementing the existing ICASA-licensed voice and broadband services and widening our range of commercial IT offerings. The introduction of the Data Centre Services resulted in the steady growth of our customer-base, utilising partnerships with registered resellers in order to reach a wider target market.

Looking to the future, Dube iConnect's business development strategy is to offer a specific and targeted set of international standard business services, such as disaster recovery and storage. Our operational environment has been prioritised so as to ensure that customers utilising Dube iConnect services experience up-time and availability well in excess of specifications contained in our service level agreements with customers.

Business enterprises currently utilising our IT and telecommunications offering range from large corporate businesses to small and medium-sized enterprises. During the forthcoming financial year, Dube iConnect intends focusing on business development and the continuous improvement and sustainability of the operational environment.

BACK TO CONTENTS

Commercial Property:
The 2012/13 financial year provided for a marked increase in the level of interest and activity in our two primary zones, being Dube TradeZone and Dube City.

More than 15 hectares, or 157 874m², of the 26-hectare Dube TradeZone first phase, which offers industrial sites targeted primarily at the logistics and manufacturing sectors had been let or had already been built upon.

Shree Property Holdings is developing a number of distribution warehouses for logistics tenants covering an area of 21 sites, while the Brenco-Reelin Joint Venture is developing an assembly plant for the construction of bearings and seals, using two sites. Construction of these facilities is scheduled to commence during the first quarter of 2013. In addition, Dube TradeZone is home to another three planned or existing Dube TradePort buildings, inclusive of Dube TradeHouse, which is operational, and facilities for Airchefs and the Gift of the Givers Foundation.

The combined impact of all these developments has created significant momentum for the TradeZone, establishing itself as a prime location on Durban's property market. This is evidenced by the fact that a further eight hectares, or 77 222m², has already been reserved, pending the finalisation of proposals and agreements.

Dube TradePort Corporation is itself currently holding an additional 35 000m² for planned strategic developments.

The take-up rate and serious interest we have experienced during the review period has prompted us to accelerate technical work on the second phase of Dube TradeZone, with a proposed 2015 launch date.

With regard to Dube City, a hotel market study was completed during the course of the 2012/13 financial year and discussions had reached an advanced stage with a hotel developer who has shown keen interest in locating an integrated hotel and office facility in the heart of Dube City.

A number of other office developments were also nearing lease agreement finalisation. Capitalising on these developments, intensified attention will be paid to the continued development of Dube City during the next financial year.

In line with our broader airport city strategy, we also set about pursuing major projects in the wider Dube TradePort area. Dube TradePort Corporation has entered into a Memorandum of Understanding with the India-based business conglomerate, The Action Group, to explore the development of an industrial park targeted at, especially, international investors from the BRICS – Brazil, Russia, India, China and South Africa – geopolitical and economic grouping of nations on a recently acquired 240 hectare site to the south of Dube TradePort. To the north, planning was also initiated for the uShukela precinct, designed to be a mixed-use sector in the area of the new uShukela (formerly Watson) Highway Link Road.

Property Operations:
During the review period we were resolute in our commitment to achieving high occupancy levels in Dube TradePort buildings across the entire precinct.

Pleasingly, our endeavours delivered most favourable results with all our buildings registering occupancy levels in excess of 90% during the review period. Several were 100% occupied, whilst others are scheduled to become fully occupied early in the new financial year. Importantly, too, our organisation exceeded its targets for rental income relating to our buildings portfolio.

As our buildings are now approximately three years old, they are entering a maintenance phase and during the review period we analysed needs and entered into a number of maintenance contracts. This resulted in more than 90% of all planned maintenance work being carried out on these buildings during the 2012/13 financial year.

Dube AgriZone:
A significant highlight of the 2012/13 financial year was the completion of all phase one construction work within Dube AgriZone, undertaken over a two-year period.

We invested R551,0 million in the development of Dube AgriZone's facilities, of which some R214,0 million was spent locally and 70% of which flowed to Small, Medium and Micro Enterprise contractors. Construction activities provided for no fewer than 375 direct employment opportunities in the eThekwini Municipality area and a total of 1 432 direct, indirect and induced jobs throughout South Africa.

Greenhouse D, leased by Carmel Nurseries, became operational during the period under review and was used to grow cut flowers in line with a contract to supply Amsterdam with Thai Tulips during the Dutch off-season. The securing of such an export contract is a major benefit to Dube TradePort and will unquestionably lead to ever greater confidence in this future farming platform by agricultural role-players. We anticipate exports to grow now that the trial and testing phase has been concluded.

Dube AgriLab, an ultra-modern plant tissue culture facility, commenced operations during the period under review. This facility has the capacity to produce more than 5 million plantlets per annum and is ideally positioned for the export of young plants around the world.

In addition, a distribution and value adding centre, leased and operated by Farmwise Marketing (Pty) Ltd. also became operational during the past financial year, adding still greater impetus to the development of Dube AgriZone.

The review period also realised the commissioning of an additional 483,88kWp through solar photovoltaic panel installation, increasing the capacity for renewable energy to 702kWp.

A total of six unskilled members of staff have been employed within Dube AgriLab and are receiving comprehensive on-the-job training in a range of disciplines, inclusive of tissue culture plant propagation techniques, specific tissue culture protocols, greenhouse systems and maintenance and greenhouse production techniques.

Corporate Affairs: Marketing/Brand
The 2012/13 financial year marked the launch of our organisation's first national brand awareness campaign. The campaign, introduced in October 2012, involved the utilisation of print materials, in both South Africa's business and specialist media, supplemented by detailed business messaging for radio in order to create widespread awareness of Dube TradePort and its attributes.

Concurrently, we embarked upon a 'good news' Public Relations campaign with the primary objective of establishing a new narrative for Dube TradePort, building on our organisation's past successes, while further enhancing the brand-building campaign. Both campaigns proved successful, with the results of our first Brand Awareness Survey, which targeted a broad-spectrum sample of 128 people, scoring 42% for 'awareness' and 80% for 'positive perception.'

Corporate Services: Human Resources
During the review period, Dube TradePort Corporation continued focusing on resourcing the entity appropriately and in accordance with the Human Resource Plan, organisational structure and operational requirements.

Our talent acquisition processes resulted in effectively filling 92,3% of all vacancies. As at 31 March 2013, we had employed a total of 170 employees. A particular challenge was the transfer of 64 former Worldwide Flight Services (South Africa) employees to Dube TradePort Corporation in line with Labour Relations Act section 197, partial transfer of a going concern.

Whilst having always maintained a strong culture of performance management, the 2012/13 financial year marked the true launch of 'Learning and Development' within the entity, regarded as a critical foundation for building internal expertise, ensuring on-going compliance, nurturing professional development and as a key staff retention strategy.

Our performance against employment equity targets was varied. Although we are proud of the areas in which we exceeded targets, the areas for improvement in the forthcoming financial year are clear. The Employment Equity Committee will focus on formulating and implementing specific strategies during the 2013/14 financial year to ensure that numerical targets are achieved and affirmative action measures are implemented.

Corporate Social Investment
During the 2012/13 financial year, the organisation sustained our food-for-recyclables project whilst also embarking on other smaller initiatives, which included providing educational books for school libraries, supplying warm school jerseys to learners and collecting clothes and toys, which were distributed through the Tongaat Welfare Society to under-privileged children in our surrounding communities.

Most notable, however, was the installation of solar panels at several of our beneficiary schools. Many disadvantaged schools are burdened with high utility and operating expenses. By investing directly in such infrastructure, we have contributed to the sustainability of such schools, while providing the ability to re-direct operational savings to the educational needs of children. During the 2012/13 financial year, we successfully completed installations at La Mercy Primary School, Nkosibomvu Secondary School, Hambanathi Primary School and Sarasvati Primary School.

Development Planning and Infrastructure
During the past financial year, our Planning and Environment Programme was merged with Infrastructure and Development, forming the Development Planning and Infrastructure Programme.

The period was effectively utilised to begin the process of releasing several new zones and included the commencement of Environmental Impact Assessments involving Dube TradeZone phase two and Dube AgriZone phase two. In addition, a revised Regional Plan was undertaken illustrating the broader vision for the future development of the area surrounding the airport.

Given Dube TradePort Corporation's predilection to the environment and the need for environmental sensitivity in developing Dube TradePort, we continued focusing closely on environmental matters during the review period. Such intense concentration resulted in the initiation of a long-term Environmental and Sustainability Strategy, using a lifecycle approach across Dube TradePort developments and inclusive of our tenants.

Our State of the Environment report, which assesses and highlights threats to the environment and records actions undertaken to protect and manage on-site biodiversity demonstrates our responsible approach, as the master developer, to the growth of Dube TradePort into the future. It is gratifying to report that more than 90% environmental compliance has been achieved, a clear indication of our continued commitment to strict adherence to environmental legislation and maintaining best practice ideals.

Our rehabilitation and restoration efforts during the period brought on-stream in excess of 309 hectares, against some 257 hectares the previous financial year. This is an ongoing project with the objective of reversing the effects of the continued development of Dube TradePort.

Regrettably, the construction of the uShukela (formerly Watson) Highway Link Road has experienced slow progress due to delays in the Department of Environmental Affairs issuing a Record of Decision for the Maintenance, Repair and Overhaul (MRO) facility. As at the financial year-end, the Record of Decision for the Hlawe River sewer pipeline remained outstanding, resulting in an eight-month delay in the execution of this project.

Significant progress was achieved in procuring service providers for the delivery of two warehousing facilities, as well as the maintenance facility located at Dube TradeZone.

Sustainability: Employment creation
The creation of employment opportunities is one of our organisation's key delivery areas.

Employment creation is monitored on a quarterly basis and by the conclusion of the 2012/13 financial year we had directly sustained about 1 300 jobs throughout the Dube TradePort precinct, of which 409 were created in 2012/13. This excludes jobs at the airport's passenger terminal, which is operated by Airports Company South Africa. These figures do not include the numerous indirect and induced employment opportunities created by Dube TradePort as a result of linkages to other sectors of the economy. For instance, the current construction of the R240 million road linking Dube TradeZone to the uShukela Highway is creating another 879 indirect and induced employment opportunities in KwaZulu-Natal.

Environmental
In line with my aforementioned comment on our environmental sensitivity, I am pleased to report here that not only does our organisation occupy an eco-friendly head office, 29° South, but our greenhouses in Dube AgriZone are sustained by an extensive elevated system of solar panels, while approximately 80% of greenhouse water demand is met by way of rainwater harvesting, with the balance being supplied through the provision of borehole water.

No fewer than 13 000 indigenous plants, all cultivated in our dedicated AgriZone nursery, have been re-introduced onto rehabilitated land, while alien vegetation is being removed from the remainder of the site.

CONCLUSION
Although the 2012/13 financial year proved exceptionally challenging, it was a significantly productive period in the relatively short history of Dube TradePort and its development.

I am intent on using the impressive performance of the review period as a springboard to even greater achievements going forward, as we continue our endeavours in developing Africa's first purpose-planned airport city. We will redouble our efforts to increase regional and international air routes, so facilitating passenger and cargo growth, we will commit ourselves to building enabling infrastructure capable of attracting significant levels of investment and will strive to improve our ICT service for the benefit of all users.

Lastly, I would like to thank Mr Michael Mabuyakhulu, the MEC for Economic Development and Tourism, for his continued support of Dube TradePort and its growth. I, with my executive team, greatly look forward to working with both Mr Mabuyakhulu and his Department into the future to ensure the delivery of a finely planned and wonderfully executed airport city.

My appreciation and thanks also go Dube TradePort Corporation's Board for the guidance and leadership its members have brought to the organisation. I am particularly grateful for the support members have provided to the executive team and our members of staff during the difficulties of the past year. I look forward to their continued and invaluable guidance on matters of strategic importance as we embark on yet another phase in the roll-out of Dube TradePort.

As I said at the outset, I feel honoured and privileged to be a part of this exciting development and, in thanking our executives and staff for their dedication to the 2012/13 task, I invite all those involved in Dube TradePort to reaffirm their commitment to the project and to join me as we continue the Dube TradePort journey.

Saxen van Coller
Chief Executive Officer

BACK TO CONTENTS

HUMAN RESOURCES

During the 2012/13 financial year, Dube TradePort Corporation continued focusing on resourcing the entity appropriately and in line with our Human Resource Plan, the organisation structure and our operational requirements.

Our talent acquisition processes resulted in the achievement of a vacancy rate of only 7,7%, thus effectively filling 92,3% of all vacancies earmarked for the period under review.

Workforce Movement Statistics:	
TOTAL NUMBER OF EMPLOYEES AS AT 01 APRIL 2012	**86**
Appointments	40
Exits (natural attrition rate of 9,36%)	20
Employee Movements (Promotions and Transfers)	4
Labour Relations Act, section 197, partial transfer as a going concern (number of employees transferred from Worldwide Flight Services (South Africa) to Dube TradePort Corporation)	64
TOTAL NUMBER OF EMPLOYEES AS AT 31 MARCH 2013	**170**

In June 2012, Dube TradePort Corporation gave effect to a Labour Relations Act, section 197, partial transfer of a going concern and transferred 64 former Worldwide Flight Services (South Africa) employees to the entity. The process proved challenging and required significant effort throughout our organisation to ensure the operational and functional integration of these employees. However, within nine months, we had made certain that all affected members of staff had job descriptions, had negotiated a recognition agreement with SATAWU, obtained approval for the alignment of remuneration and benefits between the two organisations and included these staff members in the Dube TradePort Corporation Performance Management System.

Although we have maintained a strong culture of performance management within Dube TradePort Corporation, we officially launched 'Learning and Development' during the review period, providing the foundation on which we may build internal expertise, ensure on-going compliance, nurture professional development and retain high-performing employees.

We achieved an implementation rate of 61,0% of the Learning and Development Plan, expended R541 569 on learning and development interventions, being some 1,12% of our remuneration costs, excluding skills development levy contributions, and submitted our first Workplace Skills Plan to the Services SETA.

Building a shared vision and a common culture amongst our many new members of staff remains a challenge and we uncovered a number of key issues which were raised during a Perception Survey conducted in September 2012. Findings emanating from the Perception Survey were communicated in writing in both English and isiZulu and during face-to-face feedback sessions.

This was followed-up with focus group sessions to unpack burning issues. Many of the entity's subsequent initiatives and planned interventions for 2013/14 are informed by the views expressed by the 78% of employees who participated in the Perception Survey.

PERFORMANCE AGAINST EMPLOYMENT EQUITY TARGETS

Category	Target	Actual (As at 31 March 2013)	Status
Race – Top management	48%	50%	Exceeded
Race – Senior management	48%	33%	Not achieved
Race – All other occupational levels	80%	81%	Exceeded
Gender – Top management	50%	33%	Not achieved
Gender – Senior management	50%	67%	Exceeded
Gender – All other occupational levels	48%	38%	Not achieved
Disability	1%	0%	Not achieved

Dube TradePort Corporation formed an Employment Equity Committee during the period under review whose task is to focus on formulating and implementing specific strategies during the forthcoming financial year in an effort to make sure that numerical targets are achieved and affirmative action measures are implemented.

CORPORATE SOCIAL INVESTMENT

Dube TradePort Corporation's Corporate Social Investment initiatives focus on meeting four main socio-economic objectives, namely:

- Improving conservation, environmental, education and waste management awareness;
- Infrastructural development and enterprise reconstruction in under-developed areas;
- Rural and urban renewal; and
- Education and skills development in increasing the sustainability of local communities.

During the 2012/13 financial year our organisation continued operating our most successful food-for-recyclables project which encourages school children from surrounding areas to collect litter and waste from within their local community areas and to exchange this for fresh produce from Dube AgriZone.

The programme remains very effective and staff members continued playing an active part in the initiative. Other interventions included the provision of educational books for the library at Nkosibomvu Secondary School, the supplying of warm school jerseys to both Nkosibomvu and La Mercy Primary Schools and a clothes and toys collection, the results of which we distributed, through the Tongaat Welfare Society, to under-privileged children living in communities in the environs of Dube TradePort.

A major achievement was the installation of solar panels at a number of schools as a means of impacting on high utility and operating expenses. Our infrastructural investment contributed to the sustainability of these schools, allowing for the re-direction of operational savings to the education of children.

Some installations required school roof structures to be adapted and where solar panels could not be installed on existing roofing, we invested in upgrading such structures to accommodate the solar installations.

During the period under review solar panels were installed at four local schools, being La Mercy Primary School (solar installation and commissioning), Nkosibomvu Secondary School (roof structure, solar installation and commissioning), Hambanathi Primary School (solar installation and commissioning) and Sarasvati Primary School (roof structure, solar installation and commissioning).

GREEN OFFICE

To give impetus to our on-going commitment to ensuring a sustainable environment, Dube TradePort Corporation launched an internal Green Office Campaign in July 2012. This focuses on encouraging staff to care for our environment, saving paper, energy and water, avoiding waste and buying eco-friendly products and equipment.

A green office is healthy, more efficient and inexpensive to operate and is, above all, inhabited by workers who are aware of the importance of eco-friendly behaviours and practices because they know how important this is for our survival.

Between April 2012 and March 2013, 54% of our waste was disposed of at a landfill and 46% went to a recycling station.







RECORD OF ENVIRONMENTAL ACHIEVEMENTS

During the review period, Dube TradePort Corporation accomplished significant achievements in several key environmental areas, including planning and review of the built environment, biodiversity management, water demand management and planning for energy efficiency and emissions, as well as waste recycling and water quality monitoring.

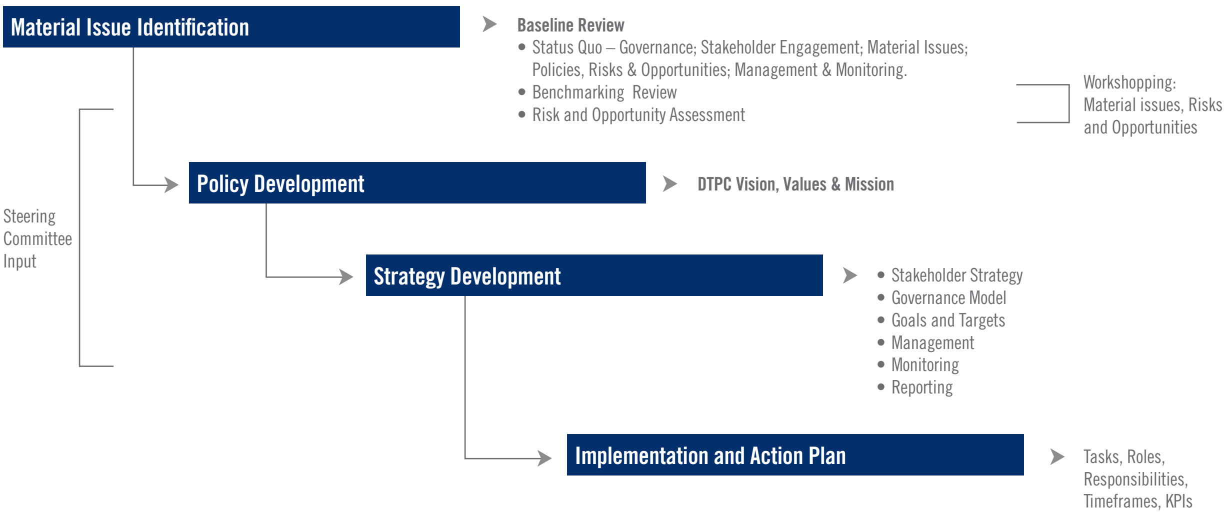
The organisation also embarked upon the preparation of an Environmental Policy and Strategy as a statement of intent to Government – as both regulatory authority and shareholder – its peers, stakeholders and the wider community regarding environmental management at Dube TradePort. The Dube TradePort 2060 Master Plan describes the vision for current and future land use and the Environmental Strategy has, therefore, been prepared in parallel with the Master Plan, outlining the strategic approach for environmental management for the next five years.

Stakeholder input forms an integral part of the development of a strategy.

ENVIRONMENTAL STRATEGY PRIORITIES

The draft Environmental Strategy outlines a number of action items being implemented across the organisation to ensure that environmental impacts are mitigated and managed appropriately.

KEY PROJECT TASKS ASSOCIATED WITH THE ENVIRONMENTAL STRATEGY DEVELOPMENT



BIODIVERSITY (LAND AND ECOLOGY)

Dube TradePort Corporation continued maintaining and enhancing key elements of biodiversity across the entire open space area during the 2012/13 financial year.

ENERGY MANAGEMENT

Completion and implementation of an Energy Efficiency Master Plan for the entire organisation is expected to deliver efficiencies across the precinct, including Dube Cargo Terminal and the future Dube TradeZone 2 development.

WATER DEMAND MANAGEMENT

Dube TradePort Corporation's Water Supply Strategy is based on sourcing harvested rainwater, groundwater abstractions, possible treated effluent from the Southern Waste Water Treatment Works and, if necessary, municipal supply. Our current strategy includes the following elements:

- Attenuation and harvesting of storm-water run-off. Run-off from the roofs of the greenhouses is collected in covered attenuation ponds for irrigation use;
- Rainwater is harvested from the roofs of structures within Dube AgriZone and this water is stored in storage ponds. Each greenhouse has a storage pond from which irrigation is supplied for that particular greenhouse. In addition, rainwater is also harvested from the nursery buildings, inclusive of the ablution building, potting shed and storage building, as well as the Tissue Culture Laboratory;
- Treated waste-water from the Southern Waste Water Treatment Works may be used to supplement water for irrigation, under the requirement that treated water should adhere to Special Limit Value Standards. Effluent arriving from this source, which is of unacceptable quality, may be transferred to the Flush Water ponds;
- Groundwater (borehole) resources may be used in circumstances where rainwater and treated effluent is unable to meet desired capacity. Three boreholes are available for use at Dube AgriZone;
- A reverse osmosis plant has recently been installed to treat water abstracted, via boreholes, for irrigation; and
- A Brine Re-use Options and Management Plan was developed to determine the best practicable environmental option for brine disposal. In addition, an Integrated Water and Waste Management Plan is being developed in support of a Water Use License Application at Dube AgriZone.

WASTE MANAGEMENT

Our organisation continued implementing waste management strategies across all facilities and also explored options for more innovative recycling and responsible disposal of waste, in partnership with the waste management company RE-Ethical. Waste is collected from tenants and delivered to a central waste sorting facility.

WATER QUALITY MONITORING

A water quality monitoring programme was established to ensure that water use, particularly the re-use of treated waste-water, does not have negative impacts when discharged into the environment. A precinct-wide water quality monitoring programme was put into place, comprising 17 sample sites within Dube TradeZone and Dube City and additional surface water sampling at three locations at Dube AgriZone. The programme has been designed to monitor existing water bodies, discharge from water treatment works and flow into the Mount Moreland Wetlands.

DEVELOPMENT IMPACT MANAGEMENT AND MITIGATION

Dube TradePort Corporation continued its pro-active management of the impact of its construction and operational activities during the review period. This included the detailed management and mitigation requirements for construction contractors, secondary developers and relevant Dube TradePort Corporation personnel via the development of Environmental Management Programmes focusing on both construction and operational activities.

STAKEHOLDER ENGAGEMENT

During the review period, Dube TradePort Corporation developed a Stakeholder Map and initiated engagement, on a monthly basis, to solicit input into development plans and environmental strategies. All material issues are included in quarterly monitoring reports submitted to the relevant authorities.

BACK TO CONTENTS

INTRODUCTION

Corporate Governance is a reflection on the manner in which an organisation is managed and controlled. In recognising this, Dube TradePort applies meaningful governance principles in the execution of all its business operations.

Dube TradePort Corporation operates as a Non-Profit Company (formerly known as a Section 21 Company), registered under the Companies Act. However, in establishing a Schedule 3C Public Entity, which was formalised in September 2011 in line with the publication of such notice in the Government Gazette, Dube TradePort Corporation, was created as a Schedule 3C Public Entity.

The KwaZulu-Natal Dube TradePort Corporation Act, No. 2, of 2010, allowed for the establishment, management, staffing and financing of Dube TradePort Corporation, as a Public Entity and the winding-up of the Dube TradePort Company. Furthermore, the Act provided for Dube TradePort Corporation to be the successor at law of the Dube TradePort Non-Profit Company.

The transition process from a Non-Profit Company to a Schedule 3C Public Entity is being undertaken in such a way as to ensure that structures, agreements, contracts and relationships are transferred from one entity to the other with the least possible disruption to the organisation's business processes and with minimal risk or negative financial impact to Dube TradePort.

The Non-Profit Company has not yet been wound-up and, thus, details of both entities are provided.

PUBLIC FINANCE MANAGEMENT ACT

The Dube TradePort Corporation's Board is regarded as the accounting authority in terms of the Public Finance Management Act (PFMA). The Act is also applicable to subsidiaries and entities owned or controlled by Dube TradePort Corporation, which are also classified as and deemed to be Schedule 3C Public Entities. The PFMA regulates financial management and governance.

Dube TradePort Corporation makes certain that its Board members are fully conversant with the provisions of the PFMA through induction programmes. Board responsibilities are also specified in the PFMA and the organisation's Board members are required to comply with their fiduciary duties, as set out in the PFMA.

KING REPORT ON CORPORATE GOVERNANCE (KING III)

Dube TradePort Corporation acknowledges that good Corporate Governance should be based on self-regulation and adherence to all regulations. The organisation regards and treats this as a priority.

Wherever appropriate, Dube TradePort Corporation has, therefore, committed itself to adherence to the principles as set out in the King Report on Corporate Governance for South Africa. The Board ensures that the organisation meets the need for transparency, accountability, integrity and the application of ethical business standards.

Although Dube TradePort Corporation strives to apply the King III principles and practices, as a Public Entity, it is not possible to put into operation certain of these principles. Any deviations are explained in the narrative of this section.

Policies and procedures are continuously developed and introduced as the entity evolves, while existing policies and procedures are regularly reviewed and refined. All new and revised policies are approved by the Board prior to implementation.

THE BOARD

Although the Non-Profit Company had not been wound-up during the 2012/13 financial year, the Board of the Schedule 3C Public Entity, appointed by the MEC for Economic Development and Tourism, Mr Michael Mabuyakhulu, in March 2012, has assumed strategic leadership of the organisation. Dube TradePort Corporation employs a unitary Board structure, with a majority of non-executive members.

Members of the Board are considered to be non-independent as they are appointed by the organisation's sole shareholder and approved by Cabinet. The diversity of the Board members' skills is further supplemented at Audit and Risk Committee level through the inclusion of external members of the Committee. Participation by such external individuals, whilst not being members of the Board, is permissible in terms of the PFMA.

Board members are appointed for a term of five years. Rotational appointments are regarded as neither practical nor appropriate. Executive Directors are full-time employees and, as such, are subject to all the conditions of service of Dube TradePort Corporation.

Board Committees assist the Board in fulfilling its stated objectives. Committee roles and responsibilities are detailed in each one's formal Terms of Reference. The Audit and Risk Committee has additional responsibilities, as stated in terms of the PFMA. The Terms of Reference of each Board Committee are reviewed annually, so ensuring continuous relevance.

BOARD RESPONSIBILITIES

The Board is the custodian of Corporate Governance and, therefore, accepts responsibility for ensuring that the entity conducts its business in line with sound governance principles. This it achieves by approving key policies and ensuring that the organisation's obligations to key stakeholders are met. The Board also has the responsibility for approving and adopting strategic plans and providing management with sound leadership, in line with Dube TradePort Corporation's values, whilst understanding that strategy, risk, performance and sustainability are inseparable.

The organisation employs a Board Charter, which is reviewed annually, and – in line with the content of this charter – assumes the following responsibilities:

- Ensuring the strategic planning, establishment, design, construction, operation, management and control of Dube TradePort Corporation is effectively performed by management;
- Implementing and giving effect to the Master Plan for the economic growth of Dube TradePort and the Province;
- Managing and utilising resources in accordance with the objects and requirements of the Master Plan;
- Ensuring that risks associated with the strategy have been thoroughly assessed by management and that effective risk management and internal controls exist;
- Providing effective leadership on an ethical foundation and ensuring that Dube TradePort Corporation's ethics are effectively managed;
- Ensuring that Dube TradePort Corporation is and is seen to be a good corporate citizen;
- Being responsible for IT governance;
- Ensuring that there is an effective risk-based internal audit;
- Ensuring that Dube TradePort Corporation complies with all laws and regulations; and
- Ensuring stakeholder communication through the integrity of the annual Integrated Report.

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

The role of the Chairperson of the Board is responsibility, together with the Board, for the organisation's strategic direction, its policies and its procedures. The role of the Chief Executive Officer is responsibility for the effective management of Dube TradePort and the implementation of strategy, policy and the directives of the Board.

DELEGATION OF AUTHORITY

A comprehensive Delegation of Authority framework has been put into place to ensure the timely and effective implementation of the Board's strategy. The Delegation of Authority framework does not, however, relieve the Board of its responsibilities and the Board retains the prerogative to withdraw any given Delegation of Authority at any time. The Delegation of Authority framework was reviewed during the year.

BOARD INDUCTION AND EVALUATION

A thorough induction for the benefit of members of the new Board took place during a two-day session in May 2012. In addition, an evaluation of the Board's effectiveness against the Board Charter and the effectiveness of its members was held in February/March 2013. Feedback is to be analysed and utilised to further improve the operation of the Board.

BACK TO CONTENTS

DECLARATIONS OF BOARD MEMBERS' INTERESTS

All Board members – as with all employees of Dube TradePort Corporation – are required to complete declaration of interest forms on an annual basis. In addition, prior to any and all meetings of the Board and Board Committees where conflicts of interest might potentially arise, interests are required to be declared. In the case of a conflict being noted, such conflict is interrogated and, where necessary, the conflicted person is recused from the meeting.

BOARD MEETINGS

Dube TradePort Corporation's Board meets at least four times per annum and retains full control over the organisation.

During the 2012/13 financial year a total of five Board meetings were held, including strategic risk assessment and strategy sessions involving the executive team.

MEMBERSHIP AND ATTENDANCE: BOARD MEETINGS – 2012/13

Schedule 3 C Public Entity						
Member		May 2012 Board Meeting	July 2012 Special Board Meeting	August 2012 Board Meeting	January 2013 Board Meeting, including Risk Workshop	March 2013 Strategy Session
B Gasa	Non-independent, non-executive Chairperson Appointed 07 March 2012	✓	✓	✓	✓	✓
C Sibiya	Non-independent, non-executive Deputy Chairperson Appointed 07 March 2012	✓	✓	✓	✓	✓
V Mtshali	Non-independent, non-executive Board Member Appointed 07 March 2012	A	✓	✓	✓	✓
G Muller	Non-independent, non-executive Board Member Appointed 07 March 2012	✓	✓	✓	✓	✓
M Ramgobin	Non-independent, non-executive Board Member Appointed 07 March 2012	✓	A	A	✓	✓
S van Coller	Executive Director Chief Executive Officer Appointed 01 March 2013	-	-	-	-	✓
W Lotz	Acting Chief Executive Officer* 09 July 2012 - 09 August 2012	-	-	✓*	-	-
A Swalah	Chief Finance Officer Acting Chief Executive Officer* 09 August 2012 - 28 February 2013	I	-	I	✓*	I
R Persad	Executive Director Chief Executive Officer Resigned 08 August 2012	✓	-	R	R	R

✓ = Attendance A = Apology R = Resigned I = By invitation - = Not Appointed

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established in terms of the PFMA and assists the Board in the discharge of its duties. The Audit and Risk Committee is chaired by an independent, registered professional accountant, Mr Shadrack Khumalo, who has the requisite knowledge this position requires, as well as the necessary business, financial and leadership skills and is not a political office-bearer. The Audit and Risk Committee includes two Non-Executive Board members, namely Messrs Mtshali and Muller.

The Audit and Risk Committee meets at least four times a year and is convened in line with formal Terms of Reference, confirmed by the Board.

Such Terms of Reference were reviewed during the year and included a materiality and significance framework. The Audit and Risk Committee met five times during the 2012/13 financial year.

The Chief Financial Officer, together with members of the internal and external audit teams, attend Audit and Risk Committee meetings by invitation. During the year under review, the Chief Executive Officer was also invited to attend these meetings.

During the year the Audit and Risk Committee met with the internal and external auditors without management being present.

MEMBERSHIP AND ATTENDANCE: AUDIT AND RISK COMMITTEE MEETINGS – 2012/13

Member	May 2012	July 2012	July 2012	November 2012	January 2012
S Khumalo Chairperson	✓	✓	✓	✓	✓
V Mtshali Committee Member	✓	✓	✓	✓	✓
G Muller Committee Member	✓	✓	C	✓	✓
W Lotz	-	-	-	I	-
A Swalah Chief Financial Officer - Acting Chief Executive Officer*	I	I	I	I*	I*

✓ = Attendance A = Apology I = By invitation C = By conference call

INTERNAL CONTROL

Dube TradePort Corporation's Board is accountable for the organisation's system of internal control and has delegated the implementation and management of this responsibility appropriately.

The organisation's system of internal control ensures that significant risks are appropriately managed and provides reasonable assurance that:

- Business objectives will be achieved;
- Operations are efficient and effective;
- Management of financial information is reliable;
- Dube TradePort Corporation's assets and information are appropriately safeguarded; and
- There is compliance with applicable laws and regulations.

Since Dube TradePort Corporation is relatively immature, management focuses closely on the on-going implementation and bedding-in of its internal control system.

INTERNAL AUDIT

The organisation's internal audit function provides for independent assurance with regard to the adequacy and effectiveness of the system of internal control in order to manage the significant risks faced by the organisation.

This internal audit function is provided by PricewaterhouseCoopers. The annual audit coverage plan is developed through the application of a risk-based approach and is reviewed and approved by the Audit and Risk Committee on an annual basis. Key audit findings are reported to the Audit and Risk Committee by internal audit at the conclusion of each review.

Since the internal audit function is conducted by an external service provider, it is considered to be both objective and independent. This status is further maintained through its reporting functionally to the Audit and Risk Committee.

RISK MANAGEMENT

The Board is both responsible and accountable for the governance of risk and, in this regard, has delegated the implementation and day-to-day management of this responsibility appropriately. Risk management is regarded as a key businesses discipline which:

- Protects the organisation against such uncertainties and hazards which could prevent the achievement of business objectives;
- Considers the exploitation of opportunities which may improve the performance of the organisation; and
- Focuses on strategic, financial and operational risks.

Dube TradePort Corporation performed a strategic risk assessment, attended by members of the Board, executive team and the Audit and Risk Committee Chairperson, during the review period.

Critical strategic risks identified and measures employed to address them included:

Strategic Risks	Measures Taken to Address Risks
Attraction of regional and international interconnectivity	• Participation in bilaterals; • Air Services Strategy developed.
Approval of environmental applications	• Interaction with stakeholders; • Communication with National Department.
Effective corporate governance	• Policies and procedures formulated and implemented; • Board evaluation conducted; • Fraud Prevention Plan formulated and implemented; • Dube TradePort Corporation Tip-offs Hotline implemented.
Export contracts	• Create network opportunities and relationships in target markets.
Bulk infrastructure provisioning	• Dialogue with regulatory and approval authorities.
Funding to adequately execute the objectives of the organisation	• Monthly monitoring of spending and budgeting.
Stakeholder relationship	• Regular formalised communication with all interested parties.

The Risk Management Framework was reviewed and approved by the Board during the year under review.

REMUNERATION AND HUMAN RESOURCES COMMITTEE
The organisation's Remuneration and Human Resources Committee meets at least twice annually and is convened in line with formal Terms of Reference approved by the Board.

The Remuneration and Human Resources Committee met three times during the 2012/13 financial year. The Chief Executive Officer attends Remuneration and Human Resources Committee meetings by invitation. The Chief Executive Officer recuses him/herself during any discussion pertaining to his/her performance or remuneration.

MEMBERSHIP AND ATTENDANCE: REMUNERATION AND HUMAN RESOURCE COMMITTEE MEETINGS – 2012/13

Member	April 2012	August 2012	January 2013
C Sibiya Chairperson	✓	✓	✓
M Ramgobin Committee Member	✓	✓	✓
R Persad Chief Executive Officer	✓	R	R
A Swalah Acting Chief Executive Officer *	-	✓*	✓*

✓ = Attendance R = Resigned

GENERAL DECLARATIONS OF INTEREST
As has previously been noted, all employees are obliged to declare their interests, in line with the requirements of the PFMA. Further, all members of staff involved in the scoping, evaluation or adjudication of the procurement processes are required to declare any interests prior to each engagement in such procurement processes. As an additional control measure to mitigate against any influence by suppliers, Dube TradePort Corporation has in place a Gift Policy. This policy was reviewed by the Board during the previous financial year.

ACCESS TO INFORMATION
The Board regards access to information as being the cornerstone of good governance. It has accordingly ensured access, collectively as the Board and as individual members, to company information, records, documents and property, so enabling it to effectively discharge its responsibilities.

The provision made for access to information applies to the overall Board, as well as Board Committees.

PUBLIC ACCESS TO INFORMATION ACT
As a Non-Profit Company, Dube TradePort developed a Section 51 manual in terms of the provisions of Public Access to Information Act (PAIA). Dube TradePort Corporation, now as a Public Entity, has developed the required Section 14 PAIA manual, which is available on the organisation's website.

During the period 01 April 2012 to 31 March 2013, Dube TradePort Corporation received requests for information which related to information that was automatically available on the organisation's website or was contained in marketing and promotional materials. We received 21 PAIA site tour requests, of which 16 were conducted, resulting in 218 people attending tours around the Dube TradePort precinct through this process.

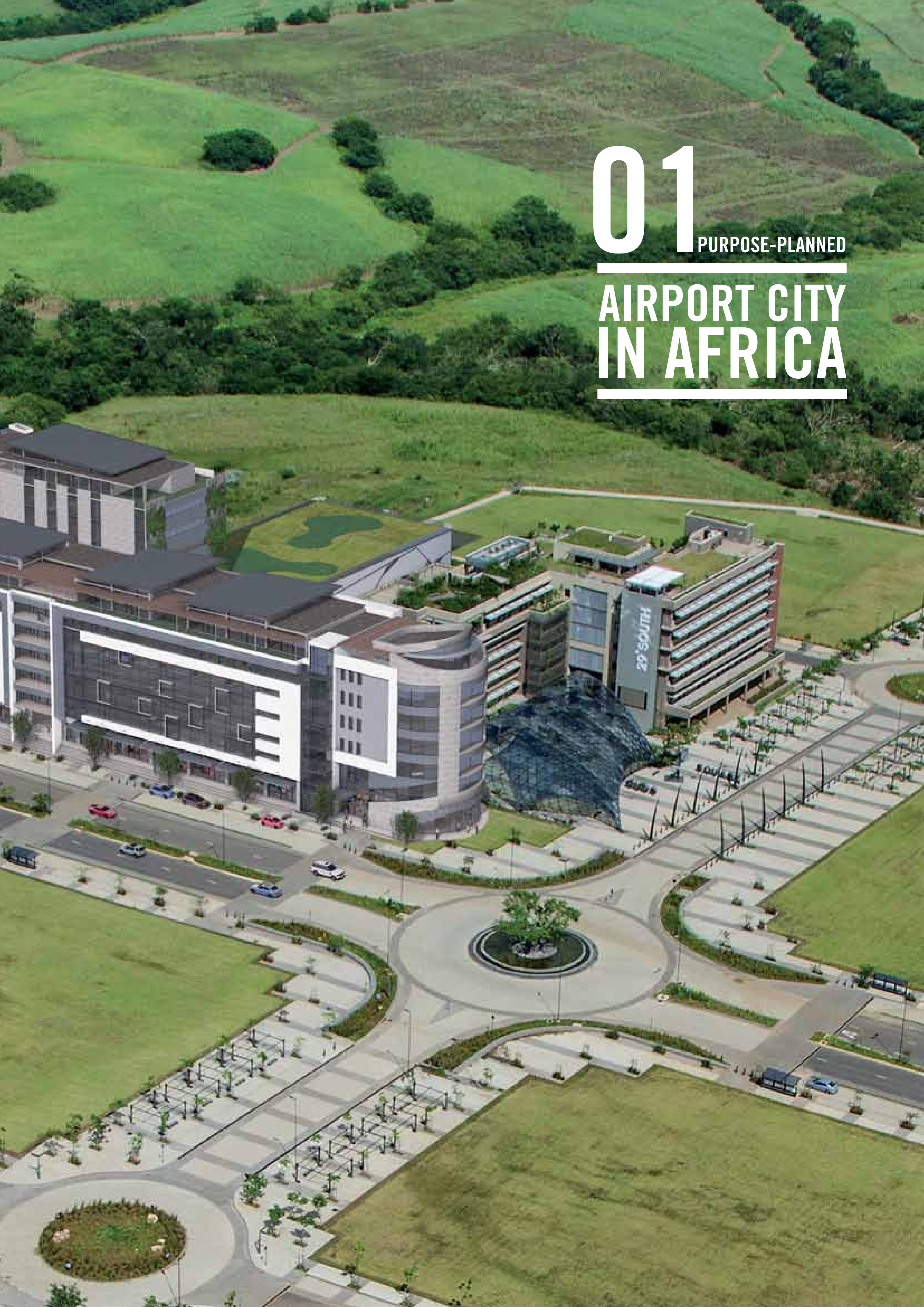
FRAUD PREVENTION PLAN AND ANTI-FRAUD HOTLINE
The Fraud Prevention Plan and Fraud Prevention Policy and Response Plan were reviewed by the Audit and Risk Committee and approved by the Board during the year.

In a concerted effort to further increase mechanisms designed to ensure adherence to the principles of good governance, Dube TradePort Corporation has introduced an Anti-Fraud Hotline, whereby either internal or external parties may report fraudulent or corrupt activities anonymously.

The Audit and Risk Committee is appraised of any fraudulent activities which are uncovered and is briefed on the actions taken, for example: the dismissal of an employee.

01 PURPOSE-PLANNED

AIRPORT CITY IN AFRICA



BACK TO CONTENTS

So as to efficiently deliver on its mandate, Dube TradePort Corporation has established a seven-programme structure.

Our seven programmes include:

Programme 1 **Administration**	Sub-programmes	• Office of the Chief Executive Officer • Financial Administration • Corporate Services • Marketing
Programme 2 **Cargo and Air Services**	Sub-programmes	• Cargo Operations • Air Services • Airside
Programme 3 **Property**	Sub-programmes	• Commercial • Operations
Programme 4 **AgriZone**	Sub-programmes	• AgriZone Services • Sustainable Farming Initiatives • Tissue Culture Facility • Landscaping and Rehabilitation • AgriZone Expansion
Programme 5 **ICT**	Sub-programmes	• Commercial • Operations
Programme 6 **Planning and Environment**	Sub-programmes	• Planning • Environment
Programme 7 **Infrastructure and Development**	Sub-programmes	• Infrastructure • Development

The following tables highlight the performance of each Programme, together with their respective sub-programmes, for the 2012/13 financial year, against targets reflected in the Annual Performance Plan (APP) for the year.

BACK TO CONTENTS

Programme 1: Administration				
Goal: To maintain effective corporate governance and financial administration				
Sub-programme 1: Office of the Chief Executive Officer				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To provide strategic direction and leadership to Dube TradePort Corporation	Achievement of APP targets	85%	79%	79% of the targets were met during the year, against a target of 85%. The shortfall was due to (1) delays in construction activity, (2) unrealistic and unachievable cargo throughput targets set at the beginning of 2012, which have since been adjusted for the 2013/14 financial year, and (3) difficulty in securing lease agreements for Dube City, due to the oversupply of commercial and hotel space in the surrounding areas
	% completed of quarterly assessments	100%	100%	By year-end, all assessments for executives and relevant staff had been completed
	Annual report outlining the socio-economic impact of Dube TradePort project	1 report	1 report	It is estimated that construction activities associated with Phase 1 of Dube TradePort have directly contributed R2,4 billion to GDP since commencement
	Annual research report into cargo movements and destinations	1 report	1 report	The report considered the nature and magnitude of goods amenable to air transport being moved into and out of KwaZulu-Natal
To secure beneficial partnerships for Dube TradePort Corporation	Number of partnerships secured	1	1	Partnership agreement signed with Dube Foundation
To promote sound corporate governance by Dube TradePort	Board Evaluation: Measure of effectiveness	Satisfactory	Good	The first ever Board evaluation yielded better than expected results
Corporation and its Board	Number of reports (Annual Report, Annual Performance Report, and Quarterly Performance Reports) submitted on time	6	6	The Annual Report, including the Annual Performance Report, and Quarterly Performance Reports were submitted to the Department of Economic Development and Tourism on time
	Number of Audit and Risk Committee meetings held	4	5	Meetings were held each quarter, with two meetings taking place in July

BACK TO CONTENTS

Sub-programme 2: Financial Administration				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To provide effective and transparent financial management systems	Audit opinion: external audit	Unqualified	Unqualified	An unqualified audit report was received for the 2011/12 financial year
	% of prior period report items (external audit report) resolved prior to commencement of audit	90%	86%	Six of seven report items raised in the 2011/12 audit report were resolved. 70% of the work required to resolve the one outstanding item has been completed
	Number of report points included in the external audit management report	8	7	Fewer items than anticipated were raised by external audit in the 2011/12 management report
	Number of monthly reports submitted to the Department of Economic Development and Tourism on time	12	12	Reports were submitted to the Department of Economic Development and Tourism on time every month

Sub-programme 3: Corporate Services				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To effectively manage human resource recruitment, training and development	Number of vacant positions as % of total staff requirement	20%	7,7%	More than 90% of the vacancies for this period were successfully filled, including some specialised areas
	% implementation of Dube TradePort Corporation Training and Development Plan (cumulative)	60%	61%	All major learning and development items were implemented across the organisation
	Training expenditure as % of employee costs	1%	1,12%	From the third quarter, training administration was centralised, resulting in improved reporting of training incidents
	% implementation of ICT Governance Framework (cumulative)	60% progress	74%	The recruitment of a dedicated ICT Governance resource assisted with implementation of the major items on the plan
	Number of Corporate Social Investment projects	2	4	Corporate Social Investment projects undertaken included the installation of solar panels at five schools, distribution of school jerseys, books for libraries and the food-for-recyclables waste programme

BACK TO CONTENTS

Sub-programme 4: Marketing				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To facilitate and manage the development of the Dube TradePort Corporation brand and sub-brands in the market	% increase in brand value	5% from baseline	7,3%	A brand awareness campaign was implemented for the first time. At year-end a brand awareness survey was conducted, showing largely favourable awareness in spite of the challenges of the period
	Number of successful campaigns implemented	10	12	Key marketing campaigns executed included the Dube TradePort Corporation "Good News" Public Relations campaign, brand awareness campaigns and various sub-brand campaigns in support of Dube TradePort Corporation's service offerings
	Number of slots occupied on the electronic billboards	30	13	Technical issues meant the electronic billboards were inactive for much of the year
	Number of activities developed and implemented to support external business communication channels	7	12	Some activities undertaken included: Dube Times (quarterly external newsletter), conducting a brand and tenant survey and hosting more than 600 visitors on tours of the precinct
	% increase in website hits	5% from baseline	36,4%	Dube TradePort Corporation's website traffic increased substantially due to an increase in press releases distributed, greater media presence and increased activity in online referral sites
	Marketing Operational Plan, for financial year, developed and approved by the Chief Executive Officer	1	1	The Marketing and Brand Strategies were developed for the year. Business and marketing objectives, for all operational divisions, were developed into campaigns and activities and then sequenced into an operational plan




BACK TO CONTENTS

Programme 2: Cargo and Air Services				
Goal: To enable new air services to international and regional markets and facilitate growth of air cargo				
Sub-programme 1: Cargo Operations				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To enable a seamless cargo service	Processing time against Service Level Agreements	90%	99%	Processing time is consistently above the targets set in Service Level Agreements, making Dube Cargo Terminal one of the best performing stations for Emirates
	Tonnage throughput from Dube Cargo Terminal – International	12 000 – 16 800	6 123	Tonnage throughput increased over the prior year. However the target was unrealistic and unachievable and difficulties were experienced throughout the year in obtaining the information necessary to accurately measure this. The target has been adjusted in the 2013/14 APP
	Tonnage throughput from Dube Cargo Terminal – Domestic	6 300 – 9 700	3 396	Information pertaining to domestic tonnage for the first three quarters of the year was unavailable
	Number of air freighters using King Shaka International Airport	0	0	No new air freighters used King Shaka International Airport
	Availability of equipment	97%	98%	Critical cargo equipment was maintained and available at all times
	Availability of ramp-handling equipment	100%	100%	The ramp-handling equipment was fully functional and regularly tested
	On-time performance (departure and arrivals) of trucking service	95%	Cannot measure	Trucks are dispatched as and when required, rather than adhering to a set schedule. No delays were experienced
	Tonnage throughput on 20ft facility	120 tonnes	0	The 20ft facility was not completed and handed over for cargo operations
To facilitate effective air cargo security measures, in line with national and international standards	Results of annual South African Civil Aviation Authority audit: Dube Cargo Terminal	100%	100%	A clean audit report and licence were obtained from the South African Civil Aviation Authority
	Results of annual South African Civil Aviation Authority audit: Valuable Cargo Terminal	100%	100%	The Dube Valuable Cargo Terminal was found to be 100% compliant with the South African Civil Aviation Authority regulations
	Number of exceptions noted from audit to ensure adherence to licensing conditions	8	0	No exceptions were noted in the South African Civil Aviation Authority audit report
	Level of conformance with regulations (per Occupational Health and Safety audit)	95%	97%	Compliance with regulations remained at a high standard

Sub-programme 2: Air Services				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To facilitate new international and regional air services	Number of business cases developed	2	16	Business cases were developed for (1) British Airways, (2) Virgin, (3) Fastjet, (4) Kenya Airways, (5) Qatar Cargo, (6) China Southern, (7) China Eastern, (8) TUI, (9) Turkish, (10) Edelweiss, (11) Lufthansa, (12) KLM, (13) LOT, (14) AsiaX, (15) Meridiana, and (16) IndiGo
	Number of business cases reviewed and presented	8	17	Three business cases were presented in the first quarter for flights to Zurich, Nairobi and Istanbul and a further 14 formal presentations were delivered at the World Routes Development Forum Conference in October 2012, including three presentations to airports (Changi, Perth and Christchurch) and two presentations to British Airways
	Number of regional routes identified	1	1	A route to Harare became operational in November

Sub-programme 3: Airside				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To facilitate the provisioning of airside facilities	Number compliant on-site developments	2	0	Airside developments were delayed
	Number of Civil Aviation Authority injunctions to be complied with: development of the General Aviation and Maintenance and Repair Organisation facilities	3 Annex 14 Annex 17 NKP	0	Delays were experienced with the Maintenance and Repair Organisation platform

Programme 3: Property				
Goal: To facilitate private sector investment on land controlled by Dube TradePort Corporation				
Sub-programme 1: Commercial				
Strategic Objective	Programme Performance Indicator	Annual Target (APP) 2012/13	Actual Performance	Comment
To secure agreements with private sector investors in property development	Cumulative take-up of development opportunities by private sector investment (ZAR)	R365 million	R525 million	Deals concluded with Reelin Bearings (2 sites) and Dukes Logistics (1 site), as well as a warehouse development deal with Shree Property Holdings for an additional three sites (adding to its existing 18 sites)
	Number of available (45) sites taken up for development – Dube TradeZone (cumulative)	22	24	Additional sites were taken up by Reelin Bearings, Dukes Logistics and Shree Property Holdings
	Number of available (44) sites taken up for development – Dube City (cumulative)	12	0	Overall uptake has been slow due to the recent release of approximately 15 000m² of AAA grade office space in Umhlanga. In addition, issues have been experienced with: (1) Finalising sectional title/sub-division options on sites with more than one developer; (2) Bulk in Dube City requires additional investment in structured parking to cope with regulatory parking requirements; (3) Lack of public transport (transport cost for staff); (4) Foot traffic for retail; (5) Finalising proposal evaluation procedures with Joint Venture board/commercial forum
	Minimum average rental rate per m² (total rental/area rented): - Land leases (Dube TradeZone)	R7-9m²	R7m²	The average rate achieved is within the required guidelines
	Minimum average rental rate per m² (total rental/area rented): - Land leases (Dube City)	R3-7m²	R0m²	No lease agreements have been signed at Dube City, although a Memorandum of Understanding for a hotel and office complex is under negotiation

BACK TO CONTENTS

Sub-programme 2: Operations				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To effectively manage Dube TradePort Corporation's assets	% occupancy of Dube TradePort Corporation-owned buildings: Dube TradeZone	80%	100%	Demand for warehouse space in Dube TradeZone has been strong
	% occupancy of Dube TradePort Corporation-owned buildings: Dube City	70%	74%	Demand at Dube City has increased over the year. However, retail interest remains low due to the low level of foot traffic in the area
	Minimum average rental rate per m² (total rental/area rented): - Owned buildings (Dube TradeZone)	R38-42m²	R44.62m²	Demand has been high, which has enabled Dube TradePort Corporation to charge a higher average rental rate
	Minimum average rental rate per m2 (total rental/area rented): - Owned buildings (Dube City)	R45-80m²	R50.62m²	The average rental rate charged is above the minimum rates approved by Treasury
To service Dube TradePort Corporation's developers and tenants in accordance with lease obligations	% of tenant satisfaction	>80%	81%	A survey was conducted in January 2013. 81% of tenants rated services provided as good to excellent
To maintain the state-of-the-art facilities within Dube TradePort and Joint Venture developments	% completion of relevant maintenance programmes	90%	96%	The majority of maintenance programmes planned were completed during the year





Programme 4: AgriZone				
Goal: To generate sustainable volumes of perishables in supporting the integrated air logistics platform				
Sub-programme 1: AgriZone Services				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To provide reliable, effective and efficient AgriZone Services	% tenant satisfaction (customer survey)	85%	85%	A survey was conducted in January 2013. 85% of Dube AgriZone tenants rated the services as fair to excellent
	Number of export sales agreements concluded	Export Development Strategy	Strategy developed	Agreement was signed for the export of Curcuma to the Netherlands
	Number of services introduced/offered	2	2	Green Q (crop advice and efficiency improvement) and water quality management services were introduced
	% complete of relevant specialist maintenance programme	100%	100%	All specialist maintenance programmes were completed as planned. These included maintenance of greenhouses and irrigation water treatment works
	Volume of produce in the AgriZone (tonnage)	1 400	2 307	Good yields were achieved, due to improvements in labour and growing techniques
	Number of training courses held	1	1	A training course for Health and Safety and Workplace Hazards and Risks was held

Sub-programme 2: AgriZone Sustainable Farming Initiatives				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To ensure that the AgriZone is used to initiate and promote sustainable farming initiatives and businesses	Number of projects initiated	2	3	Solar panels were installed at the canteen, tissue culture facility and water treatment plant buildings. A brine treatment project and recycling project were also initiated
	% Energy needs derived from renewable energy sources	2%	17%	Additional solar panels were installed, resulting in greater energy savings

Sub-programme 3: Tissue Culture Facility				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To manage, operate and maintain the Tissue Culture Facility	Number of plant tissue cultures propagated	1	7	Tissue cultures produced included Anthuriums, Spathyphillum, sugar cane and ornamentals
	Number of contracts obtained	Operational Plan completed	Operational Plan completed	The Tissue Culture Laboratory is a new facility. An Operational Plan was implemented and standard operating procedures developed

Sub-programme 4: Landscaping and Rehabilitation				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To provide species for maintenance of open spaces and landscaped areas	Number of plants produced in the nursery	140 000 plant stock	174 167	Because of the increase in available seeds, the propagation in the mist tunnel increased accordingly as the seeds were propagated
	% rehabilitation and restoration in the AgriZone	100% Rehabilitation and restoration area maintenance	100%	Rehabilitation was completed as planned
	% AgriZone landscape maintenance conducted in-house (by Dube TradePort Corporation)	100% AgriZone maintenance through a contractor	100%	Landscape maintenance is currently outsourced. Only alien clearing and rehabilitation is undertaken in-house. It was expected that the landscape maintenance would move to being completed in-house in the next year, however a change in strategy has resulted in it continuing to be undertaken through a contractor for at least another two years

Sub-programme 5: AgriZone Expansion				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To identify and conclude agreements with suitable operators and producers	Number of available hectares taken up	4	5	A letter of intent and a draft Memorandum of Understanding are in place for the uptake of an additional five hectares





Programme 5: ICT				
Goal: To establish, enhance and operate an ICT platform that delivers value added services				
Sub-programme 1: Commercial				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To develop and provision cost competitive and reliable commercial ICT services to Dube TradePort clients	Number of individual commercial IT services contracted (cumulative)	40	42	Several clients were lost at the beginning of the year, due to amalgamations with other companies. However, this was more than made up for with new client signings
	Number of new commercial value added service solutions developed/ commissioned	2	4	The following value added services were added: (1) Commvault archiving, (2) Tempo – "Dropbox", (3) Zimbra and (4) DC rack space
	Number of IT partnerships established	3	4	New partnerships were established with: (1) Datacentrix, (2) Gijima, (3) DC Data and (4) Didata

Sub-programme 2: Operations				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To operate and maintain Dube iConnect IT infrastructure and commercial IT services	% up-time of commercial IT services	99%	99,5%	The IT environment is stable. A failure assessment programme was instituted
	Resolution of all faults logged within Service Level Agreement specifications	95%	99%	On average, all faults were resolved within Service Level Agreement specifications
	Number of system upgrades completed	2	5	Systems were maintained at the most current software versions available. The following upgrades were completed: (1) VMware Vsphere (2) Vmware Data stores (3) Wireless lan controllers (4) Nexus 1k (5) Avamar agents
	Number of Dube TradePort Corporation commercial IT services supported (cumulative)	7	11	The following commercial IT services are currently supported: (1) Small business service, (2) DR, (3) Hosted Exchange "Blue Security", (4) Voice, (5) Broadband, (6) Hosted Servers, (7) Triple Play, (8) Hosted Exchange with Archive, (9) Zimbra, (10) DC Rackspace, (11) Tempo –"dropbox"
	Number of new locations serviced	2	4	The following new locations are being serviced: (1) Farmwise, (2) Waste-water treatment works, (3) PackHouse D and (4) TradeZone canteen

Programme 6: Planning and Environment				
Goal: To plan and enable the development of a sustainable aerotropolis				
Sub-programme 1: Planning				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To institutionalise a regional planning framework facilitating the establishment of the aerotropolis	% completion and institutionalisation of the regional plan	Representation for an institutional authority made to Government	Incomplete	Various initiatives are underway by other Government entities, such as the Department of Economic Development and Tourism's aerotropolis planning process and the Department of Trade and Industry's Special Economic Zone process. It was, therefore, considered more beneficial to wait for the outcome of these before making a submission to Government for an aerotropolis entity
To ensure the availability of land for future expansion	Number of land-use rights acquisitions and environmental authorisations obtained	1	1	Approval was obtained for the MRO platform. Approval for the Hlawe River sewer pipeline is still in progress
	Number of layout diagrams/urban design frameworks completed	1	2	Layout diagrams for Dube TradeZone 2 and a conceptual layout for Cottonlands were produced
To acquire strategic land parcels for future development activities	Number of hectares acquired (based on signed agreements)	30 ha	109 ha	Land adjacent to the existing precinct was identified for purchase and the sale concluded
To provide strategic recommendations guiding the implementation of the aerotropolis	Number of reports on strategic recommendations	2	1	A detailed report containing strategic recommendations was completed

Sub-programme 2: Environment				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To ensure that the aerotropolis is environmentally sustainable	Number of internal State of the Environment Audits	1	1	The annual State of the Environment Report was produced as part of the overall environmental strategy
	% of compliance with EA – independence audit results	90%	98%	Audit scores were obtained from the link road construction, Special Zone 10 infill and post-construction audits for four Dube TradePort Corporation facilities
	Number of hectares of land offset, as per site-wide rehabilitation plan	250 ha	357 ha	The appointment of an alien clearing contractor assisted in overcoming complications experienced in the execution of the work early on in the year. The total includes hectares planted and hectares cleared

Programme 7: Infrastructure and Development				
Goal: To provide infrastructure and service the development needs of Dube TradePort				
Sub-programme 1: Infrastructure				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To adequately plan for Dube TradePort Corporation's public infrastructure requirements	Number of public facilities undertaken	2	0	A public transport study is underway
To achieve greater infrastructure alignment with other stakeholders	Number of engagements with other stakeholders	4	4	Quarterly meetings are held with the eThekwini Metropolitan Municipality.
To procure, manage and monitor Dube TradePort Corporation's infrastructure provisioning	Number of construction projects undertaken	3	0	Construction projects planned for 2012/13 were delayed due to problems in obtaining environment authorisations, as well as difficulties experienced in finding suitable contractors for the projects
	% deviation from initial budget	10%	0%	All projects were within budget, due to construction delays

Sub-programme 2: Development				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2012/13**	**Actual Performance**	**Comment**
To provide technical support to all Dube TradePort Corporation programmes	Number of projects scoped and designed	2	3	The following projects were scoped and designed: (1) Airchefs, (2) Gift of the Givers Foundation and (3) Facilities maintenance buildings
	% deviation from programme timelines	15%	25,6%	Major projects planned (Hlawe River sewer pipeline and uShukela Highway link road) were delayed, due to environmental concerns
To develop the Dube TradePort Corporation's infrastructure plan and manage roll-out of services	Adequate provisioning of infrastructure for Dube TradePort's development needs (measured against Dube TradePort Corporation's Plan for each year)	40% complete against plan	16,5%	Many of the projects planned for 2012/13 were delayed
	% provisioning of the uShukela Highway link	50%	21%	Environmental approvals delayed progress on the uShukela Highway link road

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1. Emirates introduced a Boeing 777-300 ER, with increased cargo capacity, for its Durban-Dubai flights from 01 June 2012.

2. SA Express and Dube TradePort Corporation's May 2012 co-operation agreement signing paved the way for the roll-out of more direct routes to the SADC region, increasing Southern African connectivity.

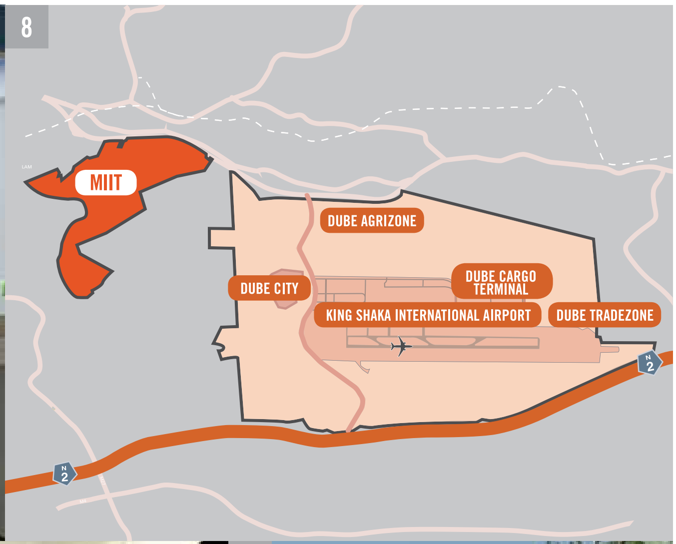
3. The 2012/13 financial year saw Dube Cargo Terminal record a 30% increase in cargo processed.

4. Corporate Social Investment remains a key component of Dube TradePort Corporation's activities and in 2012/13 featured a food-for-recyclables project, the provision of books for school libraries, the supply of jerseys to learners, a donation of toys and solar panel installation at beneficiary schools.

5. Private sector investment in Dube TradeZone, totalling some R525,0 million, resulted in phase 1 being 65% let by 2012/13 financial year-end.

6. Greenhouse D, leased by Carmel Nurseries, became operational in 2012/13, growing Thai Tulips for export to Amsterdam during the Dutch off-season, marking Dube AgriZone's first international contract.

BACK TO CONTENTS



7. In 2012/13, Dube AgriLab, an ultra-modern plant tissue culture facility with the capacity to produce some 5 million plantlets a year, came on-stream.

8. A MOU between Dube TradePort Corporation and India-based conglomerate, The Action Group, is set to attract significant foreign direct investment, the result of a planned Mega Industrial Integrated Township south of Dube TradePort.

9. New Chief Executive Officer, Ms Saxen van Coller, took office on 01 March 2013 and invited those involved in Dube TradePort to re-affirm their commitment to the project.

10. April 2012 marked the commercial launch of Dube iConnect's Data Centre Services, complementing existing ICASA-licenced voice and broadband services and widening the range of ICT offerings.

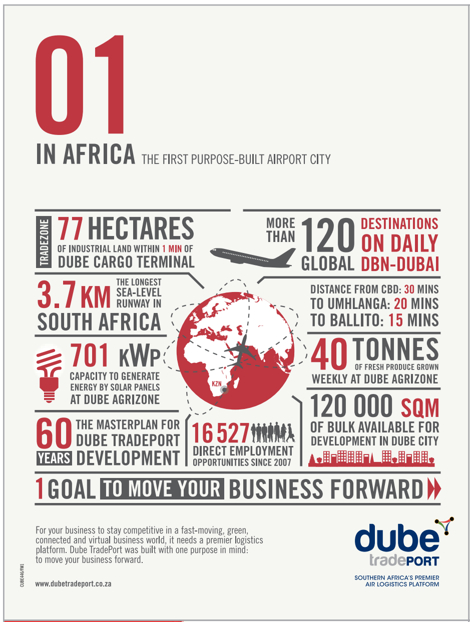
11. Some 13 000 indigenous plants, cultivated in Dube AgriZone's nursery, have been re-introduced onto rehabilitated land, while alien vegetation is being removed from the remainder of the site.

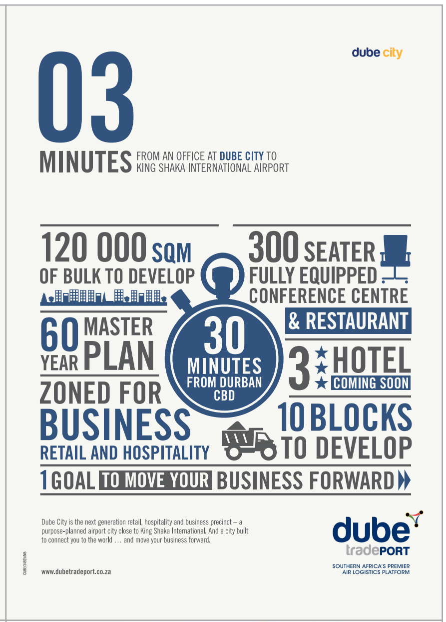
12. Dube TradePort Corporation-owned buildings registered occupancy levels exceeding 90% in 2012/13.

13. A fresh produce value adding distribution facility, operated by Farmwise, processes, packs and distributes produce grown in the AgriZone and on behalf external farmers.

14. Dube TradePort Corporation's environmental sensitivity saw the 2012/13 commissioning of 483,88kWp through solar panel installation, increasing capacity for renewable energy to 702kWp.

BACK TO CONTENTS





15. In 2012/13 Dube TradePort Corporation launched its first national brand awareness campaign, together with a 'good news' public relations promotion.

GENERAL INFORMATION

BACK TO CONTENTS

DUBE TRADEPORT NON-PROFIT COMPANY
(REGISTRATION NUMBER 2002/002810/08)
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Strategic planning, design, construction and operation of the Dube TradePort Project, as well as other related projects.
Directors	MC Clark KB Mbanjwa S Adam C Hlabisa
Registered office	29º South 7 Umsinsi Junction Dube City La Mercy 4399
Business address	29º South 7 Umsinsi Junction Dube City La Mercy 4399
Postal address	PO Box 57757 King Shaka International Airport 4407
Bankers	ABSA Business Banking: Public Sector KZN
Auditors	Auditor-General

CONTENTS

The reports and statements set out below comprise the Consolidated Annual Financial Statements for the year ended 31 March 2013 presented to the shareholder:

The following supplementary information does not form part of the Consolidated Annual Financial Statements and is unaudited

DIRECTORS' RESPONSIBILITIES AND APPROVAL

FOR THE YEAR ENDED 31 MARCH 2013

The Directors are required in terms of the Companies Act No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the group 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 South African Generally Accepted Accounting Practice (SA GAAP). The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with SA GAAP 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 group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal controls 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within pre-determined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated 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 group's cash flow forecast for the year to 31 March 2014 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's consolidated financial statements. The consolidated financial statements have been examined by the group's external auditors and their report is presented on pages 39 to 40.

The consolidated financial statements set out on pages 41 to 76, which have been prepared on the going concern basis, were approved by the Board on 31 May 2013 and were signed on its behalf by:

....
MC Clark
Chairperson

....
S van Coller
Director

Durban
Thursday 31 May 2013

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON THE DUBE TRADEPORT (NON-PROFIT COMPANY) (DUBE TRADEPORT)

Report on the Consolidated Financial Statements

Introduction

1. I have audited the consolidated and separate financial statements of Dube TradePort set out on pages 41 to 76, which comprise the statement of financial position as at 31 March 2013, the consolidated and separate statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the consolidated financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and the requirements of the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act), and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

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

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of Dube TradePort and its subsidiary as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with SA Statements of GAAP and the requirements of the Companies Act.

Emphasis of matters

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

Transitional disclosure

8. As disclosed in note 37 to the consolidated financial statements, the entity was listed as a public entity during the 2011/12 financial year. In terms of section 34(2) of KwaZulu-Natal Dube TradePort Corporation Act, 2010 (Act No. 2 of 2010), all assets, liabilities, rights, duties and obligations, including any unspent portion of any funds accrued or received by Dube TradePort can only be transferred to the schedule 3C Public Entity upon winding up of the Non-Profit Company. Accounting for the transactions between the two entities proved impractical resulting in Dube TradePort accounting for all transactions, assets and liabilities in the Non-Profit Company to ensure a more relevant, reliable, comparable and understandable set of consolidated and separate annual financial statements, in accordance with a directive issued by Provincial Treasury on 26 June 2013.

Restatement of corresponding figures

9. As disclosed in note 30 to the consolidated financial statements, the corresponding figures for 2011/12 have been restated as a result of an error discovered during the 2012/13 financial year, in the consolidated and separate financial statements of Dube TradePort at, and for the year ended, 31 March 2012.

ADDITIONAL MATTER PARAGRAPH

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Other reports required by the Companies Act

11. As part of my audit of the consolidated financial statements for the year ended 31 March 2013, I have read the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. Based on my review of these reports I have not identified material inconsistencies between the reports and the audited consolidated financial statements. I have not audited the reports and accordingly

BACK TO CONTENTS

do not express an opinion on them.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against pre-determined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Pre-determined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 20 to 32 of the annual report.

14. The reported performance against pre-determined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well-defined, verifiable, specific, measurable and time-bound) and relevant as required by the *National Treasury Framework for managing programme performance information*. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Auditor - General

....

Auditor-General
PIETERMARITZBURG
31 July 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Additional matter

16. I draw attention to the following matter below.

Achievement of planned targets

17. Of the total number of 89 planned targets, 19 of the targets were not achieved during the year under review. This represents 21% of the total planned targets that were not achieved during the year under review.

Compliance with laws and regulations

18. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

19. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

OTHER REPORTS

Investigation

20. An external investigation is being conducted into the appointment of a service provider to conduct the operations of the cargo terminal.

Agreed-upon procedures engagement

21. An agreed-upon procedures report was issued regarding the ICASA annual return.

BACK TO CONTENTS

THE DIRECTORS PRESENT THEIR REPORT ON THE ACTIVITIES OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2013. THIS REPORT FORMS PART OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS.

Legal Entity
Dube TradePort is a Non-Profit Company (formerly known as a Section 21 Company) registered as such in terms of the Companies Act 2008 (Act No. 71 of 2008). The company registration number is 2002/002810/08.

Nature of Business and Operations
Dube TradePort has been created as an implementation vehicle and service delivery company by the Provincial Government of KwaZulu-Natal. It is responsible for the strategic planning, design, construction and operation of the Dube TradePort Project as well as other related projects. Key components of Dube TradePort are the King Shaka International Airport, a TradeZone, an AgriZone and Dube City.

Relevant Legislation Governing Dube TradePort Operations
Dube TradePort Non-Profit Company is governed by the Companies Act 2008 (Act No. 71 of 2008) while its successor in title, the Dube TradePort Corporation is a listed Provincial Public Entity (Schedule 3C) as contemplated by the Public Finance Management Act (No. 1 of 1999) (PFMA).

However, the group abides by the obligations of the PFMA and Treasury Regulations as contained within the Grant Funding Agreement with the Department of Economic Development and Tourism.

Transitional Arrangements
Following the promulgation of the KwaZulu-Natal Dube TradePort Corporation Act 2010 (Act No. 2 of 2010) on 21 October 2010, and the subsequent registration of Dube TradePort Corporation as a Schedule 3C Public Entity (in the Government Gazette dated 30 September 2011) with an effective date of 01 April 2011.

Dube TradePort has recently been awarded a "designated entity" status for VAT purposes. This allows the Corporation to be registered as a VAT vendor. National Treasury is in the process of facilitating a meeting between Dube TradePort and SARS to formalise the "designated entity" status of Dube TradePort Corporation. Consequently, Dube TradePort continues to conduct its operating activities as a Non-Profit Company, however, the voluntary winding-up and deregistration process has commenced and consequently, all assets, liabilities, rights, duties and obligations (including any unspent portion of any funds accrued or received by the Company) will be transferred to, and vest in Dube TradePort Corporation, a Schedule 3C Public Entity in terms of the PFMA.

Although Dube TradePort has accounted for the transition process in accordance with the directive received from National and Provincial Treasury in June 2012, a further request for a directive was sent to both National and Provincial Treasury to confirm the accounting treatment of the transition.

Statement of Responsibility
Based on the nature of the transition, the operational activities of Dube TradePort continued during the period under review. Consequently, the oversight function of the group has been performed by the Dube TradePort Corporation Board, since its election in March 2012. The Audit and Risk Committee of Dube TradePort Corporation has performed the function of the Audit and Risk Committee of the group.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of the controls, procedures and systems has occurred during the year under review.

As part of Dube TradePort's governance process, Directors are required to disclose all interests in contracts awarded by Dube TradePort. During the year under review, none of the Directors of Dube TradePort had any interest in contracts awarded by Dube TradePort. The Directors are also responsible for the maintenance of adequate accounting records, the preparation and integrity of the Annual Financial Statements and related information. The auditors are responsible to report on the fair presentation of the Annual Financial Statements.

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (GAAP). This responsibility includes:
- Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error;
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the circumstances.

The Directors' opinion in this regard is reflected in the previous section (Directors' Responsibilities and Approval).

Joint Venture
In fulfilling one of the requirements of the Co-operation Agreement (signed between Dube TradePort and the Airports Company South Africa {ACSA}) Dube TradePort entered into a Joint Venture with ACSA whereby Dube TradePort owns 60% of La Mercy JV Property Investments Proprietary Limited. The application of GAAP dictates that Dube TradePort Non-Profit Company accounts for its interest in La Mercy JV Property Investments Proprietary Limited (the JV Company) as a subsidiary. The main object of the JV Company is that of a property-holding, development and letting company, the intention being to develop the joint venture area in accordance with the Development Framework Plan and the Master Plan.

During the 2012/13 financial year the main focus of the JV Company has been on conducting the Master Plan review and executing the rehabilitation and restoration project which resulted in the rehabilitation of 357 hectares.

The financial year-end of the JV Company is 31 March and the results of the operations of the JV Company have been included in the consolidated annual financial statements of Dube TradePort.

The outcome of the directive referred to previously will directly affect the basis of preparation of the annual financial statements of this joint venture.

Financial Results
The results of operations for the year under review are set out in the annual financial statements which reflect both the consolidated andentity results. Dube TradePort continues to be funded by Provincial Government and remains a going concern, whose assets and liabilities will be transferred to the Dube TradePort Corporation upon deregistration of the Dube TradePort Non-Profit Company as contemplated inSection 34 of the KwaZulu-Natal Dube TradePort Corporation Act.

Taxation
The company is currently in the process of applying for a settlement with South African Revenue Services in terms of Part 3A of the Income Tax Act 1962 (No. 58 of 1962). The Directors have included the tax payable as a liability pending the outcome of their application.

Commitments
Dube TradePort Non-Profit Company has entered into a number of commitments ranging from infrastructure development andconstruction of specialised buildings to the procurement of specialised equipment and plant. Upon deregistration, these commitments willbe transferred to Dube TradePort Corporation.

Events Subsequent to Period End
A meeting with the Founding Members was held on 16 May 2013. The Members approved by special resolution the voluntary winding up ofthe affairs of the non-profit company.

Except for the issues surrounding the transition and winding up as noted above, the Directors are not aware of any matters or circumstancesarising since the end of the financial year, not otherwise dealt with in the annual financial statements.

AUDIT AND RISK COMMITTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The members of the Audit and Risk Committee are appointed by the Dube TradePort Board. In terms of Treasury Regulations and the King III Report on Corporate Governance, the Chairperson of the Audit and Risk Committee, appointed in January 2008 is independent. The primary role of the Audit and Risk Committee is to assist the Board in discharging its responsibilities to safeguard Dube TradePort's assets, maintain adequate accounting records and develop and maintain effective systems of internal control. In reviewing the findings of the internal audit nothing has come to the attention of the Committee to indicate any material breakdown in the internal controls including the internal financial controls of the entity. The Board report on the effectiveness of internal controls is included elsewhere in the Annual Report. The Audit and Risk Committee supports the opinion of the Board in this regard. During the 2012/13 financial year, the Audit and Risk Committee met five times and undertook the following activities:

- Reviewed the Audit and Risk Committee's Terms of Reference to ensure relevance.
- Internal Audit Function:
  - Reviewed Internal Audit Charter and approved the 2012/13 Internal Audit Plan and Budget.
  - Reviewed the findings of the internal audit as presented at the end of each internal audit cycle.
  - Met with internal audit without the presence of management.
- External Audit Function:
  - Reviewed and approved the 2011/12 Audited Annual Financial Statements for submission to the Dube TradePort Board.
  - Reviewed the 2011/12 external audit report tabled.
  - Met four times with the office of the Auditor-General to ensure that there are no unresolved issues of concern.
  - Met with the office of the Auditor-General without the presence of management.
- Risk Management and Fraud Prevention:
  - An assessment of the strategic risks of the organisation was conducted.
  - The integrated risk management framework was reviewed and recommended to the Board for approval.
  - Various policies were reviewed and recommended to the Board for approval.
  - The insurance claims and high risk contracts were reviewed each quarter.
- Performance Information:
  - Reviewed the 2011/12 Annual Performance Report.
  - Reviewed quarterly performance reports for the period under review.
- The materiality and significant framework was reviewed and updated.

In undertaking the above-mentioned activities, the Audit and Risk Committee fulfilled its mandate as set out in the Committee's Terms of Reference in all material aspects. In May 2013, the Audit and Risk Committee reviewed and evaluated the Consolidated Annual Financial Statements for the year ended 31 March 2013 and recommended that they be tabled to the Dube TradePort Board for approval.

I would like to take this opportunity to thank the Audit and Risk Committee members for the excellent role that they have played in shaping the governance environment of Dube TradePort.

I look forward to our journey as we conclude the transition issues and work towards full compliance with the PFMA and related regulatory environment that governs a Schedule 3C Public Entity.

Signed on behalf of the Audit and Risk Committee.

....

Shadrack Khumalo
Chairman: Audit and Risk Committee

STATEMENT BY COMPANY SECRETARY

FOR THE YEAR ENDED 31 MARCH 2013

I hereby certify that the group has lodged with the Registrar of Companies all such reports and returns required by the Companies Act in terms of a Non-Profit Company and that such returns are true, correct and up-to-date.

A Easton
....

Ann Easton
Company Secretary

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

		Group		Company	
		2013	2012	2013	2012
	Notes	R	R	R	R
Assets					
Non-current assets					
Investment property	3	1 428 151 382	903 851 606	1 424 646 610	901 128 110
Property, plant and equipment	4	1 435 144 393	1 757 871 022	1 435 144 393	1 757 871 022
Intangible assets	5	489 356	423 756	489 356	423 756
Investments in subsidiaries	6	-	-	60	60
		2 863 785 131	**2 662 146 384**	**2 860 280 419**	**2 659 422 948**
Current assets					
Inventories	10	150 867	145 225	150 867	145 225
Loans to group companies	7	-	-	58 300 696	56 306 317
Straightlining of leases	9	55 710 910	4 610 050	55 710 910	4 610 050
Trade and other receivables	11	35 186 162	77 432 343	33 524 575	76 361 209
Cash and cash equivalents	12	837 700 973	899 740 373	790 449 752	851 777 808
		928 748 912	**981 927 991**	**938 136 800**	**989 200 609**
Total assets		**3 792 534 043**	**3 644 074 375**	**3 798 417 219**	**3 648 623 557**
Equity and liabilities					
Equity					
Equity attributable to equity holders of parent					
Retained income		560 277 537	513 350 202	565 090 865	517 346 551
		560 277 537	513 350 202	565 090 865	517 346 551
Non-controlling interest		(3 208 913)	(2 664 261)	-	-
		557 068 624	**510 685 941**	**565 090 865**	**517 346 551**
Liabilities					
Non-current liabilities					
Finance lease obligation	13	102 570	236 342	102 570	236 342
Current liabilities					
Loans from the shareholder	8	4 727 571	1 172 161	-	-
Current tax payable	15	3 286 767	-	3 286 767	-
Finance lease obligation	13	172 340	193 255	172 340	193 255
Trade and other payables	16	69 178 795	91 940 480	71 767 301	91 001 213
Deferred income	14	3 157 997 376	3 039 846 196	3 157 997 376	3 039 846 196
		3 235 362 849	**3 133 152 092**	**3 233 223 784**	**3 131 040 664**
Total liabilities		**3 235 465 419**	**3 133 388 434**	**3 233 326 354**	**3 131 277 006**
Total equity and liabilities		**3 792 534 043**	**3 644 074 375**	**3 798 417 219**	**3 648 623 557**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

		Group		Company	
		2013	2012	2013	2012
	Notes	R	R	R	R
Revenue	17	74 459 196	22 093 572	74 103 186	21 880 040
Cost of sales	18	(11 517 223)	(3 357 653)	(11 517 223)	(3 357 653)
Gross profit		**62 941 973**	**18 735 919**	**62 585 963**	**18 522 387**
Other income		357 517 935	321 722 815	353 304 651	321 556 157
Operating expenses		(341 064 109)	(325 232 561)	(334 699 634)	(320 448 811)
Operating profit	19	**79 395 799**	**15 226 173**	**81 190 980**	**19 629 733**
Finance income	20	42 398 434	53 843 668	41 944 749	54 140 773
Finance costs	21	(294 529)	(71 205)	(274 394)	(71 205)
Profit before taxation		**121 499 704**	**68 998 636**	**122 861 335**	**73 699 301**
Taxation	22	(3 069 568)	-	(3 069 568)	-
Profit for the year		**118 430 136**	**68 998 636**	**119 791 767**	**73 699 301**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**118 430 136**	**68 998 636**	**119 791 767**	**73 699 301**
Total comprehensive income attributable to:					
Owners of the parent		118 974 788	70 728 432	119 791 767	73 699 301
Non-controlling interest		(544 652)	(1 729 796)	-	-
		118 430 136	**68 998 636**	**119 791 767**	**73 699 301**
Profit attributable to :					
Owners of the parent		118 974 788	70 728 432	119 791 767	73 699 301
Non-controlling interest		(544 652)	(1 729 796)	-	-
		118 430 136	**68 998 636**	**119 791 767**	**73 699 301**

	Retained Income	Total Attributable to Equity Holders of the Group/ Company	Non-Controlling Interest	Total Equity
	R	R	R	R
Group				
Balance at 01 April 2011	**517 571 313**	**517 571 313**	**(934 465)**	**516 636 848**
Profit for the year	67 853 395	67 853 395	(1 729 796)	66 123 599
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**67 853 395**	**67 853 395**	**(1 729 796)**	**66 123 599**
Transfer between reserves (refer to note 24)	(74 949 544)	(74 949 544)	-	(74 949 544)
Prior period error (refer to note 30)	2 875 038	2 875 038	-	2 875 038
Total contributions by and distributions to owners of company recognised directly in equity	**(72 074 506)**	**(72 074 506)**	**-**	**(72 074 506)**
Balance at 01 April 2012	**513 350 202**	**513 350 202**	**(2 664 261)**	**510 685 941**
Profit for the year	118 974 788	118 974 788	(544 652)	118 430 136
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**118 974 788**	**118 974 788**	**(544 652)**	**118 430 136**
Transfer from reserves (refer to note 24)	(72 047 453)	(72 047 453)	-	(72 047 453)
Total contributions by and distributions to owners of company recognised directly in equity	**(72 047 453)**	**(72 047 453)**	**-**	**(72 047 453)**
Balance at 31 March 2013	**560 277 537**	**560 277 537**	**(3 208 913)**	**557 068 624**
Company				
Balance at 01 April 2011	**518 596 793**	**518 596 793**	-	**518 596 793**
Profit for the year	70 824 264	70 824 264	-	70 824 264
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**70 824 264**	**70 824 264**	-	**70 824 264**
Transfer from reserves (refer to note 24)	(74 949 544)	(74 949 544)	-	(74 949 544)
Prior period error (refer to note 30)	2 875 038	2 875 038	-	2 875 038
Total contributions by and distributions to owners of company recognised directly in equity	**(72 074 506)**	**(72 074 506)**	**-**	**(72 074 506)**
Balance at 01 April 2012	**517 346 551**	**517 346 551**	-	**517 346 551**
Profit for the year	119 791 767	119 791 767	-	119 791 767
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**119 791 767**	**119 791 767**	**-**	**119 791 767**
Transfer between reserves (refer to note 24)	(72 047 453)	(72 047 453)	-	(72 047 453)
Total contributions by and distributions to owners of company recognised directly in equity	**(72 047 453)**	**(72 047 453)**	**-**	**(72 047 453)**
Balance at 31 March 2013	**565 090 865**	**565 090 865**	**-**	**565 090 865**

		Group		Company	
		2013	2012	2013	2012
	Notes	R	R	R	R
Cash flows from operating activities					
Cash receipts from customers and government grants		406 955 421	467 988 798	406 955 421	467 988 798
Cash generated from operations	25	261 414 277	269 265 424	267 327 684	273 670 493
Finance income		42 398 434	53 843 668	41 944 749	54 140 773
Finance costs		(294 529)	(71 205)	(274 394)	(71 205)
Net cash flows from operating activities		**303 518 182**	**323 037 887**	**308 998 039**	**327 740 061**
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(227 669 301)	(278 515 645)	(227 669 301)	(278 515 645)
Disposal of property, plant and equipment	4	4 710 039	506 294	4 710 039	506 294
Acquisition of investment properties	3	(145 821 465)	(221 976 529)	(145 040 189)	(220 839 351)
Acquisition of intangible assets	5	(238 409)	(25 680)	(238 409)	(25 680)
Disposal of intangible assets	5	60 831	-	60 831	-
Loans advanced to group companies		-	-	(1 994 379)	(2 853 306)
Net cash flows from investing activities		**(368 958 305)**	**(500 011 560)**	**(370 171 408)**	**(501 727 688)**
Cash flows from financing activities					
Proceeds from shareholder's loan		3 555 410	-	-	-
Finance lease payments		(154 687)	282 460	(154 687)	282 460
Net cash flows from financing activities		**3 400 723**	**282 460**	**(154 687)**	**282 460**
Increase/(decrease) total cash movement for the year		**(62 039 400)**	**(176 691 213)**	**(61 328 056)**	**(173 705 167)**
Cash at the beginning of the year		899 740 373	1 076 431 586	851 777 808	1 025 482 975
Total cash at end of the year	12	**837 700 973**	**899 740 373**	**790 449 752**	**851 777 808**

BACK TO CONTENTS

ACCOUNTING POLICIES

1. Presentation of Consolidated Financial Statements
The consolidated financial statements have been prepared in accordance with South African Generally Accepted Accounting Practice (SA GAAP). The consolidated financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands. These accounting policies are consistent with the previous period.

1.1 Consolidation
Basis of consolidation
The consolidated financial statements incorporate the consolidated financial statements of the company and all entities, including special purpose entities, which are controlled by the company.

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

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

Contingencies
Provisions were raised and management determined an estimate based on the information available.

Current income tax
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 in the countries where the group operates and generates taxable income.

Deferred tax
Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

1.3 Investment property
Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model
Investment property is carried at depreciated replacement cost.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

Item	Useful Life
Property - land	Indefinite
Property - buildings	8 - 50 years

1.4 Property, plant and equipment
The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised. Property, plant and equipment is depreciated on the straight-line basis over expected useful life to estimated residual values. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Indefinite
Buildings	8 - 50 years
Plant and machinery	3 - 20 years
Furniture and fixtures	3 - 10 years
Motor vehicles	5 years
Infrastructure assets	10 - 30 years
IT equipment	3 years
Parks and gardens	10 - 30 years

The residual value, useful life and depreciation method of each asset is reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

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

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

Item	Useful Life
Licences	Indefinite
Computer software	3 years

1.6 Investments in subsidiaries

Company consolidated financial statements

In the company's separate consolidated financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:
- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

1.7 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:
- financial assets at fair value through profit or loss - held for trading; and
- loans and receivables.

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.

Initial recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period. Loans and receivables are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default on payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to (from) group companies
These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees
These financial assets are classified as loans and receivables.

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 re-organisation, 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.

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.

1.8 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.

Deferred tax assets and liabilities
A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses
Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

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

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor
Operating lease income is recognised as an income on a straight-line basis over the lease term.

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

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.10 Inventories
Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the FIFO formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.11 Impairment of assets
The group 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 group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing their carrying amount with their recoverable amount. These impairment tests are performed during the annual period and at the same time every period; and
- 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.

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.

1.12 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.

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

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

Defined contribution plans
Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or State Plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.14 Provisions and contingencies
Provisions are recognised when:
- the group 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. 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.

1.15 Government grants
Government grants are recognised when there is reasonable assurance that:
- the group will comply with the conditions attached to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income. Grants related to income are deducted from the related expense.

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

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.

1.17 Cost of sales
The related cost of providing services recognised as revenue in the current period is included in cost of sales.

BACK TO CONTENTS

1.18 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; and
- 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.

2. New Standards and Interpretations

IFRS 9 Financial Instruments

This new standard is the first phase of a three-phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are the main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 01 January 2015.

The group expects to adopt the standard for the first time in the 2016 consolidated financial statements.

It is unlikely that the standard will have a material impact on the group's consolidated financial statements.

IFRS 10 Consolidated Financial Statements

This standard replaces the consolidation sections of IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The standard sets out a new definition of control, which exists only when an entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to effect those returns through power over the investee.

The effective date of the standard is for years beginning on or after 01 January 2013.

The group expects to adopt the standard for the first time in the 2014 consolidated financial statements.

It is unlikely that the standard will have a material impact on the group's consolidated financial statements.

IFRS 13 Fair Value Measurement

The new standard setting out guidance on the measurement and disclosure of items measured at fair value or required to be disclosed at fair value in terms of other IFRS's.

The effective date of the standard is for years beginning on or after 01 January 2013. The group expects to adopt the standard for the first time in the 2014 consolidated financial statements.

It is unlikely that the standard will have a material impact on the group's consolidated financial statements.

IAS 1 Presentation of Financial Statements

The amendment now requires items of other comprehensive income to be presented as:

- those which will be reclassified to profit or loss; and
- those which will not be reclassified to profit or loss.

The related tax disclosures are also required to follow the presentation allocation.

In addition, the amendment changed the name of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. The effective date of the amendment is for years beginning on or after 01 July 2012.

The group expects to adopt the amendment for the first time in the 2014 consolidated financial statements.

It is unlikely that the amendment will have a material impact on the group's consolidated financial statements.

3. Investment property

	Cost/ Valuation	Accumulated Depreciation	Carrying Value
	R	R	R
2013			
Group			
Investment properties	**1 453 729 684**	**(25 578 302)**	**1 428 151 382**
Company			
Investment properties	**1 450 224 912**	**(25 578 302)**	**1 424 646 610**
2012			
Group			
Investment properties	913 700 265	(9 848 659)	903 851 606
Company			
Investment properties	910 976 769	(9 848 659)	901 128 110

Reconciliation of investment properties

	Opening Balance	Additions	Additions Resulting from Capitalised Subsequent Expenditure	Transfers from Classes of Assets	Transfers from WIP	Depreciation	Impairments	Total
	R	R	R	R	R	R	R	R
2013								
Group								
Investment properties	903 851 606	145 040 189	781 276	144 878 836	247 649 687	(13 771 823)	(278 389)	1 428 151 382
Company								
Investment properties	901 128 110	145 040 189	-	392 528 523	-	(13 771 823)	(278 389)	1 424 646 610
2012								
Group								
Investment properties	688 337 193	220 839 351	1 137 178	-	-	(6 462 116)	-	903 851 606
Company								
Investment properties	686 750 875	220 839 351	-	-		(6 462 116)		901 128 110

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
3. Investment property (continued)				
Details of properties				
La Mercy Land (Portion 5 & 9) This comprises the purchase of sub-divisions 5 & 9 in extent of 302.9605 hectares, of the La Mercy site no. 15124 from Airports Company South Africa. - Purchase price	428 815 725	428 815 725	428 815 725	428 815 725
Klipfontein Land (Herwood Farm) This comprises the purchase of the remainder and portion 11 (of 3) of the Farm Klipfontein No. 922 in the extent of approximately 57 hectares from Tongaat Hulett Ltd. - Purchase price	123 733 875	123 733 875	123 733 875	123 733 875
TradeHouse Building				
- Building	121 703 557	121 184 449	121 703 557	121 184 449
- Canteen	4 699 248	-	4 699 248	-
Total	**126 402 805**	**121 184 449**	**126 402 805**	**121 184 449**
Valuable Cargo Building				
- Building	24 123 061	24 123 061	24 123 061	24 123 061
AgriZone Buildings				
- Greenhouse C	176 122 525	176 122 525	176 122 525	176 122 525
- Greenhouse A	79 586 997	-	79 586 997	-
- Greenhouse D	107 556 747	-	107 556 747	-
- Distribution Centre (Farmwise Packhouse)	47 175 001	-	47 175 001	-
- Packhouse A	3 429 394	498 890	3 429 394	498 890
- Packhouse C	27 094 210	27 094 210	27 094 210	27 094 210
- Packhouse D	12 332 301	-	12 332 301	-
- Canteen	2 494 409	2 494 409	2 494 409	2 494 409
Total	**455 791 584**	**206 210 034**	**455 791 584**	**206 210 034**
Cottonlands Farm Remainder of Portion 1220 of the Farm Cottonlands No.1575, Registration Division FU, Province of KwaZulu Natal, in extent 172.3491 hectares, held under Title Deed No. T1949793 together with all fixed improvements thereon.	90 239 872	-	90 239 872	-
Cottonlands Farm Remainder of Portions 271, 1181, 114, 450, 430, 854, 617, 1907 and 216 of the Farm Cottonlands No. 1575 from Canelands Trust.	54 264 513	-	54 264 513	-
29° South Building Construction cost	146 836 718	-	146 836 718	-

The consolidated fair market values for the above investment properties was R2 312 333 418. The land was valued by an independent professional appraiser, Mr Ismail Hanslo, National Diploma: Property Valuation and National Higher Diploma: Construction Supervision, registered as a valuer in terms of the Property Valuers Profession Act 2000 (Act No. 47 of 2000), who is not connected to the company and who has recent experience in the location and category of the investment properties valued.

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Other Information In the current year a fair market value exercise of all the investment properties was performed. The valuation indicated that two of the buildings were capitalised at values higher then fair value. An impairment of R278 389 (2011:nil) to the respective buildings was accordingly taken into account.				
La Mercy Land (Portion 4, 6, 8, 10 & 11) This comprises the purchase of sub-divisions 4, 6, 8, 10 & 11 in extent 848.808 hectares, of the La Mercy site no. 15124 from Airports Company South Africa. The land was valued by an independent professional appraiser and the fair value of this investment property was R450 000 000. The exernal valuator is of the opinion that there is no significant change in the market value. The land valuation was performed by an independent valuer, Mr Kenneth Ray Davis, B.Comm. MBL. FIV(SA), MDP (UNISA), registered as a valuer in terms of the Property ValuersProfession Act 2000 (Act No. 47 of 2000), who is not connected to the company and who has recent experience in the location and category of the investment properties valued.	348 194	348 194	-	-
- Subsequent capitalised expenditure	3 156 578	2 375 302	-	-
	3 504 772	**2 723 496**	-	-

	Cost/ Valuation	Accumulated Depreciation	Carrying Value
	R	R	R
4. Property, plant and equipment			
2013			
Group			
Buildings	362 035 681	(33 704 069)	328 331 612
Plant and machinery	26 292 727	(9 948 947)	16 343 780
Furniture and fixtures	41 952 219	(9 763 241)	32 188 978
Motor vehicles	14 189 988	(6 194 695)	7 995 293
Equipment	338 803 208	(98 279 812)	240 523 396
Computer equipment and software	126 792 528	(71 604 997)	55 187 531
Parks and gardens	510 083	(74 014)	436 069
Leasehold improvements	253 808	(118 444)	135 364
Infrastructure assets	671 486 438	(127 385 071)	544 101 367
Work in progress	209 901 003	-	209 901 003
Total	**1 792 217 683**	**(357 073 290)**	**1 435 144 393**
Company			
Buildings	362 035 681	(33 704 069)	328 331 612
Plant and machinery	26 292 727	(9 948 947)	16 343 780
Furniture and fixtures	41 952 219	(9 763 241)	32 188 978
Motor vehicles	14 189 988	(6 194 695)	7 995 293
Equipment	338 803 208	(98 279 812)	240 523 396
Computer equipment and software	126 792 528	(71 604 997)	55 187 531
Parks and gardens	510 083	(74 014)	436 069
Leasehold improvements	253 808	(118 444)	135 364
Infrastructure assets	671 486 438	(127 385 071)	544 101 367
Work in progress	209 901 003	-	209 901 003
Total	**1 792 217 683**	**(357 073 290)**	**1 435 144 393**

	Cost/ Valuation	Accumulated Depreciation	Carrying Value
	R	R	R
2012			
Group			
Buildings	482 028 979	(22 348 637)	459 680 342
Plant and machinery	29 909 957	(6 242 923)	23 667 034
Furniture and fixtures	41 532 279	(6 014 450)	35 517 829
Motor vehicles	19 107 288	(4 160 575)	14 946 713
Equipment	333 463 677	(59 513 002)	273 950 675
Computer equipment and software	123 978 408	(33 279 579)	90 698 829
Parks and gardens	510 083	(48 225)	461 858
Leasehold improvements	253 808	(67 682)	186 126
Infrastructure assets	503 602 192	(78 000 311)	425 601 881
Work in progress	433 159 735	-	433 159 735
Total	**1 967 546 406**	**(209 675 384)**	**1 757 871 022**
Company			
Buildings	482 028 979	(22 348 637)	459 680 342
Plant and machinery	29 909 957	(6 242 923)	23 667 034
Furniture and fixtures	41 532 279	(6 014 450)	35 517 829
Motor vehicles	19 107 288	(4 160 575)	14 946 713
Equipment	333 463 677	(59 513 002)	273 950 675
Computer equipment and software	123 978 408	(33 279 579)	90 698 829
Parks and gardens	510 083	(48 225)	461 858
Leasehold improvements	253 808	(67 682)	186 126
Infrastructure assets	503 602 192	(78 000 311)	425 601 881
Work in progress	433 159 735	-	433 159 735
Total	**1 967 546 406**	**(209 675 384)**	**1 757 871 022**

	Opening Balance	Additions	Disposals	Transfers Between Classes of Assets	Transfers from WIP	Depreciation	Impairment Loss	Total
	R	R	R	R	R	R	R	R
4. Property, plant and equipment (continued)								
Reconciliation of property, plant and equipment - Group - 2013								
Buildings	459 680 342	-	-	(144 878 895)	26 843 420	(13 313 255)	-	328 331 612
Plant and machinery	23 667 034	249 409	(242 481)	-	-	(4 641 738)	(2 688 444)	16 343 780
Furniture and fixtures	35 517 829	1 284 908	-	(726 536)	-	(3 887 223)	-	32 188 978
Motor vehicles	14 946 713	279 385	(4 731 165)	(686 786)	-	(1 812 854)	-	7 995 293
Equipment	273 950 675	5 032 094	-	336 298	-	(38 624 250)	(171 421)	240 523 396
Computer equipment and software	90 698 829	2 680 095	(10 530)	(5 642)	185 540	(38 360 761)	-	55 187 531
Parks and gardens	461 858	-	-	-	-	(25 789)	-	436 069
Leasehold improvements	186 126	-	-	-	-	(50 762)	-	135 364
Infrastructure assets	425 601 881	58 112	-	1 077 024	166 665 383	(49 301 033)	-	544 101 367
Work in progress	433 159 735	218 085 298	-	-	(441 344 030)	-	-	209 901 003
	1 757 871 022	**227 669 301**	**(4 984 176)**	**(144 884 537)**	**(247 649 687)**	**(150 017 665)**	**(2 859 865)**	**1 435 144 393**
Reconciliation of property, plant and equipment - Group - 2012								
Buildings	267 119 647	-	-		204 858 024	(12 297 329)	-	459 680 342
Plant and machinery	8 317 238	19 244 529	-		-	(3 894 733)	-	23 667 034
Furniture and fixtures	25 923 805	175 446	-		13 634 465	(4 215 887)	-	35 517 829
Motor vehicles	3 290 361	14 636 859	-		-	(2 980 507)	-	14 946 713
Equipment	278 647 144	868 191	-		27 280 944	(32 845 604)	-	273 950 675
Computer equipment and software	64 447 516	55 132 790	(502 399)		(5 160)	(19 134 054)	(9 239 864)	90 698 829
Parks and gardens	487 019	-	-		-	(25 161)	-	461 858
Leasehold improvements	236 887	-	-		-	(50 761)	-	186 126
Infrastructure assets	433 554 218	-	-		39 566 647	(47 518 984)	-	425 601 881
Work in progress	484 220 329	188 457 830	-		(239 518 424)	-	-	433 159 735
Leased assets	47 418 326	-	-		(47 418 326)	-	-	-
	1 613 662 490	**278 515 645**	**(502 399)**		**(1 601 830)**	**(122 963 020)**	**(9 239 864)**	**1 757 871 022**

BACK TO CONTENTS

	Opening Balance	Additions	Disposals	Transfers Between Classes of Assets	Transfers from WIP	Depreciation	Impairment Loss	Total
	R	R	R	R	R	R	R	R
4. Property, plant and equipment								
Reconciliation of property, plant and equipment - Company - 2013								
Buildings	459 680 342	-	-	(144 878 895)	26 843 420	(13 313 255)	-	328 331 612
Plant and machinery	23 667 034	249 409	(242 481)	-	-	(4 641 738)	(2 688 444)	16 343 780
Furniture and fixtures	35 517 829	1 284 908	-	(726 536)	-	(3 887 223)	-	32 188 978
Motor vehicles	14 946 713	279 385	(4 731 165)	(686 786)	-	(1 812 854)	-	7 995 293
Equipment	273 950 675	5 032 094	-	336 298	-	(38 624 250)	(171 421)	240 523 396
Computer equipment and software	90 698 829	2 680 095	(10 530)	(5 642)	185 540	(38 360 761)	-	55 187 531
Parks and gardens	461 858	-	-	-	-	(25 789)	-	436 069
Leasehold improvements	186 126	-	-	-	-	(50 762)	-	135 364
Infrastructure assets	425 601 881	58 112	-	1 077 024	166 665 383	(49 301 033)	-	544 101 367
Work in progress	433 159 735	218 085 298	-	-	(441 344 030)	-	-	209 901 003
	1 757 871 022	**227 669 301**	**(4 984 176)**	**(144 884 537)**	**(247 649 687)**	**(150 017 665)**	**(2 859 865)**	**1 435 144 393**
Reconciliation of property, plant and equipment - Company - 2012								
Buildings	267 119 647	-	-		204 858 024	(12 297 329)	-	459 680 342
Plant and machinery	8 317 238	19 244 529	-		-	(3 894 733)	-	23 667 034
Furniture and fixtures	25 923 805	175 446	-		13 634 465	(4 215 887)	-	35 517 829
Motor vehicles	3 290 361	14 636 859	-		-	(2 980 507)	-	14 946 713
Equipment	278 647 144	868 191	-		27 280 944	(32 845 604)	-	273 950 675
Computer equipment and software	64 447 516	55 132 790	(502 399)		(5 160)	(19 134 054)	(9 239 864)	90 698 829
Parks and gardens	487 019	-	-		-	(25 161)	-	461 858
Leasehold improvements	236 887	-	-		-	(50 761)	-	186 126
Infrastructure assets	433 554 218	-	-		39 566 647	(47 518 984)	-	425 601 881
Work in progress	484 220 329	188 457 830	-		(239 518 424)	-	-	433 159 735
Leased assets	47 418 326	-	-		(47 418 326)	-	-	-
	1 613 662 490	**278 515 645**	**(502 399)**		**(1 601 830)**	**(122 963 020)**	**(9 239 864)**	**1 757 871 022**

BACK TO CONTENTS

4. Property, plant and equipment (continued)

Other information
Depreciation, amortisation and impairment expense of R167 039 717 (2012: R138 733 726) has been charged in operating expenses.

Included in the carrying value of property, plant and equipment are fully depreciated assets with a total cost of R5 829 573. Management has reassessed the useful lives of these assets and has determined that any change in the remaining useful lives will be minimal and therefore no adjustment is required.

In the current year, an independent valuation was performed on the specialised assets at the Cargo Terminal following the takeover of the Cargo Terminal operations in June 2012. The valuation of these assets resulted in an impairment loss of R2 859 865. In the prior period, a strategic decision was taken to decommission the access control and telecommunication systems in the Cargo Terminal which amounted to R9 239 864. This was required to acheive alignment of its operations and security to that of the TradeHouse and the rest of the precinct.

Lease rentals relating to plant and machinery are included in the statement of comprehensive income.

Plant and machinery includes the following amounts where the group is a lessee under a finance lease:
The group leases photocopy machines under non-cancellable finance lease agreements. The lease term is 5 years, and ownership lies with the lessor.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
Capitalised finance leased assets				
Cost	465 848	465 848	465 848	465 848
Accumulated depreciation	(180 239)	(71 188)	(180 239)	(71 188)
Net book value	**285 609**	**394 660**	**285 609**	**394 660**

5. Intangible assets

	Cost/ Valuation	Accumulated Amortisation	Carrying Value
	R	R	R
2013			
Group			
Licences	330 000	-	330 000
Computer software	366 366	(207 010)	159 356
Total	**696 366**	**(207 010)**	**489 356**
Company			
Licences	330 000	-	330 000
Computer software	366 366	(207 010)	159 356
Total	**696 366**	**(207 010)**	**489 356**
2012			
Group			
Licences	330 000	-	330 000
Computer software	200 809	(107 053)	93 756
Total	**530 809**	**(107 053)**	**423 756**
Company			
Licences	330 000	-	330 000
Computer software	200 809	(107 053)	93 756
Total	**530 809**	**(107 053)**	**423 756**

	Opening Balance	Additions	Disposals	Amortisation	Total
	R	R	R	R	R
Reconciliation of intangible assets - Group - 2013					
Licences	330 000	-	-	-	330 000
Computer software	93 756	238 409	(60 831)	(111 978)	159 356
	423 756	**238 409**	**(60 831)**	**(111 978)**	**489 356**
Reconciliation of intangible assets - Group - 2012					
Licences	330 000	-		-	330 000
Computer software	136 804	25 680		(68 728)	93 756
	466 804	**25 680**		**(68 728)**	**423 756**
Reconciliation of intangible assets - Company - 2013					
Licences	330 000	-	-	-	330 000
Computer software	93 756	238 409	(60 831)	(111 978)	159 356
	423 756	**238 409**	**(60 831)**	**(111 978)**	**489 356**
Reconciliation of intangible assets - Company - 2012					
Licences	330 000	-		-	330 000
Computer software	136 804	25 680		(68 728)	93 756
	466 804	**25 680**		**(68 728)**	**423 756**

Other information

The licences above have been assessed as having an indefinite useful life because there in no foreseeble limit to the period over which the assets are expected to generate cashflows and computer software has been assessed as having a three-year useful life.

BACK TO CONTENTS

	Carrying amount 2013	Carrying amount 2012
	R	R
6. Investments in subsidiaries		
La Mercy JV Property Investments Proprietary Limited	60	60

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
7. Loans to (from) group companies				
Subsidiaries				
La Mercy JV Property Investments Proprietary Limited	-	-	58 300 696	56 306 317

The loan is receivable from time to time when the La Mercy JV Property Investments Proprietary Limited (the JV Company) has funds available for that purpose, having regard to its liabilities and commitments. The loan may be subject to interest at the discretion of the Board of Directors.

The R1 200 000 loan extended to the JV Company by Dube TradePort incurs interest, from time to time, at the discretion of the shareholders.

The R50 000 000 advanced to the JV company incurs interest in the following manner:
- Interest earned on the funds whilst they are held in an interest-bearing account accrue for the benefit of Dube TradePort.
- Interest accrues for the benefit of Dube TradePort on amounts paid over to third parties (as stipulated in the loan agreement) at prime less 2%.

Related parties

The loan will be repaid once the subsidiary has sufficient funds to do so. The loan bears interest at a rate that may, from time to time, be determined by the Board of the subsidiary. Refer to note 27 for more detail.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
8. Loans to (from) the shareholder				
Airports Company South Africa	4 727 571	1 172 161	-	-

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R

9. Straight-lining of leases

The operating lease asset relates to property lease rentals receivable from all our investment properties.

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Straight-lining				
Opening balance	1 183 450	153 210	1 183 450	153 210
Net movement	54 527 460	4 456 840	54 527 460	4 456 840
Closing balance	**55 710 910**	**4 610 050**	**55 710 910**	**4 610 050**

10. Inventories

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Telephones	150 867	145 225	150 867	145 225

Inventory comprises telephone handsets. Inventory is carried at the lower of cost or net realisable value. There was no write down of inventories recognised as an expense.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R

11. Trade and other receivables

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Trade receivables	10 013 613	1 248 135	8 352 565	1 243 175
Pre-payments	323 574	3 645 374	324 674	3 645 374
Deposits	3 340 915	5 291 847	3 340 915	5 291 847
SARS - VAT	19 279 547	65 731 576	19 277 908	64 665 402
Deposit guarantees held by third parties	1 629 039	530 100	1 629 039	530 100
Interest receivable on trust accounts	599 474	985 311	599 474	985 311
	35 186 162	**77 432 343**	**33 524 575**	**76 361 209**
Fair value of trade and other receivables				
Trade receivables	10 078 534	1 301 206	8 417 486	1 296 246
Less: provision for bad debts	(64 921)	(53 071)	(64 921)	(53 071)
	10 013 613	**1 248 135**	**8 352 565**	**1 243 175**

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
11. Trade and other receivables (continued)				
Trade and other receivables past due but not impaired				
Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2013, R10 013 613 (2012: R1 248 135) were past due but not impaired.				
The ageing of amounts past due but not impaired is as follows:				
1 month past due	8 342 725	1 243 921	8 323 128	1 184 154
2 months past due	62 581	-	29 437	-
3 months past due	1 673 228	57 285	64 921	56 021
Trade and other receivables impaired				
As of 31 March 2013, trade and other receivables of R64 921 (2012: R53 071) were impaired and provided for.				
The ageing of these loans is as follows:				
Over 6 months	64 921	54 335	64 921	53 071
12. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	25 000	33 987	25 000	33 987
Bank balances	87 456 982	214 906 836	40 205 761	166 944 271
Deposits and retentions	8 950 000	-	8 950 000	-
Amounts held in trust accounts	741 268 991	684 799 550	741 268 991	684 799 550
	837 700 973	**899 740 373**	**790 449 752**	**851 777 808**

The amounts held in trust accounts reflect contractual obligations relating mainly to the infrastructure and construction projects. These amounts are ring-fenced and are committed towards specialised projects.

13. Finance lease obligation

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Minimum lease payments due				
- within one year	192 280	174 707	192 280	174 707
- in second to fifth year inclusive	109 524	279 597	109 524	279 597
	301 804	454 304	301 804	454 304
less: future finance charges	(26 894)	(24 707)	(26 894)	(24 707)
Present value of minimum lease payments	**274 910**	**429 597**	**274 910**	**429 597**
Present value of minimum lease payments due				
- within one year	172 340	193 255	172 340	193 255
- in second to fifth year inclusive	102 570	236 342	102 570	236 342
	274 910	**429 597**	**274 910**	**429 597**
Non-current liabilities	102 570	236 342	102 570	236 342
Current liabilities	172 340	193 255	172 340	193 255
	274 910	**429 597**	**274 910**	**429 597**

The group leased the Ricoh photocopy machine from Fintech. The lease is for a period of five years with monthly lease instalments and the interest rate is linked to the prime.

BACK TO CONTENTS

14. Deferred income

Government grants are recorded as deferred income when they become receivable and are then recognised as income on a systematic basis over the periods necessary to match the grants with the related costs which they are intended to compensate.
The deferred income relating to Government Grants is recognised on the following basis:
- Capital contributions on fixed assets: Credited at the depreciation rate per annum straight-line to profit or loss based on the estimated useful life of the fixed asset.
- Income-related grants subsidising expenses: Credited to profit or loss as other income when the expense is recognised.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
Deferred income: Government Grants				
Opening balance at the beginning of the year	318 277 873	463 938 323	318 277 873	463 938 323
Grants received during the year	392 308 000	448 334 000	392 308 000	448 334 000
Transferred to income for the year	(179 164 557)	(181 554 588)	(179 164 557)	(181 554 588)
Transferred to fixed assets	(367 062 699)	(487 389 406)	(367 062 699)	(487 389 406)
Transfer of surplus income	72 047 453	74 949 544	72 047 453	74 949 544
Closing balance	**236 406 070**	**318 277 873**	**236 406 070**	**318 277 873**
Deferred income: fixed assets				
Opening balance at the beginning of the year	2 721 568 323	2 372 639 697	2 721 568 323	2 372 639 697
Recognition of grants for the year	367 062 699	487 389 407	367 062 699	487 389 407
Amortisation of deferred income - fixed assets	(167 039 716)	(138 460 781)	(167 039 716)	(138 460 781)
Closing balance	**2 921 591 306**	**2 721 568 323**	**2 921 591 306**	**2 721 568 323**
Total deferred income				
Government grants	236 406 070	318 277 873	236 406 070	318 277 873
Fixed assets	2 921 591 306	2 721 568 323	2 921 591 306	2 721 568 323
Closing balance	**3 157 997 376**	**3 039 846 196**	**3 157 997 376**	**3 039 846 196**

15. Current tax payable

Dube TradePort Non-Profit Company has been engaging with the South African Revenue Service to obtain a ruling/settlement that the interest income reflected in the financial statements will not be subject to income tax. The application for the ruling/settlement is being made in terms of Part III A of the Income Tax Act. SARS has indicated that the tax on interest income will be waived and the tax liability amounts to approximately R3 286 767.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
16. Trade and other payables				
Trade payables	35 398 511	71 557 292	35 047 580	71 456 097
Amounts received in advance	25	-	-	-
Retentions	26 910 865	8 206 124	30 242 272	8 528 306
Accrued leave pay	2 653 878	1 991 577	2 653 878	1 991 577
Lease accruals	391 945	1 160 254	-	-
Other accruals	1 490 846	7 659 178	1 490 846	7 659 178
Deposits received	2 332 725	1 366 055	2 332 725	1 366 055
	69 178 795	**91 940 480**	**71 767 301**	**91 001 213**
Fair value of trade and other payables				
Trade payables	35 398 511	71 557 292	35 047 580	71 456 097
Less: Provision for impairment of trade payables	-	-	-	-
Trade payables - net	**35 398 511**	**71 557 292**	**35 047 580**	**71 456 097**
17. Revenue				
Rendering of services	12 544 828	10 079 124	12 544 828	10 079 124
Rental from investment properties	10 805 613	7 775 817	10 457 498	7 581 583
Tender income	7 895	19 298	-	-
Straight-lining of leases	51 100 860	4 219 333	51 100 860	4 219 333
	74 459 196	**22 093 572**	**74 103 186**	**21 880 040**
18. Cost of sales				
Rendering of services				
Cost of services - IT	1 820 626	1 560 228	1 820 626	1 560 228
Inventory	10 115	5 225	10 115	5 225
Cost of services - property	9 686 482	1 792 200	9 686 482	1 792 200
	11 517 223	**3 357 653**	**11 517 223**	**3 357 653**

The cost of sales for property includes electricity and water service charges.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
19. Operating profit				
Operating profit for the year is stated after accounting for the following:				
Income from subsidiaries				
Interest	-	-	1 994 380	2 853 305
Operating lease charges				
Premises				
• Contractual amounts	8 426	295 888	8 426	295 888
Equipment				
• Contractual amounts	97 512	481 927	97 512	481 927
Total	**105 938**	**777 815**	**105 938**	**777 815**
(Loss)/profit on sale of property, plant and equipment	(274 137)	3 895	(274 137)	3 895
Impairment on property, plant and equipment	3 138 254	9 239 864	3 138 254	9 239 864
Loss on exchange differences	2 132	454 308	2 132	454 308
Depreciation	163 901 463	129 493 862	163 901 463	129 493 862
Employee costs	56 989 410	31 942 062	56 989 410	31 942 062
20. Finance income				
Interest revenue				
Subsidiaries	-	-	1 994 380	2 853 305
Bank and fixed term deposits	42 380 365	53 841 001	39 932 300	51 284 801
Interest charged on trade and other receivables	18 069	2 667	18 069	2 667
	42 398 434	**53 843 668**	**41 944 749**	**54 140 773**
21. Finance costs				
Finance lease	274 394	71 205	274 394	71 205
Interest paid	20 135	-	-	-
	294 529	**71 205**	**274 394**	**71 205**
22. Taxation				
Major components of the tax expense				
Current				
Local income tax - current period	**3 069 568**	-	**3 069 568**	-

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R

23. Auditors' remuneration

External audit fees	764 649	733 799	621 301	431 539
Internal audit fees	745 418	297 487	745 418	297 487
	1 510 067	**1 031 286**	**1 366 719**	**729 026**

24. Transfer of surplus revenue

In terms of the grant funding agreement between the entity and the Department of Economic Development and Tourism, any amounts of surplus revenue which have not been utilised must be surrendered to the Department. The transfer of unutilised surplus revenue to deferred income for the current year amounted to R72 047 453 (2012: R74 949 544)

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R

25. Cash generated from operations

Profit before taxation	121 499 704	68 998 636	122 861 335	73 699 301
Adjustments for:				
Depreciation and amortisation	163 901 463	129 493 862	163 901 463	129 493 862
(Profit)/Loss on sale of property, plant and equipment	274 137	(3 895)	274 137	(3 895)
Interest received	(42 398 434)	(53 843 668)	(41 944 749)	(54 140 773)
Finance costs	294 529	71 205	274 394	71 205
Impairment loss	3 138 254	9 239 864	3 138 254	9 239 864
Movements in operating lease assets and accruals	(51 100 860)	(4 274 535)	(51 100 860)	(4 274 535)
Other non-cash items: transfer of assets	-	1 596 670	-	1 596 670
Changes in working capital:				
Trade and other receivables	42 463 385	(5 341 001)	43 053 835	(4 466 296)
Trade and other payables	(22 761 690)	(4 990 349)	(19 233 914)	(5 863 545)
Deferred income	46 103 789	128 318 635	46 103 789	128 318 635
	261 414 277	**269 265 424**	**267 327 684**	**273 670 493**

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
26. Commitments				
Authorised capital expenditure				
Already contracted for but not provided for				
• Property, plant and equipment	-	90 000 000	-	90 000 000
• Investment property	309 228 065	442 320 920	309 228 065	442 320 920
• Rehabilitation of land	13 420 388	561 732	-	-
Not yet contracted for and authorised by Directors	358 837 225	132 958 073	341 208 576	100 000 000

This committed expenditure relates to capital infrastructure and construction projects and is financed by grants received from the KwaZulu-Natal Provincial Government.

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Operating leases – as lessee (expense)				
Minimum lease payments due				
- within one year	25 978	-	26 078	100
- in second to fifth year inclusive	34 638	-	35 038	400
- later than five years	-	-	600	700
	60 616	**-**	**61 716**	**1 200**

The holding company has leased a portion of the La Mercy land from its subsidiary - The La Mercy JV Property Investments Proprietary Limited. The land lease is for a fixed period of 15 years. No contingent rent is payable on all the existing leases. In addition the holding company has entered into leases for photocopiers.

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Operating leases – as lessor (income)				
Minimum lease payments due				
- within one year	10 847 946	4 913 454	10 847 946	4 913 454
- in second to fifth year inclusive	70 708 048	28 733 139	70 708 048	28 733 139
- later than five years	3 246 448 466	13 054 845	3 246 448 466	13 054 845
	3 328 004 460	**46 701 438**	**3 328 004 460**	**46 701 438**

Certain of the group's property is held to generate rental income. Lease agreements are non-cancellable and have terms from 3 to 49 years. Rental income is subject to escalation of between 5-10% per annum. There are contingent rentals receivable for certain leases which amounted to R193 705 in the current year (2012: R100 638).

27. Related parties

Relationships	
Subsidiaries	La Mercy JV Property Investments Proprietary Limited - refer to note 6
Joint venture partner	Airports Company South Africa (ACSA)
Members of key management	A Swalah
	S van Coller

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
Related party balances				
Loan accounts - Owing (to)/by related parties				
La Mercy JV Property Investments Proprietary Limited	-	-	58 300 696	56 306 317
Airports Company South Africa (ACSA)	4 727 571	1 172 161	-	-
Amounts included in Trade Receiveable (Trade Payable) regarding related parties				
La Mercy JV Property Investments Proprietary Limited	-	-	3 104 234	322 182
Airports Company South Africa (ACSA)	4 766 667	4 766 707	-	-
Related party transactions				
Interest received from related parties				
La Mercy JV Property Investments Proprietary Limited	-	-	1 994 380	2 853 305
Expenses paid on behalf of related parties				
La Mercy JV Property Investments Proprietary Limited	-	-	3 104 234	322 182
Airports Company South Africa (ACSA)	1 262 671	-	-	-
Pre-payment to related parties				
La Mercy JV Property Investments Proprietary Limited	-	-	1 100	1 200

	Salary	Performance Bonus	Board and Committee Fees	Total
	R	R	R	R
28. Directors' and prescribed officer's emoluments				
Executive Director				
2013				
Chief Executive Officer (resigned on 08/08/2012)	665 438			665 438
2012				
Chief Executive Officer	1 736 412	173 641		1 910 053
Non-Executive Board and Committee Members				
2013				
B Gasa*			480 000	480 000
C Sibiya*			282 500	282 500
G Muller*			170 000	170 000
M Ramgobin*			117 500	117 500
V Mtshali*			135 000	135 000
MC Clark			-	-
KB Mbanjwa			-	-
S Adam			-	-
C Hlabisa			-	-
S Khumalo**			160 000	160 000
			1 345 000	**1 345 000**
2012				
B Gasa*			30 000	30 000
C Sibiya*			20 000	20 000
G Muller*			15 000	15 000
M Ramgobin*			15 000	15 000
V Mtshali*			15 000	15 000
MC Clark			14 700	14 700
KB Mbanjwa			-	-
S Adam			-	-
C Hlabisa			-	-
S Khumalo**			28 207	28 207
			137 907	**137 907**

* The Board of Dube TradePort Corporation provides the governance function to the Non-Profit Company and is responsible for the oversight function.

** S Khumalo is the Non-Executive Chairman of the Audit and Risk Committee. He is not a member of the Board.

	Salary	Performance Bonus	Acting Allowance	Total
	R	R	R	R
Executive officers				
2013				
Chief Executive Officer (appointed on 01/03/2013)	266 965	-	-	266 965
Cargo and Air Executive (resigned on 13/08/2012)	559 159	-	-	559 159
Chief Financial Officer (acting as CEO from 09/08/2012 - 28/02/2013)	1 296 000	162 000	147 163	1 605 163
Information Technology and Communication Executive	1 296 000	162 000	-	1 458 000
AgriZone Executive	953 615	134 884	-	1 088 499
Property Executive	1 284 000	96 300	-	1 380 300
Corporate Affairs Executive (resigned on 17/12/2012)	923 226	-	-	923 226
Infrastructure and Development Executive	1 296 000	129 600	-	1 425 600
Planning and Environment Executive (acting as CEO from 09/07/2012 - 08/08/2012 and resigned on 31/10/2012)	603 750	-	17 497	621 247
	8 478 715	**684 784**	**164 660**	**9 328 159**
2012				
Cargo and Air Executive	1 518 300	94 894	-	1 613 194
Chief Financial Officer	1 141 666	120 000	26 412	1 288 078
Information Technology and Communication Executive	1 200 000	120 000	-	1 320 000
AgriZone Executive	800 000	80 000	-	880 000
Property Executive	1 200 000	75 000	-	1 275 000
Corporate Affairs Executive	1 200 000	120 000	-	1 320 000
Infrastructure and Development Executive	800 000	120 000	-	920 000
Planning and Environment Executive	787 533	46 875	-	834 408
	8 647 499	**776 769**	**26 412**	**9 450 680**

The following Non-Executive Board Members form part of the Schedule 3C Public Entity:
- B Gasa
- C Sibiya
- G Muller
- M Ramgobin
- V Mtshali

The following Non-Executive Board Members form part of the Non-Profit Company (formerly known as the S21 Company):
- MC Clark
- KB Mbanjwa
- S Adam
- C Hlabisa

29. Change in estimate

Property, plant and equipment

The useful life of a Toyota Hilux motor vehicle was extended by 2 years. The effect of the revision was to reverse R60 250 depreciation from prior years.

BACK TO CONTENTS

30. Prior period errors

The following errors were identified in the prior year's Annual Financial Statements:
- Medical aid and furniture expenditure incorrectly accounted for resulted in a net increase in trade and other payables amounting to R19 011.
- Service charges were overstated and recoveries understated which resulted in a net decrease in trade and other receivables amounting R592 234.
- An adjustment to the cost and accumulated depreciation for computer software and motor vehicles resulted in a net decrease in property, plant and equipment amounting to R101 519.
- Straight-lining of development leases incorrectly calculated resulted in a net increase in lease assets/liabilities of R3 426 599.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
Statement of financial position				
Trade and other payables	-	19 011	-	19 011
Trade and other receivables	-	592 234	-	592 234
Property, plant and equipment	-	101 519	-	101 519
SARS	-	(161 203)	-	(161 203)
Lease assets/liabilities	-	(3 426 599)	-	(3 426 599)
Opening retained earnings	2 875 038	-	2 875 038	-
Profit or loss				
Employees' cost	-	(27 688)	-	(27 688)
Recoveries	-	466 985	-	466 985
Service charges	-	(1 345 536)	-	(1 345 536)
Depreciation	-	366 000	-	366 000
Furniture expense	-	8 677	-	8 677
Lease rental	-	3 426 599	-	3 426 599

31. Comparative figures

Certain comparative figures have been reclassified. Please refer to note 30 on prior period errors for further information

32. Risk management

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Liquidity risk

The group's risk to liquidity is as a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The adjacent table analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

At 31 March 2013	Less than 1 year
Trade and other payables	69 178 795

At 31 March 2012	Less than 1 year
Trade and other payables	91 940 480

Company

At 31 March 2013	Less than 1 year
Trade and other payables	71 767 301

At 31 March 2012	Less than 1 year
Trade and other payables	91 001 213

Interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

	Group		Company	
	2013	2012	2013	2012
	R	R	R	R
Financial assets exposed to credit risk at year end were as follows:				
Financial instrument				
Trade and other receivables neither past due nor impaired - current	8 405 306	2 693 258	8 352 565	1 243 175
Trade and other receivables (more than 120 days)	1 673 228	54 335	64 921	53 071
Loans receivable	-	-	58 300 696	56 306 317

33. Going concern

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

The ability of the company to continue as a going concern is dependent upon a number of factors. The most significant of these is that the KwaZulu-Natal Provincial Government, through the Department of Economic Development and Tourism, has signed a funding agreement for the ongoing operations for the company.

34. Irregular expenditure

	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Opening balance	14 485 772	902 972	14 485 772	902 972
Acquistion of trucks for AiRoad operations	-	14 485 772	-	14 485 772
Condoned by the Board in terms of Treasury Regulation 16A6.4	(14 485 772)	(902 972)	(14 485 772)	(902 972)
	-	**14 485 772**	-	**14 485 772**

There was no irregular expenditure for the current year under review.

35. Transactions with owners acting in their capacity as owners

During the year under review no transactions of this nature were entered into.

36. Issuance of Annual Financial Statements

The Annual Financial Statements, as authorised by the Board of Directors of Dube TradePort, were issued on 31 May 2013. The power to amend these Annual Financial Statements after issuance vests with the Board of Directors of Dube TradePort.

37. Transitional disclosure

The MEC for Finance listed the Dube TradePort Non-Profit Company as a Schedule 3C Public Entity in September 2011 in terms of the Public Finance Management Act (PFMA) (Act No. 1 of 1999), back-dated with effect from 01 April 2011. In terms of section 34 (2) of the KwaZulu-Natal Dube TradePort Corporation Act (Act No. 2 of 2010), all assets, liabilities, rights, duties and obligations, including any unspent portion of any funds accrued or received by the Dube TradePort Company can only be transferred to the Schedule 3C Public Entity upon winding-up of the Non-Profit Company. The Non-Profit Company had not been wound up as at 31 March 2013, due to the Schedule 3C VAT registration process not being finalised. To date this matter is still under review with National Treasury.

Technical advice with respect to the basis of preparation of the Annual Financial Statements received from National Treasury recommended that two sets of Annual Financial Statements be prepared, with the transactions being accounted for in the relevant entities. Further clarity was to be obtained from Provincial Treasury. An exercise to split the transactions between the two entities was undertaken and challenges and difficulties were encountered as the assets and liabilities, including all existing contracts, were still controlled by the Non-Profit Company. Using the matching principle, all transactions incurred for the current year related to the assets and liabilities accounted for in the Non-Profit Company. In addition, the entities report using different accounting frameworks resulting in similar transactions been accounted for differently between entities.

Further guidance from Provincial Treasury received on 18 June 2012, recommended that a dormant set of Annual Financial Statements for the Schedule 3C Public Entity be prepared and all transactions, assets and liabilities be accounted for in the Non-Profit Company. Furthermore, the grant funding was received in the Non-Profit Company, so it was impractical to allocate expenditure to the Schedule 3C Public Entity as it had no funds to incur that expenditure. The exercise proved that the splitting of the transactions between the two entities will provide financial statements that will be meaningless and irrelevant to users.

Using the substance over form principle, Dube TradePort's Annual Financial Statements for the year ended 31 March 2012 and 31 March 2013 have been prepared under the Non-Profit Company as this will provide users with financial statements that are relevant, reliable, comparable and understandable.

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Revenue					
Rendering of services		12 544 828	10 079 124	12 544 828	10 079 124
Rental from investment properties		10 805 613	7 775 817	10 457 498	7 581 583
Straight-lining of leases		51 100 860	4 219 333	51 100 860	4 219 333
Other income		7 895	19 298	-	-
	17	**74 459 196**	**22 093 572**	**74 103 186**	**21 880 040**
Cost of sales	18	**(11 517 223)**	**(3 357 653)**	**(11 517 223)**	**(3 357 653)**
Gross profit		**62 941 973**	**18 735 919**	**62 585 963**	**18 522 387**
Other income					
Discount received		46	59 840	46	59 840
Recoveries		10 554 546	1 282 634	6 341 262	1 115 976
Other income		759 070	346 049	759 070	346 049
Donations		-	15 027	-	15 027
Interest received	20	42 398 434	53 843 668	41 944 749	54 140 773
Gains on disposal of assets		-	3 895	-	3 895
Government grants		346 204 273	320 015 370	346 204 273	320 015 370
		399 916 369	**375 566 483**	**395 249 400**	**375 696 930**
Expenses (Refer to page 78)		**(341 064 109)**	**(325 232 561)**	**(334 699 634)**	**(320 448 811)**
Operating profit	19	**121 794 233**	**69 069 841**	**123 135 729**	**73 770 506**
Finance costs	21	(294 529)	(71 205)	(274 394)	(71 205)
Profit before taxation		**121 499 704**	**68 998 636**	**122 861 335**	**73 699 301**
Taxation	22	3 069 568	-	3 069 568	-
Profit for the year		**118 430 136**	**68 998 636**	**119 791 767**	**73 699 301**
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**118 430 136**	**68 998 636**	**119 791 767**	**73 699 301**

BACK TO CONTENTS

	Note	Group 2013 R	Group 2012 R	Company 2013 R	Company 2012 R
Operating expenses					
Accounting fees		-	108 285	-	108 285
Administration and management fees		328 182	7 610 529	328 182	7 610 529
Advertising		9 710 602	13 716 642	9 653 850	13 618 718
Assessment rates and municipal charges		14 608 917	16 968 377	11 068 037	16 676 946
Auditors remuneration	23	1 510 067	1 031 286	1 366 719	729 026
Bad debts allowance		11 848	(47 210)	11 848	(47 210)
Bank charges		75 471	2 830 369	58 013	2 815 809
Cleaning		1 737 266	817 631	1 737 266	817 631
Commission paid		1 865 180	371 962	1 865 180	371 962
Consulting and professional fees		38 338 030	62 323 152	38 338 030	62 323 152
Consumables		459 887	303 734	459 887	303 734
Delivery expenses		37 552	20 087	37 552	20 087
Depreciation, amortisation and impairment expense		167 039 717	138 733 726	167 039 717	138 733 726
Employee costs		56 989 410	31 942 062	56 989 410	31 942 062
Entertainment		18 034	38 705	18 034	38 705
Equipment and tools expense		2 019 031	1 126 936	576 379	382 136
Royalties		2 000 000	-	2 000 000	-
Subsistence - Travel and accommodation		1 992 781	3 912 285	829 396	579 510
Furniture and equipment expense		341 392	54 178	341 392	54 178
Plants and seeds		51 667	60 246	51 667	60 246
Kerosene expense		3 385 625	4 040 060	3 385 625	4 040 060
Infrastructure expenses		-	1 596 670	-	1 596 670
Board members' expenses		146 228	-	146 228	-
Route development expenses		2 123 322	-	2 123 322	-
Flowers		-	1 941	-	1 941
IT expenses		-	60 229	-	60 229
Insurance		2 273 114	2 107 781	2 273 114	2 107 781
Rent		105 938	777 815	105 938	777 815
Legal expenses		2 332 091	2 509 226	2 332 091	2 509 226
Levies		22 242	-	22 242	-
Loss on disposal of assets		274 137	-	274 137	-
Loss on exchange differences		2 132	454 308	2 132	454 308
Motor vehicle expenses		639 931	367 890	639 931	367 890
CSI expenses		197 368	-	197 368	-
Pest control		127 962	1 909 377	127 962	1 909 377
Petrol and oil		1 802 272	836 673	1 802 272	836 673
Placement fees		2 593 724	1 875 512	2 593 724	1 875 512
Postage		4 240	3 065	4 240	3 065
Printing and stationery		785 274	563 993	785 274	563 993
Protective clothing		93 114	97 871	93 114	97 871
Repairs and maintenance		7 065 382	4 750 343	7 065 382	4 750 343
Licence fees		16 810	-	16 810	-
Security		9 376 445	9 029 351	9 376 445	9 029 351
Software expenses		580 027	243 148	580 027	243 148
Staff welfare		181 946	68 012	181 946	68 012
Subscriptions		116 651	90 746	116 651	90 746
Telephone and fax		141 978	730 738	141 978	730 738
Training		542 877	1 240 286	542 877	1 240 286
Travel - local		152 370	474 109	152 370	474 109
Travel - overseas		163 917	1 393 437	163 917	1 393 437
Utilities		6 681 958	8 086 998	6 681 958	8 086 998
		341 064 109	**325 232 561**	**334 699 634**	**320 448 811**

BACK TO CONTENTS

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