DUBE TRADEPORT CORPORATION
ANNUAL REPORT
2011/12

dube tradePORT

SOUTHERN AFRICA'S PREMIER AIR LOGISTICS PLATFORM

CONTENTS

PROVIDING UNSURPASSED SERVICE EXCELLENCE OF WHICH OUR CLIENTS MAY BE PROUD

DUBE TRADEPORT CORPORATION
has in place a Code of Business Conduct, giving effect to the business culture of the organisation and its members of staff.

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.

Business Principles
So as to ensure its strategies are executed both effectively and efficiently, Dube TradePort Corporation adheres to two fundamental business principles, namely:
- The effective management and co-ordination of service providers; and
- The facilitation of participation by relevant stakeholders in the implementation of strategies.

In conducting its day-to-day business activities with honesty and integrity, Dube TradePort Corporation 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
The organisation'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 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 Corporation 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 own interests 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.

BACK TO CONTENTS

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

DUBE TRADEPORT IS SOUTHERN AFRICA'S PREMIER AIR LOGISTICS PLATFORM

DUBE TRADEPORT CORPORATION, ***a public entity created by the Provincial Government, is the body tasked to deliver a unique airport city, located outside Durban and based on a comprehensive and all-encompassing 60-year development plan.***

The official opening of Dube TradePort in March 2012, presided over by President Jacob Zuma just 22 months after the development first began operations, marked the realisation of a dream and begins a new chapter in the growth and development of KwaZulu-Natal.

Through its establishment and development to date, this provincial flagship infrastructural project has contributed significantly towards transforming KwaZulu-Natal into becoming the gateway to Africa and the world.

Dube TradePort is this province's foremost development and is an integral component of the National Government's commitment to significant levels of infrastructural expansion country-wide.Strategically located between the two largest seaports in the southern hemisphere, Durban and Richards Bay, Africa's first purpose-designed 'aerotropolis' is ideally placed to boost economic development and employment, leading our battle against poverty, unemployment and under-development.

This project will connect the major economic hubs in KwaZulu-Natal and Gauteng, greatly enhancing the already impressive export capacity we enjoy through our seaports.

Dube TradePort is Southern Africa's premier air logistics platform and Dube TradePort Corporation, a public entity created by the Provincial Government, is the body tasked to deliver a unique airport city, located outside Durban and based on a comprehensive and all-encompassing 60-year development plan.

Impressively, construction activities at Dube TradePort between 2007 and 2012 have been estimated to have created more than 16 500 direct employment opportunities, although the total impact on employment is closer to 64 500. Importantly, too, such construction activities during the past five years have contributed a significant R11,0 billion to GDP across South Africa. Of this amount, an estimated R2,4 billion was as a direct consequence of construction activity at Dube TradePort.

From an operational perspective, Dube TradePort, excluding the King Shaka International Airport, currently sustains 1 088 direct jobs, of which 642 were created during the 2011/12 financial year.

Apart from such direct operational impacts, a number of indirect and induced impacts may also be associated with Dube TradePort. A high-level assessment of increased international passenger arrivals at King Shaka International Airport indicates that a total of 3 736 additional employment opportunities have been created and sustained since the introduction of direct international flights, while the direct impact on the City's economy has been estimated at R396,1 million per annum.

Whilst the 2011/12 financial year was marked by difficult and tight market conditions, especially with regard to the aviation industry, Dube TradePort Corporation showed its mettle, continuing its development and service provision programme with vigour and securing further air service agreements with major role-players in the industry, initiatives which certainly augur well for the immediate and enhanced development of our international passenger and cargo growth.

Although Dube TradePort Corporation was originally established by the KwaZulu-Natal Provincial Government as a Section 21 Company, (now known as a Non-Profit Company (NPC)) 2011 saw legislation gazetted enabling the organisation's transition to a Schedule 3C Provincial Public Entity and, effective 01 April 2011, Dube TradePort Corporation was listed as such an entity responsible for the strategic planning, establishment, design, construction, operation, management and control of Dube TradePort. The legislation also allows the KwaZulu-Natal Provincial Government to be the sole shareholder of the strategic assets being developed through Dube TradePort.

Accordingly, a new Board was appointed during the 2011/12 financial year to lead the entity into the future. I take this opportunity to extend both my and the Provincial Government's most sincere gratitude to members of the previous Board who performed admirably in providing strategic direction to the development of Dube TradePort in its formative years, so successfully bringing this project to fruition.

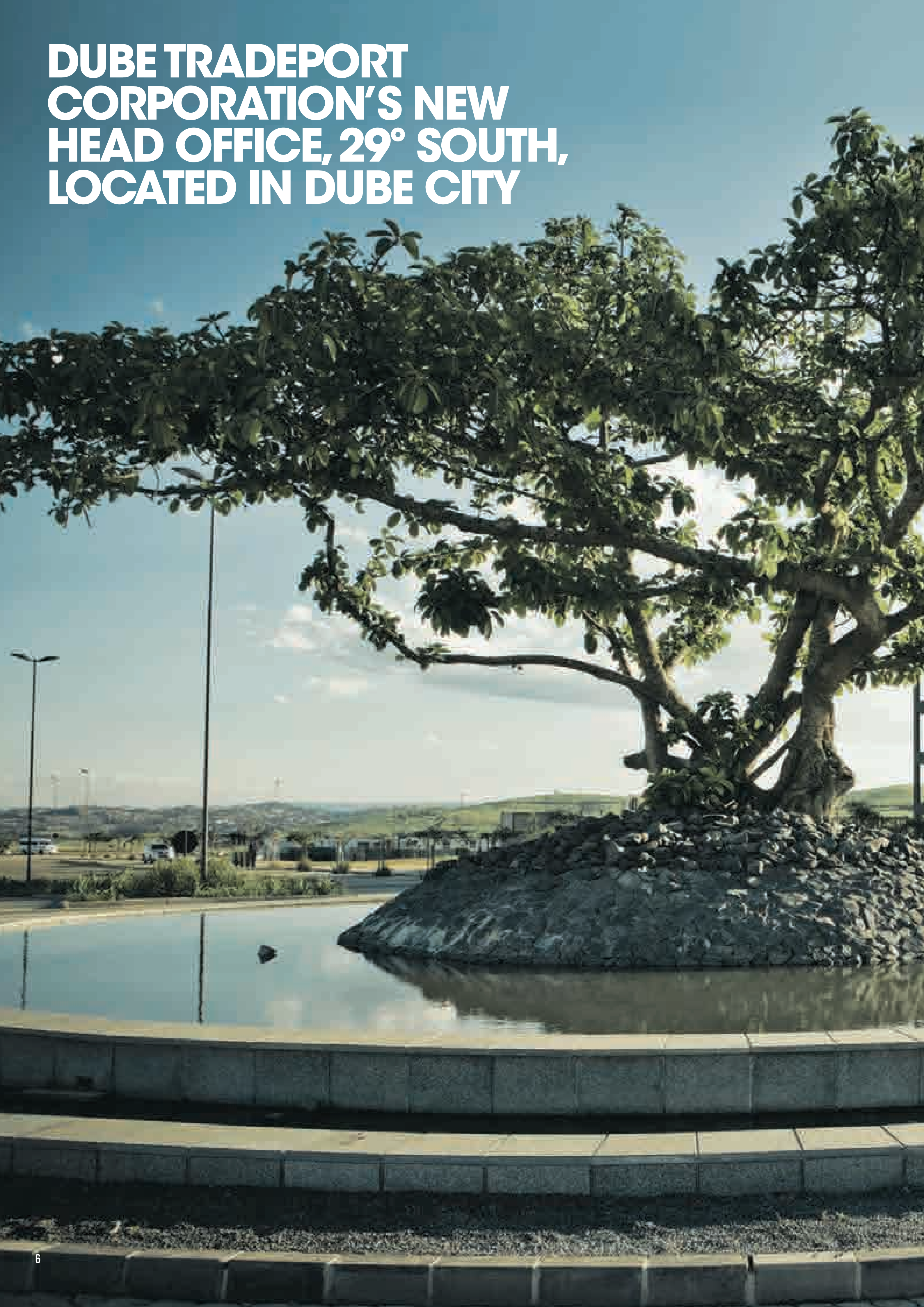
These individuals have provided the ideal platform for the growth phase which will see Dube TradePort's maturity as KwaZulu-Natal's next economic powerhouse. I would also like to welcome members of Dube TradePort Corporation's new Board. We of the Provincial Government have every confidence in the Board's ability to take up the mantle, providing the necessary stimulus to drive Dube TradePort boldly forward into the future.

Lastly, I use this opportunity to thank my colleagues in both the Provincial and National Government for the support they have displayed throughout the process of our setting out to fulfil our commitment to transforming a long-term strategic vision into the operational reality we see before us today, as we strive to reposition our provincial economy in the global supply chain.

I would, further, like to thank most sincerely the Dube TradePort Corporation's executive team and members of staff for the commitment and passion they have displayed in rising to and overcoming the many business challenges of the 2011/12 financial year. I look forward to working closely with the Board going forward and am confident that all those concerned with Dube TradePort and Dube TradePort Corporation will redouble their efforts to ensure the continued and successful development of this provincial mega-project, creating – in the longer term – Africa's ideal airport city.

Michael Mabuyakhulu (MPP)
MEC for Economic Development and Tourism

DUBE TRADEPORT CORPORATION'S NEW HEAD OFFICE, 29° SOUTH, LOCATED IN DUBE CITY




29° SOUTH

THIS IS A MASTER-PLANNED, GREENFIELD AIRPORT-RELATED DEVELOPMENT

THE DUBE TRADEPORT CORPORATION ACT
determines the overall manner in which Dube TradePort Corporation is to be managed, governed, staffed and financed.

Introduction
This massive infrastructural development, strategically located between the two biggest sea ports in Southern Africa – Durban and Richards Bay – opens the door to new global business and trade opportunities, whilst creating vital employment opportunities and stimulating the economic growth of KwaZulu-Natal.

Dube TradePort is the only facility in Africa which combines an international airport, a dedicated cargo terminal, warehousing, offices, a retail sector, hotels and an agricultural area.

Dube TradePort Corporation
In 2011 legislation was gazetted enabling the organisation's transition from a Non-Profit Company, formerly known as a Section 21 Company to a Schedule 3C Provincial Public Entity and, effective 01 April 2011, Dube TradePort Corporation was listed as a Schedule 3C Provincial Public Entity.

However, due to various legal, taxation and practical considerations, the transition from the Non-Profit Company to the Schedule 3C Public Entity was not concluded in the 2011/2012 financial year.

Due to the impracticality of accounting for transactions in both entities, all the transactions, assets and liabilities have been accounted for in the Non-Profit Company.

The Dube TradePort Corporation Act determines the overall manner in which Dube TradePort Corporation is to be managed, governed, staffed and financed.

The Act mandates the public entity to develop the trade port by undertaking or investing in projects associated with Dube TradePort.

Dube TradePort
Dube TradePort is a world-class passenger and airfreight hub, with four main development zones. This is a master-planned, Greenfield airport-related development, constructed on a 2 040 hectare site at La Mercy, north of the coastal city of Durban, in the province of KwaZulu-Natal on the east coast of South Africa.

The development is set to become a highly competitive business operating environment, central to which is the King Shaka International Airport, and which is capable of attracting a diverse range of investors, operators, tenants and users.

The airport is owned and operated by the Airports Company South Africa (ACSA) and boasts a 3,7 km runway capable of accommodating the latest New Generation Large Aircraft and will have the capacity to handle 7,2 million passengers per annum within the next four years and growing to 45 million people a year by 2060.

The airport facility is supported by four key zones, inclusive of the following:

Dube Cargo Terminal
Dube TradePort Corporation owns the 193 200 m² Cargo Terminal, located close to the airport's passenger terminal. The Cargo Terminal is one of the most technologically advanced in the world and is the only

cargo facility in Africa specifically designed and operated with air cargo security in mind.

With direct air-side access, stringent vehicle and personnel access controls, computerised tracking and storage and 'in-line' scanning, this sophisticated Cargo Terminal operation is currently able to rapidly, safely and efficiently handle 100 000 tonnes of cargo per annum, expanding to dealing with some 2 million tonnes annually by the year 2060.

A portion of the Cargo Terminal is refrigerated, creating a cold chain facility for the effective and swift export of time-sensitive and perishable goods.

Dube TradeZone

The TradeZone, located immediately adjacent Dube Cargo Terminal, is an advanced export environment and multi-modal logistics platform, specifically designed for manufacturing and service-based businesses which require quick access to air cargo and passenger services.

This 26 hectare precinct is a secure area for trade and logistics warehousing, cargo and other airport-related light industrial operations. The TradeZone is surrounded by fencing and equipped with a dedicated gatehouse and CCTV facilities.

Central to the TradeZone is Dube TradeHouse. This facility consists of warehousing with offices above, accommodating all freight forwarders and shippers within this single building – a world first. An elevated conveyor transfer system links the TradeHouse to the neighbouring Cargo Terminal, transferring items directly from the warehouse to the Cargo Terminal, where they are scanned and placed in storage ahead of their outbound flights. This is the only system of its kind in the world, affording Dube TradePort a clear competitive advantage.

Dube AgriZone

Dube AgriZone is Africa's first integrated perishables supply chain. This is a high-tech agricultural development and hosts the largest climate-controlled glass-covered growing area on the continent.

Currently comprising 12 hectares of greenhouses, producing vegetables for the local and export markets, and boasting post-harvest packing and sorting facilities, a tissue culture laboratory and a nursery, the Dube AgriZone is the most technologically advanced future farming platform in Africa.

This area provides facilities geared towards the active promotion of agricultural products with a short shelf-life and which require being flown to their various destinations immediately after harvesting in order to protect and maintain quality.

The proximity of the AgriZone to the airport and Cargo Terminal export point plays a significant role in reducing grower logistics and transport costs.

Linked to the AgriZone is vital cold chain infrastructure and services providing for an uninterrupted process from producer to importer. These state-of-the-art climate-controlled facilities ensure year-round, high-yield production and a reduction in environmental impact. AgriZone utilisation uptake is aimed at local farmers, emerging growers, co-operatives and international horticultural companies.

BACK TO CONTENTS

Dube City

Located just one kilometre from the airport complex is Dube City, which is to serve as an urban hub for Dube TradePort.

This is an urban 'green' precinct – the first and only purpose-built airport city on the African continent – which offers a secure, world-class business and trade centre with direct links to the airport's passenger terminal, the Cargo Terminal, the TradeZone and the AgriZone.

It is designed to comprise innovative, eco-sensitive office buildings, hotels, a conference centre, a range of retail outlets, entertainment features and commercially-orientated service enterprises normally located adjacent international airports.

The first phase of Dube City is being developed on a site south of the airport passenger terminal comprising eight blocks, consisting of 45 individual stands.

Dube iConnect

Dube iConnect, offering the most advanced metro ethernet network in South Africa, is a dedicated and world-class telecommunications and IT platform which digitally links members of the Dube TradePort business community with each other, their respective global partners and the rest of the world.

Such sophisticated IT investment has helped enable an environment capable of offering an unparalleled and proactive set of turn-key IT solutions, providing Dube TradePort-based businesses with a competitive edge.

COMPANY STRUCTURE, BOARD OF DIRECTORS EXECUTIVE MANAGEMENT AND ORGANISATIONAL STRUCTURE

Company Structure

Dube TradePort is structured as follows:

- KwaZulu-Natal Provincial Government
- Department of Economic Development and Tourism
- Board
- Chief Executive Officer
- Executive Team

The Board

The Dube TradePort Corporation's Board is structured in such a way as to create a diverse mix of skills and experience relevant to the business of the organisation and the diverse environment in which it operates, while also ensuring effective inter-governmental co-operation and collaboration. Board members are drawn from both the private and public sectors.

Due to various legal, taxation and practical considerations the Non-Profit Company has not been wound up in the 2011/12 financial year and thus 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 thus the entity is effectively dormant.

To ensure transparency the Board members of both the Non-Profit Company and the Schedule 3C Public entity are disclosed.

BACK TO CONTENTS

COMPANY STRUCTURE, BOARD OF DIRECTORS EXECUTIVE MANAGEMENT AND ORGANISATIONAL STRUCTURE

The Board members of the Non-Profit Company are shown below:

Name	Designation	Age	Qualifications	Other Directorships
Mel Clark	Chairperson	45	• 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)
Rohan Persad	Chief Executive Officer	49	• B.Soc. Science • Masters in Town and Regional Planning	• Chairperson: La Mercy JV Property Investments (Pty) Ltd
Dr Kwazi Mbanjwa	Special Advisor on Ministerial Lead Projects: National Department of Transport	56	Not available	Not available
Siddiq Adam	CEO: KZN Growth Fund	41	• M.Sc (Applied Economics) (cum laude)	None
Christopher Hlabisa	HOD: Department of Transport	49	• B.Tech (Civil)	None
Owen Mungwe	Executive: Development and Infrastructure: Resigned 30 April 2011	42	• B.Comm (Hons) (Financial Analysis and Portfolio Management)	None

Dube TradePort Corporation's Board currently comprises five non-executive members and an executive member, as shown below:

Name	Designation	Age	Qualifications	Other Directorships
Bridgette Gasa	Chairperson	35	• B.Building Arts in Architecture • M.Comm. (Project Management) • PhD. Construction Management	• Passenger Rail Agency of South Africa • Umso Construction • Arup SA • NMC Construction • Bedevco • Chairperson: Nelson Mandela Metropolitan Business School • Visiting Fellow of Nottingham Trent University • National Planning Commissioner
Carol Silindile Sibiya	Deputy Chairperson	36	• B.Proc • LLB (Post Grad) • Member of the Bar Council of the Society of Advocates of KwaZulu-Natal	• Trustee of Adams College Educational Trust Fund
Velenkosini Lindokuhle Mtshali	Board Member	34	• 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
Graham Muller	Board Member	61	• B.A. (Hons) (Economics) • M.Sc (Statistics) • ACMA • GCMA	• Proprietor: Graham Muller Associates
Mewa Ramgobin	Board Member	80	• B.A. (Hons) • Former Member of Parliament	• Chairperson: Phoenix Settlement Trust
Rohan Persad	Chief Executive Officer	49	• B.Soc. Science • Masters in Town and Regional Planning	• Chairperson: La Mercy JV Property Investments (Pty) Ltd

BACK TO CONTENTS

COMPANY STRUCTURE, BOARD OF DIRECTORS EXECUTIVE MANAGEMENT AND ORGANISATIONAL STRUCTURE

Executive Management

Dube TradePort Corporation's Executive Management team comprises nine members, as shown below:

Rohan Persad	-	Chief Executive Officer
Ayesha Swalah	-	Chief Financial Officer
Joanne Hyatt	-	Corporate Affairs Executive
Ahmed Bassa	-	Cargo and Air Services Executive
Mark Beckett	-	Property Leasing and Maintenance Executive
Mlibo Bantwini	-	AgriZone Executive
Hamish Erskine	-	ICT and Property Sales Executive
Wim Lotz	-	Planning and Environment Executive
Owen Mungwe	-	Development and Infrastructure Executive

BACK TO CONTENTS

Organisational Structure

DTPC BOARD

CHIEF EXECUTIVE OFFICER

Programme 1 - Administration

- Office of the CEO
- Company Secretariat
- Governance, Compliance and Enterprise Risk Management
- Entity Performance Reporting, Commercial and Research

Programme 1 - Administration

CORPORATE AFFAIRS EXECUTIVE

- Marketing, Advertising and Public Relations
- Human Resources
- Legal
- Occupational Safety, Health, Environment, Risk and Quality Assurance
- Corporate Social Investment
- Information, Document and Knowledge Management
- Information and Communications
- Technology and Governance Communication
- Corporate Support

CHIEF FINANCIAL OFFICER

- Supply Chain Management
- Contracts Management
- Joint Venture
- Accounting
- Financial Accounting
- Financial Reporting and Budgets

Programme 2

CARGO & AIR SERVICES EXECUTIVE

- Cargo Operations
- Air Services
- Route and Cargo Network Development
- Logistics and Supply Chain Management

Programme 3

PROPERTY LEASING & MAINTENANCE EXECUTIVE

- Property Operations
- Security Management
- Facilities and Contracts Management
- Maintenance Management
- Property Administration

Programme 4

AGRIZONE EXECUTIVE

- Tissue Culture Laboratory
- Commercial and Market Development
- AgriZone Operations
- Landscape and Rehabilitation
- Nursery
- Specialised Maintenance Management
- Standards, Compliance and Contracts Management
- Water Quality Management
- Landscaping

Programme 5

ICT & PROPERTY SALES EXECUTIVE

- Key Accounts Management
- Property Sales and Product Development
- Portfolio Development
- Network Management
- Data Centre Management
- IT Project Management
- IT Architecture

Programme 6

PLANNING & ENVIRONMENT EXECUTIVE

- Environmental Management and Compliance
- Green Project
- Spatial Planning
- Land Management
- GIS and Spatial Architecture
- Design and Review Panel

Programme 7

INFRASTRUCTURE & DEVELOPMENT EXECUTIVE

- Construction Management
- Contracts Management
- Project Management
- Quantity Surveying and Cost Engineering

THE ACHIEVEMENTS OF DUBE TRADEPORT SINCE INCEPTION HAVE BEEN IMPRESSIVE

I WISH
the incoming Board every success in leading Dube TradePort to future great achievements.

Mr Mel Clark
The achievements of Dube TradePort since inception have been impressive and the Board and I have been proud to be associated with this flagship development.

We hand over the reins to the newly-appointed Board confident that the projects, whether initiated or still in conceptual phases, will be completed to provide world-class facilities within the aerotropolis.

I thank the Board members for their support through often challenging times and members of the Dube TradePort managment for their ongoing commitment and dedication to the job at hand.

I would also like to thank the MEC for Economic Development and Tourism for his continued support and leadership.

Finally, I wish the incoming Board every success in leading Dube TradePort to future great achievements.

Mel Clark
Chairperson: Dube TradePort (NPC)

AS A RESPONSIBLE MASTER DEVELOPER, DUBE TRADEPORT CORPORATION IS COMMITTED TO MEETING AND EXCEEDING REGULATORY ENVIRONMENTAL INTERESTS

THE PERIOD UNDER REVIEW SAW THE COMPLETION OF THE ALL-IMPORTANT FIRST PHASE

IN HIS ADDRESS, *President Jacob Zuma contextualised the role Dube TradePort should play in the national infrastructure build programme, something to which he had alluded in his earlier State of the Nation address.*

Dr Bridgette Gasa

On 08 March 2012 a new Board for Dube TradePort Corporation was announced by Mr Michael Mabuyakhulu, MEC for Economic Development and Tourism and it is both an honour and a privilege for me to have been tasked with the responsibility for the oversight and governance of Dube TradePort.

The move, linked to Dube TradePort Corporation becoming a Schedule 3C Public Entity, necessitated the previous Board being duly authorised to continue in office until the finalisation of the new Board's March appointment.

This decision ensured that the potential for a leadership vacuum was negated while, under the strong leadership of my predecessor, Mr Mel Clark and his Board colleagues, Dube TradePort Corporation was able to begin the transition journey from a Non-Profit Company (formerly known as a Section 21 Company) to a Schedule 3C Public Entity.

The establishment of the Schedule 3C Public Entity had been formalised in September 2011 with the publication of such notice in the Government Gazette. Accordingly, Dube TradePort Corporation became a Schedule 3C Public Entity effective 01 April 2011. Although this concluded the legislative process, the organisation is working diligently to ensure the effective roll-out of a comprehensive and fully integrated operational and financial transition plan to secure the seamless winding up of the Non-Profit Company and transfer of operations, assets and liabilities to the new entity.

The 2011/12 financial year proved to be a period of challenge and change for Dube TradePort Corporation and was characterised by a number of issues which had a considerable bearing on this development, not least of which was a continuation of sluggish economic recovery and attendant tough market conditions.

In spite of the prevailing business environment, developers and investors displayed keen interest in the opportunities presented by Dube TradePort, with several agreements coming to fruition and others in the pipeline for finalisation in the year ahead.

The period under review saw the completion of the all-important first phase of Dube TradePort Corporation's implementation programme, which brought on-stream Dube Cargo Terminal, Dube TradeHouse, 29˚South – the organisation's headquarters – Dube Square, Dube TradeZone, Dube AgriZone, Dube City infrastructure and Dube iConnect, a sophisticated IT and telecommunications platform.

A second phase, comprising implementation and investment, has since commenced.

The 2011/12 financial year also proved something of a watershed with the Presidential official opening of Dube TradePort in March 2012.

In his address, President Jacob Zuma contextualised the role Dube TradePort should play in the national infrastructure build programme, something to which he had alluded in his earlier State of the Nation address.

As the incoming Chairperson of Dube TradePort Corporation, I give the assurance that the Board, Executive Management and members of staff have taken to heart the President's appeal to seize every opportunity to broadcast the achievements of and investment possibilities at Dube TradePort, both in South Africa and internationally.

In conclusion, I should like to thank the Chairperson and members of the outgoing Board for their exceptional achievements and tireless efforts of the past, for the strategic direction they afforded the Dube TradePort project and the commitment they displayed in seeing their mandate through, paving the way for a smooth transition to the work of the new Board. In addition, the dedication to and stewardship of Dube TradePort Corporation's Performance Plan by Chief Executive Officer, Mr Rohan Persad and his executive team, is most commendable, particularly in view of the turbulence experienced during the prevailing investment period and the challenges relating to the organisational transition phase.

On behalf of the Board, I look forward to the challenge of taking over the reins of leadership, developing and providing strategic interventions specifically designed to take Dube TradePort Corporation forward into the future and to growing the emerging aerotropolis that is Dube TradePort for the benefit of the people of KwaZulu-Natal, the local economy and, ultimately, South Africa.

I take this opportunity to thank the MEC for Economic Development and Tourism, Mr Michael Mabuyakhulu, for the confidence he has shown in my Board colleagues and myself through this important and challenging appointment. We recognise and acknowledge without reservation that ours is an onerous task, one each of us pledges to take most seriously. I look forward to working with both the MEC and the skilled and highly committed Dube TradePort Corporation team going forward.

I have no doubt that having achieved in excess of 80% of the 2011/12 Annual Performance Plan targets, a significant improvement over the previous year, we are laying down a sound business development base going forward.

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Dr Bridgette Gasa
Chairperson: Dube TradePort Corporation

BACK TO CONTENTS

WE SUCCESSFULLY COMPLETED A NUMBER OF INFRASTRUCTURE PROJECTS IMPORTANT TO DUBE TRADEPORT

THE REVIEW PERIOD
was also utilised to plan components of our infrastructure programme

Mr Rohan Persad
The 2011/12 financial year drew a line under the first phase of our implementation programme, opening the way for the long-term execution of a second phase of implementation and, critically, investment.

Although we have achieved much since the May 2010 opening of King Shaka International Airport and Dube Cargo Terminal, the 2011/12 financial year has been an important period in Dube TradePort Corporation's history. Indeed, our performance during the past financial year proved rewarding, in the face of Europe's currency crisis, the world economy's slow recovery and ever-rising fuel costs which construed to make it difficult to achieve growth, increased investment and greater levels of employment.

One of our areas of focus during the past financial year was addressing the transition from a Non-Profit Company (formerly known as a Section 21 Company) to a legislated public entity, the Dube TradePort Corporation. This required the development of new policies and procedures in order to comply with the provisions of the Public Finance Management Act. The work on the transition is ongoing.

In addition, it was necessary for Dube TradePort Corporation to respond to the challenge of building capacity for the implementation of new systems of compliance.

Annual Financial Statements have been prepared for the Non-Profit Company, however, it is envisaged that financial statements will be prepared for the Schedule 3C Public Entity next year and all the rights and obligations will be transferred from the Non-Profit Company to the Schedule 3C Public Entity.

Overall Performance
Financial:
At the financial year-end our total assets exceeded R3 billion and our revenue was R19 million for the 2011/12 financial year. We will be in a position to build on these revenue streams into the future.

Development and Infrastructure:
During the period under review, we successfully completed a number of infrastructure projects important to the overall development of Dube TradePort.

During this period we completed 29° South, the first building to be constructed in Dube City and the new business home of Dube TradePort Corporation. In addition, we worked to provide level, fully-serviced sites within the Dube City area, ready for development.

From an environmental and aesthetics perspective, we undertook and completed landscaping within Dube TradeZone, brought on-stream further Dube AgriZone infrastructure and constructed canteen facilities in Dube TradeZone for the benefit of tenant workers.

The review period was also utilised to plan components of our infrastructure programme to be implemented during the course of the new financial year.

This included a R250 million road linking Dube TradeZone to the Watson Highway, so as to ensure that cargo and passenger businesses enjoy landside operational independence, while the road provides an additional level of access for Dube Cargo Terminal and Dube TradeZone via both N2 and R102 highways. The road's construction will also create new property development opportunities within the Herwood precinct, targeting companies capable of taking advantage of the location and logistics environment created.

A R35 million sewer pipe is also in the final stages of procurement and Environmental Impact Assessment approval. It will be constructed during the course of the 2012/13 financial year, creating a permanent connection between Dube TradePort and the Tongaat regional sewer works. This will provide long-term infrastructure sustainability, particularly in the context of the temporary sewer works currently serving both Dube TradePort and King Shaka International Airport.

Property:
In spite of continued economic uncertainty during the period under review, investment and development interest in Dube TradePort remained encouragingly positive. During this period we secured our first private sector investment deal in Dube TradeZone.

A more than R300 million investment by major logistics role-player, the Durban-based Shree Property Group, is an indication that the private sector recognises the business opportunities presented by Dube TradePort. We are confident that this significant investment will stimulate the development of further property ventures here by the business community going forward.

The investment, taking up almost 100 000 square metres will comprise a large air freight logistics warehousing, cold storage and distribution facility. In addition, the company has taken office space in our new and environmentally-friendly 29° South office complex, located in nearby Dube City. The air freight logistics facility will create some 1 648 new direct, indirect and induced employment opportunities during its construction phase. With more than 34% of this number being unskilled individuals, the project is set to provide substantial levels of critical skills transfer. The business, once operational, is likely to generate some 750 direct new employment opportunities, sustained year-on-year.

Importantly, too, for Dube TradeZone, we achieved 100% occupancy of Dube TradeHouse – a single comprehensive freight forwarders facility linked to Dube Cargo Terminal by way of an overhead conveyor system – during the course of the review period. We were also successful in letting all the available office space in the 29° South complex. Plans were also developed for concerted efforts to let the building's ground floor retail area during the next financial year.

The review period also resulted in the evolution of our plans to develop build-to-suit infrastructure options. In this regard, two new Dube TradeZone facilities are planned, including a R28 million, 2 000 m² state-of-the-art flight kitchen facility is to be constructed and commercially leased to Air Chefs. This investment will enable our organisation to further augment its increasingly comprehensive services to airlines seeking to operate from King Shaka International Airport. This will provide the capacity to allow future airlines to source their catering requirements.

Our second investment facility will intensify Dube Cargo Terminal's humanitarian function. While Air Mercy Services already operate from the facility, we are set to construct a R15 million warehouse on a 4 250 m² site, which is to be leased to the Gift of the Givers Foundation, Africa's single largest disaster relief agency.

CHIEF EXECUTIVE OFFICER'S REVIEW

Cargo and Air Services:

Since the commencement of operations it has been challenging to grow cargo volumes as planned. Although we have not reached our Annual Performance Plan target, we have quickly come to realise that the offered cargo services will take time to be introduced and integrated in local supply chains.

We will, in the year ahead, focus attention more vigorously on the needs of shippers, with a view to re-pricing their lift out of Dube Cargo Terminal.

During the 2011/12 financial year the facility handled a throughput of 5 000 tonnes of international and some 11 000 tonnes of domestic cargo.

The review period also witnessed the commencement of our Dube AiRoad start-up operations, significantly improving cargo throughput in the year ahead as we work to establish a meaningful cargo network.

We also vigorously pursued various airlines to provide services to King Shaka International Airport and Dube TradePort. In May 2011 we concluded an agreement with COMAIR to provide an international connection between Durban and the United Kingdom's Gatwick Airport and other regional destinations in the SADC region. Regrettably, the deal collapsed as a result of internal changes within COMAIR. We were successful in negotiating an agreement with SA Express in its stead.

This agreement sees SA Express adopting Dube TradePort as its Southern Africa route base. During the next two years, five routes in and out of Durban will be introduced, the first being between Durban and Lusaka and commencing in June 2012. We are confident that fully operational SA Express routes, serving SADC destinations, will also prove attractive to international carriers seeking connectivity beyond Durban and believe such increased connectivity will accelerate interest in other areas of our business.

Dube AgriZone:

During the 2011/12 financial year, six additional hectares of greenhouses became operational, bringing to 12 hectares the total area under glass.

The period also saw produce types increase to three, including standard and speciality tomatoes, red and yellow peppers and cucumbers. Produce totalling 1 627 tonnes was grown in the greenhouses during the year. In addition, the zone's offices were completed and handed over to key agricultural operations staff.

Although operational for less than nine months, there has been an undoubted impact on the local market. Although aware of a number of complaints from local farmers, we have not received any quantified impacts to give us concern. Nevertheless, we have undertaken to give due consideration to any and all impacts and should such impacts negatively affect local production, Dube TradePort Corporation will make every effort to minimise its effect on the local agricultural environment.

Critically, our AgriZone's 'green' initiatives continued to show steady progress during the period, with the nursery housing 188 indigenous species and producing more than 400 000 plants for utilisation in our ongoing rehabilitation programme. Furthermore, photovoltaic solar panels, for the generation of electricity, were installed and commissioned during this time. With a capacity of 250 kWp, the panels cover 1 936 m² of roof area.

Detailed preparations were completed ahead of recruitment in the new year of the necessary skills to operate our tissue culture laboratory, which was handed over in January 2012. We also anticipate commissioning an additional four hectares of greenhouses for cut flowers and a fresh produce value-adding and distribution centre by the end of the new financial year.

Our priority strategic focus will be to look to export market development for Dube AgriZone produce.

Dube iConnect:

During the past financial year we signed agreements with four strategic partners, allowing us to offer more varied and value add services to all our clients.

We now provide a full range of services to 34 companies. IT services are delivered via fibre-optic cable into every property in the TradeZone, AgriZone and Dube City, ensuring high levels of availability and reliability, combined with fast international connectivity. Such enhanced capability permits us to also service clients and provide virtual machines to clients outside the TradePort precinct.

Our IT platform also serves AgriZone and cargo operations and has been used to stage the first phase of an electronic trading platform to support import and export trade logistics at Dube TradePort.

Planning and Environment:

Important planning and environmental achievements during the review period included the successful sub-division of Dube TradeZone and Dube City development precincts which provide 244 000 and 220 000 m² of bulk development area respectively.

Several development precinct plans were also approved, together with a successful scheme amendment and the receipt of environmental authorisation for the construction of the Watson Link Road. The approval of the sub-divisions, precinct plans and scheme amendments means that all statutory requirements have been complied with, allowing now for the commencement of light industrial and commercial development without encumbrances to the implementation of construction projects. The land use attributed to the two precincts provides for a range of activities to be accommodated within Dube TradePort, so broadening the spectrum of overall investment opportunities.

We also engaged in a process of preparing a spatial framework for the landholdings surrounding Dube TradePort. Furthermore, we embarked on the task of acquiring additional land for the purposes of future expansion. The transfer of approximately 172 hectares was taken to an advanced stage during the review period, a move which will result in increasing the quantum of development opportunities for the future, whilst the identification and preparation of further potential development projects will serve to stimulate growth within the precinct. Lastly, the review period saw the successful rehabilitation of approximately 257 hectares of land.

Sustainability:

A total of 1 088 direct, permanent and full-time employment opportunities were sustained during the 2011/12 financial year, of which number 642 were created during the review period.

These figures do not, however, include the numerous indirect and induced jobs created by Dube TradePort as a result of linkages with other sectors of the economy. It is currently estimated that over the period since 2007 Dube TradePort has been responsible for 64 493 (2011: 61 130) direct, indirect and induced employment opportunities.

In line with our commitment to constantly promoting improved sustainability, Dube TradePort Corporation measures, records and reports – through our State of the Environment Report – our own environmental footprint. It is our intention to demonstrably reduce our environmental impact going forward. In this regard, the review period saw our introduction of a number of interventions to give substance to our intent.

Initiatives already in place include the rehabilitation and restoration of biodiversity, water demand management and conservation, solar photovoltaic energy and rainwater harvesting, as well as carbon and energy audits from our Dube City Head Office, 29° South, and Dube TradeHouse, located in the nearby Dube TradeZone.

We have calculated our carbon footprint at 181 000 tonnes of carbon annually and look forward to curbing emissions still further through the described interventions.

Looking Ahead

We remain positive about our investment and development projections going forward, given the competitive advantages we offer our tenants, investors and the logistics market.

We remain committed to creating and maintaining an enabling environment for the development of a sustainable aerotropolis by accelerating efforts to introduce new international and regional air services, facilitating air cargo and passenger growth, promoting private sector investment in Dube TradePort and producing sustainable volumes of perishables in support of this integrated air logistics platform.

We also intend looking to lowering logistic costs as a means of further promoting competitiveness and continuing the roll-out of our sophisticated IT platform as a significant value added service to tenants, users and clients.

Appreciation

I extend my most sincere thanks to Mr Michael Mabuyakhulu, the MEC for Economic Development and Tourism, for his unstinting support of Dube TradePort.

My thanks go to my Executive colleagues and all our members of staff for the passion they have brought to getting the job done during the past financial year. I am confident of their continued dedication to the task at hand going forward.

I would also like to welcome our new Chairperson, Dr Bridgette Gasa, and her fellow Board members to Dube TradePort Corporation. We look forward to working with you on our journey towards achieving Dube TradePort Corporation's strategic business objectives.

Rohan Persad
Chief Executive Officer

THE AGRIZONE IS THE MOST TECHNOLOGICALLY ADVANCED FUTURE FARMING PLATFORM IN AFRICA AND ENSURES THE FRESHEST POSSIBLE PRODUCE AFTER HARVESTING

DURING THE REVIEW PERIOD SOME 93,6% OF VACANCIES WERE EFFECTIVELY FILLED

WE BELIEVE THE INTEGRATION *of new employees to be critical in the interests of establishing a common vision, culture and work ethos.*

During the 2011/12 financial year the primary human resources issues facing Dube TradePort Corporation centred on the development and establishment of a Human Resources Plan geared to enabling effective delivery against our organisation's strategic objectives, together with the seamless transition from a Non-Profit Company to a Schedule 3C Provincial Public Entity.

An organisational structure was established, providing for an increased focus on the core business areas becoming increasingly operational. In addition, our Talent Acquisition process required a significant overhaul in terms of establishing Recruitment and Selection Policies and Procedures, allowing for the employment of individuals with the appropriate skills and expertise to ensure Dube TradePort Corporation remains capable of fulfilling its mandate.

During the review period, 93,6% of the vacancies earmarked for the financial year were effectively filled. A growing organisation faces many challenges from a human capital management perspective. We believe the integration of new employees to be critical in the interests of establishing a common vision, culture and work ethos.

Equally, there exists a need to ensure effective communication and dissemination of information, ensuring that all members of staff are focused on the same objectives. In many respects, the 2011/12 financial year focused on establishing a solid, robust human resources platform to which layers of sophistication may be added in future years.

Our key policies and procedures were developed and consultation sessions conducted with all members of staff. These policies included, amongst others, details pertaining to Discipline and Grievances, Conditions of Employment, Working Hours and our Code of Business Conduct.

Apart from recruitment, performance management proved another key performance area for human resources during this time. The Performance Management System was re-developed and implemented across the entire organisation.

Workforce Movement Statistics:	
Appointments	41
Terminations	12
Staff Movements (promotions and transfers)	4

Workshops were conducted for the training of all staff members and new employees were integrated into the system through additional workshops staged at regular intervals. The Performance Management System commences with the compilation of job descriptions, performance agreements, personal development plans, quarterly scorecards and annual performance assessments.

The review period provided for a direct link between performance management and remuneration insofar as performance assessments directly translated into performance bonuses and salary increases for 2012/13. We believe that this forms a vital building-block in ensuring that high-performing employees are appropriately rewarded for their efforts and, as such, is critical to an effective talent retention strategy.

We also developed a draft Employment Equity Plan during the last quarter of the 2011/12 financial year, designed to include a demographic analysis of the organisation's staff profile. Following this, we began the process towards the establishment of an Employment Equity Committee, which will consider both the plan and future targets. The proposed Employment Equity Plan is to be submitted to the Board for approval during the forthcoming financial year.

Training and Development expenditure during 2011/12 was slightly understated as an indicator because most employees are relatively new, many with fewer than six months service.

As it takes time for new employees to settle in and for responsible line managers to be in a position to appropriately assess employee skills development, a much stronger emphasis will be placed on training and development going forward.

Nevertheless, a total of 248 training events took place, translating into a 60% achievement against the training and development plan for 2011/12. Training events were primarily focused on technical skills, ABET and occupational health and safety training.

A key focus area for 2012/13 is the development of a Training and Development Strategy and Plan in support of operational requirements, together with the Employment Equity and Talent Development initiatives.

Essential elements include learnerships, in-service training, e-learning and mentorship programmes, in support of effective succession planning for the top three tiers of the organisation's management structure.

DUBE TRADEPORT IS COMMITTED TO MAKING A POSITIVE IMPACT ON OVERCOMING BARRIERS TO DEVELOPMENT

LOOKING BEYOND
the issue of carbon emissions, the 'Food for Recyclables' project seeks to address various socio-economic issues

Dube TradePort Corporation recognises and acknowledges that South Africa faces numerous socio-economic challenges currently besetting the growth and development of the country and its people. The public and private sectors have a critical role to play in overcoming the deficiencies created by poverty and the under-development of people.

As a concerned and responsible citizen, Dube TradePort Corporation has, since the very beginning of the construction phase of Dube TradePort, consistently demonstrated its belief in contributing towards making a positive impact on overcoming barriers to development.

Our Corporate Social Investment initiatives focus on meeting the following socio-economic objectives:

- A focus on conservation, environmental awareness and education and waste management;
- A focus on infrastructural development and enterprise creation or reconstruction in under-developed areas;
- A focus on rural communities and urban renewal programmes; and
- A focus on education and skills development in increasing the sustainability of surrounding communities.

The objectives are aimed at enhancing the ability of, especially, marginalised people to participate in the local economy.

Our comprehensive Corporate Social Investment programme encourages active staff participation and through the organisation's dedicated financial support and the sweat equity generated as a result, Dube TradePort Corporation is making a significant contribution to the upliftment of communities, especially in areas surrounding the Dube TradePort precinct.

During the 2011/12 financial year, we launched a number of pilot projects at schools within the broader community surrounding Dube TradePort.

Our 'Food for Recyclables' project encourages school children to collect litter from within their local community areas and to use such litter to swop for fresh produce produced at Dube AgriZone. Two pilot projects were launched at Trubel Primary School and La Mercy Primary School. The premise of the project is to ingrain the concept of recycling in the minds of young learners and to offer them an incentive to learn about and apply the principles of recycling.

On a weekly basis Dube TradePort facilitates the swop of fresh produce from Dube AgriZone. The recyclables collected from the schools are, in turn, recycled and used by Dube TradePort Corporation to assist in offsetting the precinct's carbon footprint, which was calculated at 181 000 tonnes per annum.

Looking beyond the issue of carbon emissions, the 'Food for Recyclables' project seeks to address various socio-economic issues. The project brings environmental awareness to learners as they become active in the cleaning of their community areas by way of their participation in the project.

With a legacy of insufficient waste management solutions in informal settlements, the project encourages learners from these communities to remove pollutants from their surroundings, which is uplifting and could inspire other members of such communities to change their behaviour in a lasting and meaningful way.

In addition, Dube TradePort Corporation implemented three pilot projects at local schools, introducing the concept of vegetable garden development. In workshops, learners learn how to care for the soil, plant seedlings and harvest vegetables. The purpose of the vegetable garden project is to:

- Assist in increasing food security within the area, so reducing the regional carbon footprint;
- Create a healthier, more beautiful environment through garden creation; and
- Assist in stabilising soil through vegetable garden establishment, thus minimising the risk of soil erosion.

Looking to the future, new initiatives will focus on the facilitation of the installation of solar panels and rainwater harvesting facilities at schools. Many disadvantaged schools are burdened with high utility expenses and operating costs. By investing directly in such infrastructure, we are contributing to the sustainability of such schools, while providing them with the ability to re-direct operational savings to the education needs of the children.

BACK TO CONTENTS

FUTURE INITIATIVES COULD INCLUDE SUCH INTERVENTIONS AS BIO-DIESEL AIRPORT BUSES

OUR HEAD OFFICE *building, 29° South, has been designed as a 'green' building, providing the benchmark for future architecture and design within Dube City, the first 'green' city precinct in Africa.*

Dube TradePort Corporation is committed to continuing its genuine work towards sustainable development by way of efforts to minimise and prevent environmental impact and degradation.

Given that our current carbon footprint has been calculated at 181 000 tonnes of carbon annually, every effort will be made to significantly curb emissions through the implementation of a range of recognised 'green' initiatives, all designed to reduce the carbon footprint of travellers, developers, manufacturers, retailers, service providers and others who use or work within the Dube TradePort facilities.

Initiatives in place or to be introduced include:

- Rehabilitation and restoration of biodiversity;
- Water demand management and conservation;
- Use of solar photovoltaic energy and rainwater harvesting at Dube AgriZone;
- Balancing tanks for treated sewage water;
- Reverse Osmosis Plant for the treatment of effluent water;
- Green leasing for tenants;
- Carbon Management Strategy;
- Storm-water structures for maintaining storm-water quality leaving the precinct;
- Composting of 'green' waste at Dube AgriZone;
- Use of boreholes to supplement water demand;
- Natural ventilation of AgriZone greenhouses;
- Use of Euro 5 emission trucks (Dube AiRoad logistics platform); and
- Use of indigenous vegetation and environmentally-friendly planning techniques in property developments.

In addition, our Head Office building, 29° South, has been designed as a 'green' building, providing the benchmark for future architecture and design within Dube City, the first 'green' city precinct in Africa.

Attributes which have led to an application for a 4-star green rating for 29° South include:

- Design and position maximises natural light usage;
- Lighting system incorporates occupancy and light sensors;
- Heating and cooling system is governed by sensors;
- Exhaust risers extract harmful fumes from the building;
- Rainwater is harvested and used for toilets and irrigation, reducing potable water usage;
- Waterless urinals are utilised;
- Being an office complex, no hot water is required and therefore geysers have been excluded; and
- A rooftop garden has been established.

Future initiatives could include such interventions as bio-diesel airport buses, 'green' flights/'green' landings, a light rail system to facilitate connectivity to Dube TradePort and to limit private car usage, a paperless trade environment and the implementation of bio-fuels/bio-gas projects.

Such is our commitment to the environment that during the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change, held in Durban at the end of 2011, we proactively hosted a series of environmental sustainability workshops and presentations to effectively showcase the universal need for action by role-players across the business environment spectrum.

While addressing sustainability from an industry perspective involves a complex set of drivers and responses, Dube TradePort Corporation believes that a co-ordinated and holistic approach is necessary to effectively deal with sustainable development. This comprises a co-ordinated, co-operative effort involving all aspects of the supply chain, inclusive of social, economic and environmental elements, together with government regulators. For this reason, Dube TradePort Corporation will continue to work with its partners and tenants in an effort to meet its environmental goals and aspirations for the benefit of Dube TradePort.

Giving substance to such a commitment, the organisation has prepared and separately distributed a State of the Environment Report, as it pertains to Dube TradePort.

An overall summary from this report is displayed in the table below, following the work model and divided by themes covered in the various chapters of the State of the Environment Report.

Summary of the driving forces, pressures, state of environment, impact and responses of environmental assets within Dube TradePort

Theme	Driving Force	Pressure	State of the Environment	Impacts	Response
Planning and Built Environment	Development (globalisation, economic development , service delivery, trade and municipal development)	• Legal obligations (Record of Decision (RoD)); • Sustainable Operational Environmental Management Plans; • Use of resources (waste, energy, water, land, building material and the like).	• Phase one of the 60-year master-plan has been partially developed, clearing an area of 519 hectares for development; • Compliance is high, but not complete.	• Legal implications; • Economic implications; • Corporate image; • Environmental implications, such as loss of quality and quantity of natural resources.	• Full compliance; • Sustainable master-plan; • Sustainable buildings; • Green leases.

BACK TO CONTENTS

Theme	Driving Force	Pressure	State of the Environment	Impacts	Response
Land and Ecology	Development (globalisation, economic development , service delivery, trade and municipal development)	• Agricultural activities; • Airport activities; • Buildings; • Conditions from Environmental Impact Assessment (EIA) and RoD.	• 257,47 hectares of vegetation cleared of alien invasive species; • 519 hectares loss of agricultural land, but adequately substituted with favourable production of 12 hectares in Dube AgriZone; • 15 hectares wetland area rehabilitation. Overall, 619 hectares will be restored and 956 hectares rehabilitated.	• Loss of natural land; • Land degradation; • Soil contamination; • Soil nutrient depletion; • Loss of eco-system services (mono cultures); • Water pollution; • Degradation of wetlands; • Invasive species; • Threatened species.	• Monitoring programmes (flora and fauna); • Connections with wider eco-system initiatives; • Catchment scale management; • Broader scale mitigation including carbon off-setting; • Eco-system rehabilitation.
Climate Change, Energy and Aviation	Development (globalisation, economic development , service delivery, trade and municipal development)	• National targets; • Dube TradePort Corporation target to become carbon-neutral; • Regulations in Europe; • General awareness.	• Total carbon dioxide from Dube TradePort and King Shaka International Airport is approximately 181 000 tonnes/ annum. From aircraft 64%, buildings 27% and travel 6%. (This excludes business travel and bunker fuel); • Currently there is no carbon off-set; • Solar power corresponding 294 tonnes CO^2e/annum.	• Increased carbon footprint; • Soil contamination from acid rain; • Changes in local climate.	• Green leasing and procurement; • Carbon off-setting; • Renewable energy sources; • Fuel from renewable sources; • Monitoring programme and carbon management.
Water	Development (globalisation, economic development , service delivery, trade and municipal development)	• Increased water demand due to development; • Increased water pollution due to higher usage.	• Water demand is 2,41 ML/day; • 30% of water from Waste Water Treatment Works released to downstream users to maintain wetland functioning; • High levels of E. coli and selenium, otherwise parameters generally below General Limit Values.	• Less water available, both qualitative and quantitative; • Less water to the wetlands; • Less water for agriculture; • Risk of reducing and polluting groundwater.	• Monitoring programme; • Rainwater harvesting; • Recycling of water; • Water-efficient devices; • Water-efficient irrigation; • Wetland rehabilitation and off-setting.

Theme	Driving Force	Pressure	State of the Environment	Impacts	Response
Community, Economic Development and Employment	Development (globalisation, economic development , service delivery, trade and municipal development)	• Positive development; • Broad-Based Black Economic Empowerment; • SETAs; • TetaSETA; • Corporate Social Investment projects; • Cultural heritage.	• 58% staff employed from eThekwini, 82% from the KwaZulu-Natal region; • R9 million spent on skills development; • R26 404 769 has been devoted to Corporate Social Investment projects.	• Increased job opportunities; • Increased export; • Increased development; • Increased influx of job seekers (housing, sanitation, security, HIV).	• Skills development; • Corporate Social Investment projects; • Attractive working place; • Stakeholder involvement.
Ground Transportation	Development (globalisation, economic development , service delivery, trade and municipal development)	• Fuel shortage; • Climate change; • Transport to and from Dube TradePort; • Transport within Dube TradePort.	• Approximately 666 passengers and 400 staff trips per day with public transport; • AiRoad is a fuel-efficient logistics fleet operating at Dube TradePort.	• Increased carbon footprint; • Traffic congestion; • Traffic safety; • Health impacts.	• More fuel-efficient vehicles; • More vehicles using fuel from renewable sources; • Efficient and timely public transportation; • Freight logistics.
Governance	Development (globalisation, economic development , service delivery, trade and municipal development)	• Broad-Based Black Economic Empowerment; • Green/ sustainable procurement.	• No records of locally-sourced services and material procured; • Currently one tenant (WFS) on green lease	• Sustainable services, materials and resources; • Reducing impact on resources	• Develop a sustainable procurement strategy; • Procurement training.
Waste	Development (globalisation, economic development , service delivery, trade and municipal development)	• Agricultural activities; • Airport activities; • Cargo activities; • Business and services.	• Most solid waste generated is paper, organic and plastics; • Approximately 75% of the waste is recycled.	• Pollution due to hazardous waste; • Littering; • Increased ecological and carbon footprint.	• Awareness programme; • Waste monitoring and auditing; • Green procurement.

DUBE TRADEZONE OFFERS A PREMIUM AIRSIDE LOCATION AS A SPECIALIST FREIGHT-ORIENTATED BUSINESS PRECINCT

THE BOARD IS RESPONSIBLE FOR APPROVING AND ADOPTING STRATEGIC PLANS

DUBE TRADEPORT CORPORATION
has, wherever appropriate, committed itself to the principles set out in the King Report on Corporate Governance for South Africa.

Introduction

Corporate Governance reflects the way in which an organisation is managed and controlled. Dube TradePort Corporation recognises this and applies meaningful governance principles in the execution of its business activities.

The organisation commenced operations as a Non-Profit Company (formerly known as a Section 21 Company), registered under the Companies Act.

The establishment of a Schedule 3C Public Entity was formalised in September 2011 with the publication of such notice in the Government Gazette, Dube TradePort Corporation became a Schedule 3C Public Entity effective 01 April 2011.

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 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 being 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. Due to administrative delays between SARS and National Treasury, the Non-Profit Company has not yet been wound-up.

In terms of section 34 (2) of the KwaZulu-Natal Dube TradePort Corporation Act, 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.

Hence, in order to enhance the value of this report for the readers of these financial statements, they have been prepared as if all the assets, liabilities and transactions occur in the Non-Profit Company.

The governance structures, however, have been implemented in line with the Public Finance Management Act.

Public Finance Management Act

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

Dube TradePort Corporation ensures that all its Board members and members of staff are aware of the provisions of the PFMA by way of training 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.

Third Report on Corporate Governance (King III)
Dube TradePort Corporation believes that meaningful Corporate Governance should be based on self-regulation and compliance with all regulations. This ideal remains a priority for the organisation.

Dube TradePort Corporation has, wherever appropriate, committed itself to the principles set out in the King Report on Corporate Governance for South Africa. In this regard, the Board sets out to ensure that the organisation meets the need for transparency, accountability and integrity, while applying ethical business standards in its every business action.

Although Dube TradePort Corporation aims to apply the King III principles and practices, as a Public Entity, certain of these principles cannot be applied. Explanations to deviations are explained in the narrative of this section.

As part of the ongoing transition from a Non-Profit Company to a Schedule 3C Public Entity, the integrated business model developed during the previous financial year is being implemented. Policies and Procedures were developed and are continuously being refined as the business evolves. Where policies have not yet been approved, draft documentation exists, which will be approved by the relevant governance structures during the next financial year.

The Board
The KwaZulu-Natal Dube TradePort Corporation Act permitted the Board of the previous Dube TradePort Company to continue carrying out the duties of the Board whilst the new Board, in terms of the Act, was in the process of being appointed. On 08 March 2012 the MEC for Economic Development and Tourism announced the names of the new Board members.

The new Board has met once, at which meeting new members were appointed to the existing Audit and Risk Committee, while a Remuneration and Human Resources Committee was formed and members appointed.

Dube TradePort Corporation employs a unitary Board structure with a majority of non-executive members. The Board members are deemed to be non-independent, as they are appointed by the organisation's sole shareholder. The diversity of the Board members' skills is further supplemented at Committee level by external Committee members. The participation of such Committee members, whilst not being members of the Board, is permitted in terms of the PFMA.

Board members are appointed for a period of five years and, thus, rotational appointment is deemed neither practical nor appropriate. Executive Directors are full-time employees and are accordingly subject to the conditions of service of Dube TradePort Corporation.

The Board Committees assist the Board in fulfilling its stated objectives. The roles and responsibilities of each Committee are set out in their formal Terms of Reference. The Audit and Risk Committee has additional responsibilities, stated in terms of the PFMA. The Terms of Reference of the Committees are reviewed annually to ensure they remain relevant.

Board Responsibilities
The Board is the custodian of Corporate Governance and is responsible for ensuring that the entity conducts its business in line with sound governance principles by approving key policies and ensuring that obligations to key stakeholders are met.

The Board is responsible 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. Guided by a Board Charter, which is reviewed annually, the Board assumes the following responsibilities, as set out in the Board Charter:

- 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 communication with stakeholders through the integrity of the Annual Report.

Chairperson and Group Chief Executive Officer

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

Board Induction and Evaluation

A thorough induction for the benefit of members of the new Board will take place during a two-day session in May 2012. An evaluation of the Board's effectiveness against the Board Charter and the effectiveness of its members is planned for the 2012/13 financial year.

Board Meetings

The Board meets at least four times a year and retains full control over Dube TradePort Corporation. A total of four Board meetings were conducted during the 2011/12 financial year.

Membership and Attendance: Board Meetings in 2011/12

Non-Profit Company

Member		December 2011	January 2012	March 2012
MC Clark	Non-independent, non-executive Chairperson Resigned on appointment of new Board	✓	✓	✓
S Adam	Non-independent, non-executive Board member Resigned on appointment of new Board	✓	✓	✓
C Hlabisa	Non-independent, non-executive Board member Resigned on appointment of new Board	✓	✓	A
R Persad	Executive Director Chief Executive Officer	✓	✓	✓
O Mungwe	Executive Director: Development and Infrastructure Resigned on 30 April 2011	R	R	R
A Swalah	Invited to attend meetings Chief Financial Officer	I	I	I

✓ = Attendance A = Apology R = Resigned I = By invitation

Membership and Attendance: Board Meetings in 2011/12

Schedule 3C Public Entity		
Member		**March 2012**
B Gasa	Non-independent, non-executive Chairperson Appointed 07 March 2012	✓
C Sibiya	Non-independent, non-executive Deputy Chairperson Appointed 07 March 2012	✓
V Mthsali	Non-independent, non-executive Board Member Appointed 07 March 2012	✓
G Muller	Non-independent, non-executive Board Member Appointed 07 March 2012	✓
M Ramgobin	Non-independent, non-executive Board Member Appointed 07 March 2012	✓
R Persad	Executive Director Chief Executive Officer	✓
A Swalah	Invited to attend meetings Chief Financial Officer	I

✓ = Attendance I = By invitation

Audit and Risk Committee

The Audit and Risk Committee has been established to assist 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 required knowledge which the status of this position demands, has the requisite business, financial and leadership skills and is not a political office-bearer. The Audit and Risk Committee includes two non-executive Board members. With the appointment of the new Board, Messrs Mtshali and Muller have been appointed to the Audit and Risk Committee and Messrs Adam and Hlabisa have resigned. Mr Khumalo will continue in his position as Chairperson of the Audit and Risk Committee.

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.

The Audit and Risk Committee met four times during the 2011/12 financial year. The Chief Financial Officer, together with members of internal and external audit attend Audit and Risk Committee meetings by invitation.

Membership and Attendance: Audit and Risk Committee meetings in 2011/12

Member		May 2011	July 2011	November 2011	February 2012
S Khumalo	Chairperson	✓	✓	✓	✓
S Adam	Committee Member	✓	A	A	✓
C Hlabisa	Committee Member	A	✓	✓	✓
A Swalah	Invited to attend meetings Chief Financial Officer	I	I	I	I

✓ = Attendance A = Apology I = By invitation

Internal Control

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

The system of internal control is designed to ensure that significant risks are being 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 the organisation is still relatively immature, management is focused on the implementation and bedding-down of the system of internal control.

Internal Audit

The internal audit function provides independent assurance regarding the adequacy and effectiveness of the system of internal controls so as to manage the significant risks of the organisation. The internal audit function is provided by PricewaterhouseCoopers.

The annual audit coverage plan is developed by applying a risk-based approach and is reviewed and approved by the Audit and Risk Committee each year.

Key audit findings are reported to the Audit and Risk Committee by internal audit at the conclusion of each review.

Since internal audit is conducted by an external service provider, it is deemed to be objective and independent, a status further maintained by reporting functionally to the Audit and Risk Committee.

Risk Management
The Board accepts its responsibility and accountability for the governance of risk and has delegated the implementation and day-to-day management of this responsibility appropriately. Risk management is regarded as a key business discipline which:

- Protects the organisation against 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.

The organisation has conducted strategic risk assessments during the past year. The top-rated strategic risks were reviewed by the Audit and Risk Committee. Currently, each programme is engaged in conducting operational risk assessments.

Remuneration and Human Resources Committee
This Committee was formed at the inaugural meeting of the Board and draft Terms of Reference have been formulated. These will be approved by the Board and the Committee will commence its activities in the 2012/13 financial year.

Access to Information
The Board considers access to information as being the cornerstone of good governance and has ensured access, collectively as the Board and as individual members, to company information, records, documents and property, so as to enable the Board to effectively discharge its responsibilities. The provision made for access to information applies to the Board as a whole, as well as to Committees of the Board.

Public Access to Information Act
As a Non-Profit Company, Dube TradePort Company developed a Section 51 manual in terms of the provision of Public Access to Information Act (PAIA).

Dube TradePort Corporation, a Public Entity, is in the process of developing a Section 14 PAIA manual. This is currently in draft format.

During the period 01 April 2011 to 31 March 2012, Dube TradePort received requests for information almost exclusively related to information that was automatically available on our website or contained in marketing and promotional material.

In order to efficiently deliver on its mandate, Dube TradePort Corporation has in place 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
- Property Operations
- Facilities
- Asset Management

Programme 4 – AgriZone
Sub-programmes
- AgriZone Services
- AgriZone Green Projects
- Tissue Culture Facility
- Nursery and Environment

Programme 5 – ICT
Sub-programmes
- Commercial
- Operations

Programme 6 – Planning and Environment
Sub-programmes
- Planning
- Environment

Programme 7 – Infrastructure and Development
Sub-programmes
- Infrastructure and Development

The following tables highlight the performance of each Programme (and their respective sub-programmes) for the 2011/12 financial year, against targets reflected in the Annual Performance Plan (APP) for the year:

Programme 1: Administration				
Sub-programme 1: Office of the Chief Executive Officer				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To provide strategic direction and leadership to Dube TradePort Corporation	Achievement of APP targets	85%	82% (82% across all seven Dube TradePort Corporation programmes; 73% of audit sample)	Lower than expected cargo throughput due to economic uncertainties, delays in operationalising the tissue culture building due to changes in strategic direction, delays in the construction of a 20ft facility due to bad weather conditions in 4th quarter and failure to secure developers in Dube City due to private sector reluctance to commit funds, resulted in 82% of the targets being met for the year, against the budget of 85%.
	% complete of quarterly assessments	100%	100%	All assessments for Executives completed.
	Annual report outlining the socio-economic impact of Dube TradePort project	Annual report	Impact Assessment completed	Between 2007 and 2011 it was estimated that a total of 16 527 direct jobs were created by construction activities at Dube TradePort.
	Annual research report into cargo movements and destinations	Annual report	1 Annual report	Report considered air cargo movement between South Africa and the SADC region.
To secure beneficial partnerships for Dube TradePort Corporation	Number of partnerships secured	1	2	Strategic partnerships secured with SA Express and Gift of the Givers Foundation.

Sub-programme 2: Financial Administration				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To provide effective and transparent financial management systems	Audit opinion: external audit	Unqualified	Unqualified	2011/12 unqualified audit report received.
	Number of report items noted on external audit report	5	3	One emphasis of matter and two areas of non-compliance.
	Number of report points included in the external audit management report	8	3	All items were subsequently addressed by management.
	Number of monthly reports submitted to DEDT on time	11	9	April and May 2011 reports not submitted due to resource constraints of the external audit.

Sub-programme 3: Corporate Services				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To promote sound corporate governance to Dube TradePort Corporation and its Board	Number of internal audit report items relating to corporate governance	7	Nil	No internal audit report items relating to corporate governance.
	Number of reports (APR; AR & QPR) submitted on time	6	6	Annual Financial Statements, Annual Performance Plan and Quarterly Reports were submitted to DEDT on time.
	Number of Audit and Risk Committee meetings held	4	4	Meetings held in May, July and November 2011 and February 2012.
To provide effective support to Dube TradePort Corporation divisions through human resource provisioning and training	Number of incidents referred for arbitration	1	1	One incident was referred to arbitration and the matter is ongoing.
	Compliance with annual training plan	50%	60%	Performance management system was implemented in 2nd and 3rd quarters, including Individual Development Plans for each employee. These plans formed a critical input to the annual training plan.
	% of required posts filled (within three months of identification of need)	50%	87%	A Human Resources Dashboard has been developed to measure recruitment progress and is available.

BACK TO CONTENTS

Sub-programme 4: Marketing				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To manage and develop the Dube TradePort brand and sub-brands in the market	% increase in brand value	Create tool. Establish baseline.	Tool created and approved. Baseline established.	The value currently ascribed to the brand is roughly R10,7 million.
	Number of marketing materials developed	10	44	The target was exceeded with promotional videos, print and online booklets, including the State Of Environment Report and materials to support events.
	Number of exhibitions/ conferences in which Dube TradePort Corporation participates	1	3	COP17 campaign included 4 events: Design Indaba (3 evenings), Dube Green Day, Dube TradePort Exhibition, Dube TradePort Carbon Footprint activation
	Number of Dube TradePort Corporation launches co-ordinated	1	3	Launched Dube AiRoad Fleet and Ramp-Handling Equipment in September 2011. Dube AgriZone Greenhouses and Dube Square/John Dube Sculpture were launched by the President of South Africa on 08 March 2012.
	Number of new adverts flighted on electronic billboards	20	38	Revenue was generated from Electronic Billboards since the 3rd quarter.
	Number of adverts placed in targeted publications	4	11	0% Cargo Loss campaign appeared in 3 publications in September 2011. In the 4th quarter, two adverts were placed in property magazines and another two online.

Programme 2: Cargo and Air Services				
Sub-programme 1: Cargo Operations				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To enable a seamless cargo service	Processing time against Service Level Agreements	90%	97%	Processing time is consistently above targets set in Service Level Agreements.
	Annual cargo volume throughput	15 300 tonnes	5 060 tonnes	The tonnage throughput is significantly lower than forecasted due to the limitations of the single daily Emirates flight of 14 tonnes, as well as the inability of King Shaka International Airport to handle a Code F freighter, resulting in freighters being turned away from the Cargo Terminal. In addition, a significant volume of cargo is still being trucked to OR Tambo International Airport.
	Number of air freighters using King Shaka International Airport	1	1	A freighter departs every weekday at 21h45
	Availability of equipment	97%	80,4%	Intermittent network problems causing ETV to lose communication. The ETV has to be operated in manual or maintenance mode.
	Availability of ramp-handling equipment	95%	95%	The majority of the ramp-handling equipment has been procured
	On-time performance (departure and arrivals) of trucking service	95%	The trucking schedule was only introduced in the 4th quarter	The trucking operation is a start-up business and requires time to become established with regard to the business processes needed to track performance.
	Tonnage throughput on 20ft facility	60 tonnes	0 tonnes	The project has been delayed due to excessive rainfall during the 4th quarter.
To oversee the management of Dube TradePort Corporation's Valuable Cargo Facility	Results of bi-annual audit	90%	100%	SACAA has sanctioned the Valuable Cargo Facility as fully compliant with Security Regulations.

Sub-programme 1: Cargo Operations

Strategic Objective	Programme Performance Indicator	Annual Target (APP) 2011/12	Actual Performance	Comment
To facilitate effective air cargo security measures, in line with international standards	Results of bi-annual CAA audit	100%	100%	SACAA has sanctioned the Cargo Terminal as fully compliant with Security Regulations.
	Number of exceptions noted from audit to ensure adherence to licensing conditions	9	Nil	No exceptions noted from audit.
	Level of conformance with regulations (per OHS audit)	90%	100%	Audit results have been consistently good.

Sub-programme 2: Air Services

Strategic Objective	Programme Performance Indicator	Annual Target (APP) 2011/12	Actual Performance	Comment
To develop business cases to enable new international and regional air services	Number of business cases developed	2	3	Business cases developed: (1) DUR-Germany for Lufthansa; (2) DUR-Istanbul for Turkish Airlines; and (3) DUR-Warsaw for LOT Airlines.
	Number of business cases reviewed and presented	8	10	Presentations to Lufthansa (DUR-Germany), Condor (DUR-Germany), SA Express (DUR-Harare; DUR-Lusaka), Comair (DUR-London; DUR-Nairobi), SAA (DUR-Shanghai), Jet Airways (DUR-India), LOT Airlines (DUR-Warsaw), Monarch (DUR-London).
	Number of regional routes identified	1	2	Negotiations with SA Express for air services to Zambia and Mozambique.

Sub-programme 3: Airside

Strategic Objective	Programme Performance Indicator	Annual Target (APP) 2011/12	Actual Performance	Comment
To facilitate and enable the provision of a General Aviation Facility	Number of CAA injunctions to be complied with: development of the GA and MRO facilities	1	1	From an aviation safety and security perspective, the CAA had no objection to the development of a Corporate Aviation Facility.

Programme 3: Property				
Sub-programme 1: Property Operations				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To operate, manage and develop Dube TradeZone	Number of available (45) sites taken up for development – Dube TradeZone	10	18	A 3-phase, 45 000 m² logistics warehouse facility on 90 000 m² of land.
To service Dube TradePort Corporation's clients and tenants and meet expectations	% of tenant satisfaction	>80%	85%	Survey carried out in January 2012. 85% ranked good to excellent and 15% fair to poor.
To facilitate private sector investment in property development	Cumulative take-up of development opportunities by private sector investment	R75 million	R300 million	This investment relates to the 18 sites taken up for multi-tenant development at Dube TradeZone by Shree Property Group.
	Number of available (44) sites taken up for development – Dube City	8	Nil	Overall take-up has been slow. NiDa indicated firm interest in hotel development, but cancelled upon expiration of Memorandum of Understanding. Negotiations have been initiated with a new hotel and office developer and two further enquiries for office developments are under discussion. A development concept for Block D has been initiated which includes the development of a double-storey underground basement parking by Dube TradePort Corporation. This is being packaged as an integrated investment opportunity for the private sector, leveraging off Dube TradePort Corporation's initial investment.
To identify and acquire strategic land parcels for future development activities	Number of hectares acquired (via negotiations with Tongaat-Hulett Developments and other land owners)	35 hectares	172 hectares	The acquisition of 172 hectares of land to expand the activities of Dube TradePort into the aerotropolis development was a significant milestone in 2011/12.

Sub-programme 2: Facilities

Strategic Objective	Programme Performance Indicator	Annual Target (APP) 2011/12	Actual Performance	Comment
To provide and maintain state-of-the-art facilities within Dube TradePort developments	% completion of relevant maintenance programmes	90%	84%	Delays due to transition from contractor to outsourced service provider resulted in some non-critical scheduled services being delayed.
	% of breaches of security in all zones that are immediately dealt with: Alarm calls attended to within 10 minutes of notification. Alarm calls attended to within 15 minutes of notification	 90% 100%	 No incidents reported No incidents reported	No incidents were reported in the 2011/12 financial year. Systems are to be developed for more effective reporting statistics in 2012.

Sub-programme 3: Asset Management

Strategic Objective	Programme Performance Indicator	Annual Target (APP) 2011/12	Actual Performance	Comment
To effectively operate and manage Dube TradePort Corporation`s assets	% occupancy of Dube TradePort Corporation-owned buildings: - TradeZone - Dube City	 80% 50%	 100% 54%	The TradeHouse at TradeZone is fully occupied. Of the 2 890 m^2 available at Dube City, 1 584 m^2 is being occupied.
	Minimum average rental rate per m^2 (total rental/area rented): - Dube TradeZone (owned buildings) - Dube City (owned buildings) - Land leases (Dube TradeZone)	 R35 - 40 m^2 R45 - 75 m^2 R6 - 8 m^2	 R38 m^2 R45 m^2 R7 m^2	Based on signed lease agreements, the average rental rates charged per m^2 are within the parameters set at the beginning of the year.

Programme 4: AgriZone				
Sub-programme 1: AgriZone Services				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To provide reliable, effective and efficient Dube AgriZone Services (water, training, marketing, R&D, maintenance, integrated cold chain management and the like)	% tenant satisfaction (customer survey)	80%	85%	Survey carried out in January 2012. 85% ranked fair to excellent.
	Number of services introduced/offered	2	3	Rainwater harvesting, waste management system and in-house water quality testing.
	% complete of relevant specialist maintenance programme	80%	100%	The specialist maintenance programme is complete and consists of the following: Greenhouse maintenance programme, facilities management programme, water treatment works programme and landscape maintenance.
	Volume of produce in Dube AgriZone (tonnage)	800	1 627	Full production on 12 hectares in greenhouses at Dube AgriZone.
	Number of training courses held	Develop training programme	Training programme developed	Contract signed with Siyakha to conduct SMME training at Dube AgriHouse.

Sub-programme 2: AgriZone Green Projects				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To ensure that Dube AgriZone is used to initiate and promote green projects and businesses	Number of projects initiated	1	3	Solar panels for Packhouse C installed and commissioned. EMS and fair trade certification also initiated.

Sub-programme 3: Tissue Culture Facility				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To manage, operate and maintain the Tissue Culture Facility through a Joint Venture with an operator	Number of contracts obtained from customers (e.g. plant breeders, growers, and the like)	1	Nil	Decision taken not to use an operator for the Tissue Culture Facility means there has not been progress on operations.
	% compliance with Service Level Agreement (management of Joint Venture partner/operator)	65%	0%	A decision taken not to use an operator for the Tissue Culture Facility means that there has not been progress on operations.
	Number of species propagated	1	Nil	Tissue Culture Facility not operational as yet.

Sub-programme 4: Nursery and Environment				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To provide species (including rare and endangered species) for maintenance of the open spaces and landscaped areas	Number of indigenous species propagated	50	188	This is greatly affected by the seasonal availability of plants. But the main reason for the significant increase this year is that we collected sledges like Cyperus/Juncus species for the wetland areas. These can produce thousands of seeds to be sowed per inflorescence and therefore producing hundreds of thousands of plant specimens.
	Number of species collected	50	188	
	Mist house plant production	140 000	3 753 438	Because of the increase in available seeds, the propagation in the mist house tunnel will increase accordingly, as the seeds are propagated.
	Rehabilitation and Restoration in the Dube AgriZone	100% maintenance	100%	Rehabilitation and alien management was completed, as planned.

Programme 5: ICT				
Sub-programme 1: Commercial				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To ensure compliance with tele-communication licence	Number of compliance reports submitted	3	4	Latest compliance report submitted on 31 March 2012, in terms of Government Gazette 34863.
To provide cost-competitive and reliable tele-communications to Dube TradePort Corporation clients	Number of clients utilising services (cumulative)	34	34	The majority of clients are based at Dube TradeHouse, as well as Dube Cargo Terminal and the Valuable Cargo Facility.
	Number of Master Plan review/updates completed and approved	4	4	Reviews were completed and approved in June, September and December 2011 and March 2012.
To develop and provide value-added services to Dube TradePort Corporation clients	Number of value-added service solutions commissioned	5	6	The following value-added services were commissioned: (1) Small business solutions, (2) Integrated logistics platform, (3) Integrated Building Management System, (4) Exchange in the Cloud, (5) Disaster Recovery and (6) Virtual Machines.
	Number of value-added service solutions supported (cumulative)	5	6	The following value-added services were supported: (1) Small business solutions, (2) Integrated logistics platform, (3) Integrated Building Management System, (4) Exchange in the Cloud, (5) Disaster Recovery and (6) Virtual Machines.
	Number of joint property projects commissioned	1	3	The following joint property projects were commissioned: (1) Network redundancy, (2) Floor 3 Fit-out and (3) Media Server.
	Number of Joint property projects supported (cumulative)	1	3	The following joint property projects were supported: (1) Network redundancy, (2) Floor 3 Fit-out and (3) Media Server.
	Number of Dube AgriZone projects commissioned	4	5	The following projects were commissioned: (1) CCTV, (2) Access Control, (3) Water Management System, (4) Packhouse and Greenhouse networks and (5) IT solution for Qutom.
	Number of Dube AgriZone projects supported (cumulative)	4	5	The following projects were supported: (1) CCTV, (2) Access Control, (3) Water Management System, (4) Packhouse and Greenhouse networks, (5) IT solution for Qutom.

Sub-programme 1: Commercial				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To develop and maintain effective IT partnerships	Number of IT partnerships established	2	4	IT partnerships established with: (1) One dot com, (2) Notsi, (3) Datacentrix and (4) First Distribution.

Sub-programme 2: Operations				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To develop and maintain Dube TradePort Corporation's IT services	Number of Dube TradePort internal software applications installed	6	6	The following software applications were installed: (1) Sharepoint, (2) Exchange, (3) Lync, (4) Trend, (5) GIS and (6) WSUS.
	Achievement of Service Level Agreement commitments	95%	99%	Quarterly reports compute availability using the devices' system uptime.
	Number of Dube TradePort internal software applications supported (cumulative)	7	7	The following software applications were supported: (1) Sharepoint, (2) Exchange, (3) Lync, (4) Trend, (5) GIS, (6) WSUS and (7) Avamar.
To expand Dube TradePort Corporation's IT network into wider region	Number of new location services	Nil	Potential locations identified	One new location serviced in 2011/12 - AMS on airside.

Programme 6: Planning and Environment				
Sub-programme 1: Planning				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To effectively integrate Dube TradePort Corporation Master Plan into the wider region	Level of completion of the regional plan	Detailed technical plan complete	Plan 100% complete	The regional plan – including a public transportation and bulk services plan – has been completed.
To effectively co-operate, co-ordinate and collaborate with planning and environmental stakeholders	Number of rezoning or EIA applications completed	Site-wide rezoning	Application incomplete	A draft report has been prepared. However, the Traffic Impact Assessment (TIA) input remains outstanding due to a lack of regional traffic data. Independent modelling had to be commissioned in order to address and rectify the problem, which has been completed. The TIA may now be concluded.
		Watson Highway EIA	Application incomplete	TIA for this precinct cannot be completed until the TIA for the site-wide rezoning has been completed.
	Set up an international panel of experts to review planning progress and advise on new innovations in airport planning	Panel set up and first meeting held	Panel not set up and no meetings held	John Kasarda to present during May 2012.
To plan all Dube TradePort on-site expansions	Level of completion of the Dube TradePort Master Plan	Master Plan Review 100% complete	Review incomplete	The Master Plan cannot be completed until the TIA has been completed.
	Number of layout diagrams/urban design frameworks completed	1	1	A layout for P2 has been produced. This will be revised once traffic has been analysed.
	Number of Precinct Plans completed	1	1	The Precinct Plan for Dube TradeZone 1 was updated.

Sub-programme 2: Environment				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To oversee and manage EIA and EMP obligations	Level of compliance with EA – independent audit result	90%	93,5%	Close out audits were undertaken on all sites.
To implement strategies to reduce and offset carbon emissions and water usage	Area (ha) offset as per site-wide rehabilitation plan	250 hectares	257,47 hectares	In spite of various challenges, including seasonal variations, the annual target was met in line with the site-wide rehabilitation plan.
	Annual State of the Environment Report	1	1	Refer to the Environmental Report for an overview of the findings of the Annual State of the Environment Report.

Programme 7: Infrastructure and Development				
Sub-programme 1: Infrastructure and Development				
Strategic Objective	**Programme Performance Indicator**	**Annual Target (APP) 2011/12**	**Actual Performance**	**Comment**
To procure, manage and monitor Dube TradePort infrastructure provisioning	Number of construction projects undertaken	1	2	Construction for the TradeZone and the Canteen build are 75% complete; Landscape is 83% completed
	% deviation from initial budget	10% maximum	0%	Projects within budgets, Support Zone's scope of works increased.
To provide technical support to all Dube TradePort Corporation Divisions	Number of projects scoped and designed	1	1	Expression of Interest documents completed, layout drawing confirmed and signed-off by the tenant.
	% deviation from programme timelines	15%	50%	Projects within the said timelines, with an exception of the canteen building
To develop infrastructure plan and manage roll-out of services	Adequate infrastructure for Dube TradePort's development needs	Develop infrastructure plan	Infrastructure plan completed	Integrated infrastructure plan concluded for five years.
	Provision of Watson Highway link	30%	0%	Delays in procurement due to a change in the procurement strategy during the course of 2011/12. However, contract awarded in the 4th quarter.

BACK TO CONTENTS

The first harvest of cucumbers grown in the Dube AgriZone greenhouses took place in May 2011 and was followed by the harvesting in June and November of tomatoes and peppers respectively.

Dube TradePort Corporation took occupation of its new Head Office, 29° South, located in Dube City, and Dube AgriHouse, situated in Dube AgriZone during August 2011.

The Air Cargo Summit Africa 2011, hosted by Dube TradePort Corporation, was held in September 2011. This, the continent's inaugural cargo and aviation conference, attracted some 120 local and international cargo and related industry delegates.

In line with the 17th Conference of the Parties (COP17) to the United Nations Framework Convention on Climate Change which was held in Durban in November 2011, Dube TradePort Corporation hosted events and activations including a King Shaka International Airport carbon calculator, a carbon footprint pledge wall, an Isimangaliso art exhibition and Indabar talks by experts on sustainable innovation and design, together with a Green Day family experience, inclusive of a market, concert and access to the pledge wall.

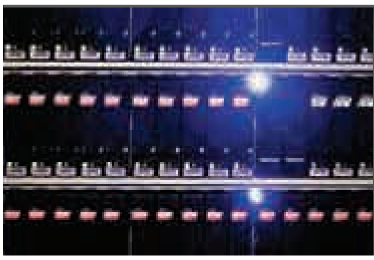
In November 2011 Dube TradePort Corporation intensified its Corporate Social Investment commitment, facilitating a number of schools projects focusing on swopping produce for recyclables, the installation of solar panels, the development of school vegetable gardens and the promotion of rainwater harvesting, with the installation of water storage tanks.

Due to a critical Dube TradePort Corporation intervention in November 2011, a Thai Airways 777 freighter flew into King Shaka International Airport delivering 67 tons of desperately needed Toyota vehicle components to Dube Cargo Terminal after flooding in Thailand had significantly affected manufacturing. The special delivery brought immediate relief to Toyota South Africa's business operations.

BACK TO CONTENTS



Dube TradePort Corporation's dedication to the environment resulted in the rehabilitation of some 257 hectares of land. A further 17 hectares within Dube AgriZone was cleared and planted during 2011/12. A portion of the required funding for trees and plant material was generated through the organisation's fundraising activities during its COP17 events, where people were afforded the opportunity to 'offset' their carbon emissions.



Dube TradePort Corporation's dedicated IT and telecommunications platform, Dube iConnect, digitally links members of the Dube TradePort business community with each other and their global partners. During the 2011/12 financial year, Dube iConnect commenced the provision of its hosting services as part of its value added services catalogue.

In March 2012, a major player in South Africa's logistics business environment, Durban-based Shree Property Group, became the first private sector investor to take up premises at Dube TradePort after signing a multi-million Rand deal. With a contract to lease 18 sites, Shree Property Group is Dube TradeZone's single largest tenant.


His Excellency, Dr Jacob Zuma, the President of the Republic of South Africa, visited Dube TradePort in March 2012 to officially open Dube AgriZone and its greenhouses.


President Zuma also officially opened Dube Square and unveiled a statue of John Dube during the March 2012 ceremony.

GENERAL INFORMATION

DUBE TRADEPORT (NPC)
(REGISTRATION NUMBER 2002/002810/08)
TRADING AS DUBE TRADEPORT
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 R Persad KB Mbanjwa S Adam C Hlabisa
Registered office	29° South 7 Umsinsi Junction La Mercy 4399
Business address	29° South 7 Umsinsi Junction La Mercy 4399
Postal address	PO Box 57757 King Shaka International Airport 4407
Bankers	ABSA Business Banking: Public Sector KZN Standard Bank Nedbank
Auditors	Auditor-General
Company Secretary	Ann Easton

CONTENTS

The reports and statements set out below comprise the Consolidated Annual Financial Statements 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 2012

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 Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Consolidated Annual 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 Statements of Generally Accepted Accounting Policies. The external auditors are engaged to express an independent opinion on the Consolidated Annual Financial Statements.

The Consolidated Annual Financial Statements are prepared in accordance with Generally Accepted Accounting Practice 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 control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the 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 control provides reasonable assurance that the financial records may be relied upon for the preparation of the Consolidated Annual Financial Statements.

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

The Consolidated Annual Financial Statements set out on pages 59 to 101, which have been prepared on the going concern basis, were approved by the Board on 31 May 2012 and were signed on its behalf by:

Mel Clark
Chairperson

Rohan Persad
Chief Executive Officer

Thursday 31 May 2012
Durban

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON DUBE TRADEPORT (NPC) ("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 64 to 101, which comprise the consolidated and separate statements of financial position as at 31 March 2012, the consolidated and separate statements of comprehensive income, statements of changes in equity and statements 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 the 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 2012, 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 36 to the consolidated financial statements, the entity was listed as a public entity during the financial year. In terms of section 34(2) of the 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 the Non-Profit Company (NPC).

   Guidance was received from the National Treasury and the KZN Provincial Treasury in this regard. Accounting for the transactions between the two entities proved impractical, which resulted in Dube TradePort accounting for all transactions, assets and liabilities in the NPC to ensure a more relevant, reliable, comparable and understandable set of consolidated and separate annual financial statements.

Provision and Contingency

9. As disclosed in note 23 to the consolidated financial statements, the entity has applied in terms of part III(A) of the Income Tax Act of South Africa, 1962 (Act No. 58 of 1962) to the tax authority to obtain a ruling or settlement that the interest income reflected in the consolidated financial statements will not be subject to income tax. The possible tax liability,

should the application for the ruling or settlement be unsuccessful, amounts to approximately R57,8 million.

Restatement of Corresponding Figures

10. As disclosed in note 26 to the consolidated financial statements, the corresponding figures for 31 March 2011 have been restated as a result of errors discovered in trade and other receivables, property, plant and equipment and cash and bank during the 2011/12 financial year in the consolidated and separate financial statements of Dube TradePort at, and for the year ended, 31 March 2011.

Material Impairment

11. As disclosed in note 31 to the consolidated financial statements, a material impairment of R9,2 million was reported by the entity as a result of writing off the access control and telecommunication systems in the Cargo Terminal.

Additional Matter

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

Other Reports Required by the Companies Act

13. As part of my audit of the consolidated and separate financial statements for the year ended 31 March 2012, 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 financial statements. These reports are the responsibility of the Board of Directors. Based on my review of these reports, I have not identified material inconsistencies between these reports and the audited financial statements. I have not audited the reports and accordingly do not express an opinion on them.

Report on Other Legal and Regulatory Requirements

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

Pre-determined Objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the information in the report on performance against pre-determined objectives as set out on pages 42 to 55 of the annual report.

16. 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's Framework for managing programme performance information.

17. 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).

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

Additional Matter

19. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter:

Achievement of Planned Targets

20. Of the total number of planned targets, only 64 (73%) were achieved during the year under review due to operational challenges.

Compliance with Laws and Regulations

21. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on 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 are as follows:

Annual Consolidated Financial Statements

22. The consolidated financial statements submitted for auditing were not prepared in all material aspects in accordance with SA Statements of GAAP, as required by section 55(1)(b) of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and section 29(1)(a) of the Companies Act.

    The material misstatements identified by the auditors with regard to corrections to, and disclosures on, commitments, property, plant and equipment, cash and bank, and operating leases were subsequently corrected.

Procurement and Contract Management

23. Goods and services were not procured through a process that was fair, equitable, transparent,

competitive and cost-effective, as required by section 51(1)(a)(iii) of the PFMA, which resulted in irregular expenditure amounting to R14,5 million, as disclosed in note 33 to the consolidated and separate financial statements.

Internal Control

24. I considered internal control relevant to my audit of the consolidated and separate financial statements, report on predetermined objectives and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

25. Management did not exercise adequate oversight responsibility over the procurement of goods and services in terms of the PFMA and the financial policy of the entity.

Financial and Performance Management

26. Management did not implement adequate controls to ensure that the consolidated financial statements were prepared in accordance with SA Statements of GAAP.

Other Reports

Investigation

27. An investigation is being conducted into the appointment of a service provider to conduct the operations of the Cargo Terminal.

Agreed-upon Procedures Engagement

28. An agreed-upon procedures report was issued to the Independent Communications Authority of South Africa (ICASA) relating to the ICASA annual return.

Auditor-General

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Auditor-General
PIETERMARITZBURG
31 July 2011

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

DIRECTORS' REPORT

FOR THE YEAR ENDED
31 MARCH 2012

The Directors submit their report for the year ended 31 March 2012.

Legal Entity
Dube TradePort is a Non-Profit 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 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 NPC is governed by the Companies Act 2008 (Act No.71 of 2008), while its successor in title, Dube TradePort Corporation (DTPC) 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 with 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 made an application to the National Minister for the Corporation to be awarded a 'designated entity' status for VAT purposes.

This application was lodged with SARS in May 2011. Once awarded, this allows the Corporation to be registered as a VAT vendor. The application is currently being reviewed by National Treasury. As an interim solution, Dube TradePort continues to conduct its operating activities as a Non-Profit Company.

Once the Corporation has been registered as a VAT vendor, the voluntary winding up and deregistration process will commence 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 the Dube TradePort Corporation, a Schedule 3C Public Entity in terms of the PFMA. The 2011/12 Annual Financial Statements, therefore, present the last set of operating financial statements for the Dube TradePort NPC. Due to the difference in opinion regarding the accounting treatment of the transition, Dube TradePort is currently awaiting a directive from National Treasury to provide guidance and clarify the accounting basis and subsequent treatment of the transition process.

Statement of Responsibility
The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. 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. This responsibility includes:
- Designing, implementing and maintaining internal control 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 the Airports Company South Africa whereby Dube TradePort owns 60% of La Mercy JV Property Investments (Pty) Ltd.

The application of Generally Accepted Accounting Practice (GAAP) dictates that Dube TradePort NPC accounts for its interest in La Mercy JV Property Investments (Pty) Ltd as a subsidiary. The main object of La Mercy JV Property Investments (Pty) Ltd (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 2011/12 financial year the main focus of the JV Company has been on conducting the Masterplan review and executing the rehabilitation and restoration project, which resulted in a little more than 257 hectares of alien vegetation being removed. The financial year end of La Mercy JV Property Investments (Pty) Ltd 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.

A contingent liability has been raised for the rates levied by eThekwini Municipality on the land owned by the JV Company as discussions with the Municipality to resolve this matter are ongoing.

The outcome of the National Treasury 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 and entity 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 Dube TradePort NPC as contemplated in Section 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 Service in terms of Part 3A of the Income Tax Act (No. 58 of 1962). The Directors have noted the tax payable as a contingent liability pending the outcome of the application.

Commitments
The Dube TradePort NPC has entered into a number of commitments ranging from infrastructure development and construction of specialised buildings to the procurement of specialised equipment and plant.

Upon deregistration, these commitments will be transferred to the Dube TradePort Corporation.

Events Subsequent to the Reporting Date
In 2009 Dube TradePort entered into a five-year contract with Worldwide Flight Services (WFS) to operate and manage the Dube Cargo Terminal. Various instances of contractual non-compliance were identified and Dube TradePort served WFS with a notification for contract termination and simultaneously actioned a 'step in' on 02 May 2012.

This resulted in the management and oversight of the Cargo Terminal reverting to Dube TradePort. At this stage, there are no additional financial implications of the 'step in' and contract termination as Dube TradePort had been funding the operational and capital expenditure of the Cargo Terminal since its inception.

As a result of a settlement reached between the parties, the contract will terminate on 31 May 2012 and Dube TradePort will be fully responsible for the operation and management of the Cargo Terminal with effect from 01 June 2012.

AUDIT AND RISK COMMITTEE'S REPORT

FOR THE YEAR ENDED
31 MARCH 2012

The members of the Audit 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 Committee, appointed in January 2008, is independent.

In applying the recommendations of King III relating to risk, the Dube TradePort Board decided in February 2012 to allocate the risk oversight function to the Audit Committee. 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 February 2012, the Audit and Risk Committee's Terms of Reference were updated.

During the 2011/12 financial year the Audit and Risk Committee met four times and undertook the following activities:

1. Reviewed the Audit and Risk Committee's Term of Reference to ensure relevance.
2. Internal Audit Function:
   a. Reviewed Internal Audit Charter and approved the 2011/12 Internal Audit Plan and Budget.
   b. Reviewed the findings of internal audit as presented at the end of each internal audit cycle.
3. External Audit Function:
   a. Reviewed and approved the 2010/11 audited Annual Financial Statements for submission to the Dube TradePort Board.
   b. Reviewed the 2010/11 external audit report tabled.
   c. Met four times with the office of the Auditor-General to ensure that there were no unresolved issues of concern.
4. Risk Management and Fraud Prevention:
   a. The integrated risk management framework was approved.
   b. The fraud prevention plan was updated and adopted.
5. Performance Information:
   a. Reviewed the 2010/11 Annual Performance Report.
   b. Reviewed quarterly performance reports for the period under review.
6. Updates and amendments to Dube TradePort's policies and procedures were reviewed.
7. 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 2012, The Audit and Risk Committee reviewed and evaluated the Annual Financial Statements for the year ended 31 March 2012 and approved that they be submitted to the Dube TradePort Board for approval.

On 07 March 2012, the Board members of Dube TradePort Corporation were appointed.

Shortly thereafter the Dube TradePort Corporation Board met and elected two members of the Board to the Audit and Risk Committee and retained me as the current Chairman for continuity purposes.

I would like to take this opportunity to thank the outgoing Audit and Risk Committee members of the Non-Profit Company for the excellent role that they have played in shaping the governance environment of Dube TradePort and would like to welcome the new Audit and Risk Committee of the Schedule 3C Public Entity.

I look forward to our journey as we deal with the transition issues and work towards full compliance with the Public Finance Management Act and other related regulatory environments that govern a Schedule 3C Public Entity.

Shadrack Khumalo
Chairman: Audit and Risk Committee

STATEMENT BY COMPANY SECRETARY

FOR THE YEAR ENDED
31 MARCH 2012

I hereby certify that the Non-Profit Company 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

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Ann Easton
Company Secretary

BACK TO CONTENTS

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	Notes	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Assets					
Non-Current Assets					
Investment properties	3	903 851 606	688 337 193	901 128 110	686 750 875
Property, plant and equipment	4	1 757 972 542	1 613 662 490	1 757 972 542	1 613 662 490
Intangible assets	5	423 756	466 804	423 756	466 804
Other financial assets	6	-	-	60	60
Loan receivables	7	-	-	56 306 317	53 453 011
		2 662 247 904	**2 302 466 487**	**2 715 830 785**	**2 354 333 240**
Current Assets					
Inventories	8	145 225	140 065	145 225	1 40 065
Straightlining of leases	9	1 183 450	390 717	1 183 450	390 717
Trade and other receivables	10	77 863 373	72 091 339	76 792 240	71 894 912
Cash and cash equivalents	11	899 740 373	1 076 431 586	851 777 808	1 025 482 975
		978 932 421	**1 149 053 707**	**929 898 723**	**1 097 908 669**
Total Assets		**3 641 180 325**	**3 451 520 194**	**3 645 729 508**	**3 452 241 909**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Retained income		510 475 161	517 571 310	514 471 512	518 596 792
Non-controlling interest		(2 664 261)	(934 465)	-	-
		507 810 900	**516 636 845**	**514 471 512**	**518 596 792**
Liabilities					
Non-Current Liabilities					
Loans from related parties	7	1 172 161	1 172 161	-	-
Finance lease obligation	12	236 342	119 569	236 342	119 569
		1 408 503	**1 291 730**	**236 342**	**119 569**
Current Liabilities					
Finance lease obligation	12	193 255	27 568	193 255	27 568
Operating lease liability	9	-	55 202	-	55 202
Trade and other payables	13	91 921 471	96 930 829	90 982 203	96 864 758
Deferred income	14	3 039 846 196	2 836 578 020	3 039 846 196	2 836 578 020
		3 131 960 922	**2 933 591 619**	**3 131 021 654**	**2 933 525 548**
Total Liabilities		**3 133 369 425**	**2 934 883 349**	**3 131 257 996**	**2 933 645 117**
Total Equity and Liabilities		**3 641 180 325**	**3 451 520 194**	**3 645 729 508**	**3 452 241 909**

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
31 MARCH 2012

	Notes	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Revenue	15	22 534 093	15 582 292	19 764 361	13 633 055
Cost of sales	16	(1 565 453)	(1 540 424)	(1 565 453)	(1 540 424)
Gross profit		**20 968 640**	**14 041 868**	**18 198 908**	**12 092 631**
Other income		321 310 446	1 286 459 035	321 143 788	1 286 459 035
Operating expenses		(327 371 750)	(736 610 323)	(322 588 000)	(734 805 421)
Operating profit	17	**14 907 336**	**563 890 580**	**16 754 696**	**563 746 245**
Finance income	18	51 287 468	69 484 682	54 140 773	71 179 451
Finance costs	19	(71 205)	(23 772)	(71 205)	(23 772)
Total comprehensive income for the year		**66 123 599**	**633 351 490**	**70 824 264**	**634 901 924**
Total comprehensive income attributable to:					
Owners of the parent		67 853 395	634 122 174	70 824 264	634 901 924
Non-controlling interest		(1 729 796)	(770 684)	-	-
		66 123 599	**633 351 490**	**70 824 264**	**634 901 924**

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED
31 MARCH 2012

	Retained income R	Total attributable to equity holders of the group/ company R	Non-controlling interest R	Total equity R
Group				
Balance at 01 April 2010	**236 088 407**	**236 088 407**	**(163 781)**	**235 924 626**
Changes in equity				
Total comprehensive income for the year (as previously stated)	632 833 823	632 833 823	(770 684)	632 063 139
Prior period error (refer to note 26)	1 288 351	1 288 351	-	1 288 351
Transfer between reserves (refer to notes 14 and 29)	(352 639 271)	(352 639 271)	-	(352 639 271)
Total changes	281 482 903	281 482 903	(770 684)	280 712 219
Balance at 01 April 2011	**517 571 310**	**517 571 310**	**(934 465)**	**516 636 845**
Changes in equity				
Total comprehensive income for the year	67 853 395	67 853 395	(1 729 796)	66 123 599
Transfer between reserves (refer to notes 14 and 29)	(74 949 544)	(74 949 544)	-	(74 949 544)
Total changes	(7 096 149)	(7 096 149)	(1 729 796)	(8 825 945)
Balance at 31 March 2012	**510 475 161**	**510 475 161**	**(2 664 261)**	**507 810 900**
Company				
Balance at 01April 2010	**236 331 470**	**236 331 470**	**-**	**236 331 470**
Changes in equity				
Total comprehensive income for the year (as previously stated)	633 989 849	633 989 849	-	633 989 849
Prior period error (refer to note 26)	914 744	914 744	-	914 744
Transfer between reserves (refer to notes 14 and 29)	(352 639 271)	(352 639 271)	-	(352 639 271)
Total changes	282 265 322	282 265 322	-	282 265 322
Balance at 01 April 2011	**518 596 792**	**518 596 792**	**-**	**518 596 792**
Changes in equity				
Total comprehensive income for the year	70 824 264	70 824 264	-	70 824 264
Transfer between reserves (refer to notes 14 and 29)	(74 949 544)	(74 949 544)	-	(74 949 544)
Total changes	(4 125 280)	(4 125 280)	-	(4 125 280)
Balance at 31 March 2012	**514 471 512**	**514 471 512**	**-**	**514 471 512**

BACK TO CONTENTS

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED
31 MARCH 2012

	Notes	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Cash flows from operating activities					
Cash receipts from customers and government grants		467 988 798	538 114 445	467 988 798	538 114 445
Cash paid to suppliers and employees		(463 118 011)	(27 318 128)	(461 269 142)	(27 462 462)
Cash generated from operations	20	4 870 787	510 796 317	6 719 656	510 651 983
Finance income		51 287 468	69 484 682	54 140 773	71 179 451
Finance costs		(71 205)	(23 772)	(71 205)	(23 772)
Net movement in working capital		-	49 568 838	-	51 705 617
Depreciation and amortisation		139 099 725	90 644 837	139 099 725	90 644 837
Net cash flows from operating activities		**195 186 775**	**720 470 902**	**199 888 949**	**724 158 116**
Cash flows from investing activities					
Acquisition of property, plant and equipment	4	(278 515 645)	(575 667 977)	(278 515 645)	(575 667 977)
Disposal of property, plant and equipment	4	38 774	15 360	38 774	15 360
Acquisition of investment properties	3	(221 976 529)	(115 977 243)	(220 839 351)	(114 739 119)
Acquisition of intangible assets	5	(25 680)	(505 129)	(25 680)	(505 129)
Loans advanced to group companies		-	2 372 161	(2 853 306)	(52 253 011)
Net cash flows from investing activities		**(500 479 080)**	**(689 762 828)**	**(502 195 208)**	**(743 149 876)**
Cash flows from financing activities					
Finance lease payments		282 460	111 598	282 460	111 598
Deferred income on grants		128 318 632	(205 936 784)	128 318 632	(205 936 784)
Net cash flows from financing activities		**128 601 092**	**(205 825 186)**	**128 601 092**	**(205 825 186)**
Increase/(Decrease) in total cash movement for the year		**(176 691 213)**	**(175 117 112)**	**(173 705 167)**	**(224 816 946)**
Cash at the beginning of the year		1 076 431 586	1 251 548 698	1 025 482 975	1 250 299 921
Total cash at end of the year	11	**899 740 373**	**1 076 431 586**	**851 777 808**	**1 025 482 975**

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

The Consolidated Annual Financial Statements have been prepared in accordance with SA GAAP and the Companies Act of South Africa, No. 71 of 2008 as amended. The Consolidated Annual Financial Statements have been prepared on the historical cost basis, except as disclosed in the accounting policies and incorporates 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 Annual Financial Statements include the consolidated financial position, results of the operations and cash flows of Dube TradePort NPC and its investment in the La Mercy JV Property Investments (Pty) Ltd, which has been accounted for as a subsidiary.

Adjustments are made when necessary to the Consolidated Annual 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.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein and are recognised within equity.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the Consolidated Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Consolidated Annual Financial Statements and related disclosures.

Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Consolidated Annual Financial Statements. Significant judgements include:

Contingencies

Contingencies were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of contingencies are included in note 23 - Contingencies.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits 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 depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

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

The 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. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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.

1.4 Investment properties

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

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

Cost model

Investment properties are carried at cost less depreciation less any accumulated impairment losses.

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

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

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

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

Item	Useful life
Licences	Indefinite
Computer software	3 years

1.6 Financial instruments

Classification

The group classifies its financial assets in the following categories:

- at fair value through profit or loss and
- loans and receivables.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

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 income statement. 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 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 statement of comprehensive income as part of other income when the group's right to receive payments is established.

Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the disappearance of an active market for that financial asset because of financial difficulties, or observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - adverse changes in the payment status of borrowers in the portfolio; and
  - national or local economic conditions that correlate with defaults on the assets in the portfolio.

The group first assesses whether objective evidence of impairment exists. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held to maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, 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.

1.7 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 statements 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 statements 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 liability. This liability is not discounted. Any contingent rents are expensed in the period they are incurred.

1.8 Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out (FIFO) basis. 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 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, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 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 its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.
An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

Any impairment loss of a revalued asset is treated as a revaluation decrease. 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.

1.10 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 bonuses), are recognised in the period in which the service is rendered and are not discounted.

1.11 Provisions and contingencies

Provisions are recognised when:

- the group has a present legal 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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 23.

1.12 Government grants

Government grants are recognised when there is reasonable assurance that:

- the group will comply with the conditions attaching 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 statements of financial position by setting up the grant as deferred income.

Grants related to income are deducted from the related expense.

1.13 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, 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.

1.14 Turnover

Turnover comprises sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of Value Added Taxation.

1.15 Cost of sales

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

1.16 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition, in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Consolidated Annual Financial Statements are recognised in profit or loss in the period in which they arise.

2. New Standards and Interpretations

2.1 Standards and Interpretations effected and adopted in the current year

The group has chosen to adopt the following standards and interpretations:

IAS 24 Related Party Disclosures (Revised)

The revisions to IAS 24 include a clarification of the definition of a related party as well as providing a partial exemption for related party disclosures between government-related entities.

In terms of the definition, the revision clarifies that joint ventures or associates of the same third party are related parties of each other. To this end, an associate includes its subsidiaries and a joint venture includes its subsidiaries.

The partial exemption applies to related party transactions and outstanding balances with a Government which controls, jointly controls or significantly influences the reporting entity as well as to transactions or outstanding balances with another entity which is controlled, jointly controlled or significantly influenced by the same Government. In such circumstances, the entity is exempt from the disclosure requirements of paragraph 18 of IAS 24 and is required only to disclose:

- the name of the Government and nature of the relationship; and
- information about the nature and amount of each individually significant transaction and a quantitative or qualitative indication of the extent of collectively significant transactions. Such information is required in sufficient detail to allow users to understand the effect.

The effective date of the amendment is for years beginning on or after 01 January 2011. The group has adopted the amendment for the first time in the 2012 Consolidated Annual Financial Statements.

The impact of the amendment is not material.

2010 Annual Improvements Project: Amendments to IFRS 7 Financial Instruments: Disclosures

Additional clarification is provided on the requirements for risk disclosures. The effective date of the amendment is for years beginning on or after 01 January 2011.

The group has adopted the amendment for the first time in the 2012 Consolidated Annual Financial Statements.

The impact of the amendment is not material.

2010 Annual Improvements Project: Amendments to IAS 1 Presentation of Financial Statements

The amendment now requires that an entity must present, either in the statements of changes in equity or in the notes, an analysis of other comprehensive income by item. The effective date of the amendment is for years beginning on or after 01 January 2011.

The group has adopted the amendment for the first time in the 2012 Consolidated Annual Financial Statements.

The impact of the amendment is not material.

IFRS 7 Amendments to IFRS 7 (AC 144) Disclosures – Transfers of Financial Assets

Amended the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. The effective date of the amendment is for years beginning on or after 01 July 2011.

The group expects to adopt the amendment for the first time in the 2013 Consolidated Annual Financial Statements.

It is unlikely that the amendment will have a material impact on the group's Consolidated Annual Financial Statements.

IFRS 13 Fair Value Measurement

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 Annual Financial Statements.

It is unlikely that the standard will have a material impact on the group's Consolidated Annual 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 Annual Financial Statements.

It is unlikely that the amendment will have a material impact on the group's Consolidated Annual Financial Statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2012
(CONTINUED)

3. Investment properties

	Cost R	Accumulated Depreciation R	Carrying Value R
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**
2011 - Restated			
Group			
Investment properties	691 723 736	(3 386 543)	688 337 193
Company			
Investment properties	690 137 418	(3 386 543)	686 750 875

	Opening Balance R	Additions R	Additions Resulting from Capitalised Subsequent Expenditure R	Transfers R	Depreciation R	Total R
Reconciliation of investment properties						
2012						
Group						
Investment properties	688 337 193	221 976 529	-	-	(6 462 116)	903 851 606
Company						
Investment properties	686 750 875	220 839 351	-	-	(6 462 116)	901 128 110
2011						
Group						
Investment properties	552 897 794	114 891 139	1 086 104	22 848 699	(3 386 543)	688 337 193
Company						
Investment properties	552 549 600	114 739 119	-	22 848 699	(3 386 543)	686 750 875

Details of Valuation

The land valuations on investment property were performed by an independent valuer, Mr Errol Agnew in the current year. Mr Agnew is not connected to the group and has recent experience in location and category of the investment properties being valued.

3. Investment properties (continued)

Details of properties

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
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 Ltd. The land has been valued in the prior year by eThekwini Municipality (market value of approximately R1 757 481 737). The external valuator is of the opinion that there is no significant change in the market values.				
- 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. The land has been valued in the prior year by eThekwini Municipality (market value of approximately R330 658 442). The external valuator is of the opinion that there is no significant change in the market values.				
- Purchase price:	123 733 875	123 733 875	123 733 875	123 733 875
TradeHouse Building				
- Construction cost	121 184 449	116 110 036	121 184 449	116 110 036
Valuable Cargo Building				
- Construction cost	24 123 061	21 477 782	24 123 061	21 477 782
La Mercy Land (Portion 4, 6, 8, 10 & 11) This comprises of the purchase of sub-divisions 4, 6, 8, 10 & 11 in extent of 848, 808 hectares, of the La Mercy site no. 15124 from Airports Company South Africa Ltd. The land was valued in the prior year by an independent professional appraiser and the fair value of this investment property was R887 000 000. The exernal valuator is of the opinion that there is no significant change in the market value.				
- Purchase price:	348 194	348 194	-	-
- Capitalised expenditure:	2 375 302	1 238 124	-	-
	2 723 496	1 586 318	-	-
AgriZone Buildings				
- Construction cost				
- Greenhouse C	181 410 364	-	181 410 364	-
- Packhouse A	498 890	-	498 890	-
- Packhouse C	27 094 210	-	27 094 210	-
- Packhouse D	1 621 786	-	1 621 786	-
- Canteen	2 494 409	-	2 494 409	-
	213 119 659	**-**	**213 119 659**	**-**

4. Property, plant and equipment

	Cost R	Accumulated Depreciation R	Carrying value R
2012			
Group			
Buildings	473 271 532	(21 638 043)	451 633 489
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	(4 220 825)	14 886 463
Equipment	333 463 677	(59 513 002)	273 950 675
Computer equipment	124 445 928	(33 585 329)	90 860 599
Computer software	510 083	(48 225)	461 858
Leasehold improvements	253 808	(67 682)	186 126
Infrastructure assets	462 654 470	(72 213 825)	390 440 645
Work in progress	433 159 735	-	433 159 735
Leasedhold assets	49 705 169	(6 497 080)	43 208 089
Total	**1 968 013 926**	**(210 041 384)**	**1 757 972 542**
Company			
Buildings	473 271 532	(21 638 043)	451 633 489
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	(4 220 825)	14 886 463
Equipment	333 463 677	(59 513 002)	273 950 675
Computer equipment	124 445 928	(33 585 329)	90 860 599
Computer software	510 083	(48 225)	461 858
Leasehold improvements	253 808	(67 682)	186 126
Infrastructure assets	462 654 470	(72 213 825)	390 440 645
Work in progress	433 159 735	-	433 159 735
Leasedhold assets	49 705 169	(6 497 080)	43 208 089
Total	**1 968 013 926**	**(210 041 384)**	**1 757 972 542**

4. Property, plant and equipment (continued)

	Cost R	Accumulated Depreciation R	Carrying value R
2011 - Restated			
Group			
Buildings	277 170 956	(10 051 309)	267 119 647
Plant and machinery	10 665 427	(2 348 189)	8 317 238
Furniture and fixtures	27 722 368	(1 798 563)	25 923 805
Motor vehicles	4 470 429	(1 180 068)	3 290 361
Equipment	305 314 542	(26 667 398)	278 647 144
Computer equipment	80 673 692	(16 226 176)	64 447 516
Computer software	510 083	(23 064)	487 019
Leasehold improvements	253 808	(16 921)	236 887
Infrastructure assets	460 152 031	(26 597 813)	433 554 218
Work in progress	484 220 329	-	484 220 329
Leasehold assets	51 405 819	(3 987 493)	47 418 326
Total	**1 702 559 484**	**(88 896 994)**	**1 613 662 490**
Company			
Buildings	277 170 956	(10 051 309)	267 119 647
Plant and machinery	10 665 427	(2 348 189)	8 317 238
Furniture and fixtures	27 722 368	(1 798 563)	25 923 805
Motor vehicles	4 470 429	(1 180 068)	3 290 361
Equipment	305 314 542	(26 667 398)	278 647 144
Computer equipment	80 673 692	(16 226 176)	64 447 516
Computer software	510 083	(23 064)	487 019
Leasehold improvements	253 808	(16 921)	236 887
Infrastructure assets	460 152 031	(26 597 813)	433 554 218
Work in progress	484 220 329	-	484 220 329
Leasehold assets	51 405 819	(3 987 493)	47 418 326
Total	**1 702 559 484**	**(88 896 994)**	**1 613 662 490**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2012

	Opening Balance R	Additions R	Disposals R	Transfers R	Depreciation R	Impairments R	Total R
Buildings	267 119 647	-	-	196 100 576	(11 586 734)	-	451 633 489
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	-	-	(3 040 757)	-	14 886 463
Equipment	278 647 144	868 191	-	27 280 944	(32 845 604)	-	273 950 675
Computer equipment	64 447 516	55 132 790	(34 879)	(5 160)	(19 439 804)	(9 239 864)	90 860 599
Parks and gardens	487 019	-	-	-	(25 161)	-	461 858
Leasehold improvements	236 887	-	-	-	(50 761)	-	186 126
Infrastructure asset	433 554 218	-	-	2 502 439	(45 616 012)	-	390 440 645
Work in progress	484 220 329	188 457 830	-	(239 518 424)	-	-	433 159 735
Leasehold assets	47 418 326	-	-	(1 596 670)	(2 613 567)	-	43 208 089
	1 613 662 490	**278 515 645**	**(34 879)**	**(1 601 830)**	**(123 329 020)**	**(9 239 864)**	**1 757 972 542**

Reconciliation of property, plant and equipment - Group - 2011

	Opening Balance R	Additions R	Disposals R	Transfers R	Depreciation R	Impairments R	Total R
Buildings	8 273 238	-	(5 000)	268 317 277	(9 465 868)	-	267 119 647
Plant and machinery	3 181 888	-	-	7 482 283	(2 346 933)	-	8 317 238
Furniture and fixtures	235 291	-	-	27 352 961	(1 664 447)	-	25 923 805
Motor vehicles	995 566	-	-	3 163 939	(869 144)	-	3 290 361
Equipment	1 062 214	-	(9 440)	304 061 851	(26 467 481)	-	278 647 144
Computer equipment	2 924 233	-	-	77 304 088	(15 780 805)	-	64 447 516
Parks and gardens	-	-	(13 800)	523 883	(23 064)	-	487 019
Leasehold improvements	-	-	-	253 808	(16 921)	-	236 887
Leased asset	-	-	-	460 152 031	(26 597 813)	-	433 554 218
Work in progress	1 631 245 680	575 667 977	-	(1 722 693 328)	-	-	484 220 329
Leasehold assets	-	-	-	51 405 819	(3 987 493)	-	47 418 326
	1 647 918 110	**575 667 977**	**(28 240)**	**(522 675 388)**	**(87 219 969)**	**-**	**1 613 662 490**

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Company - 2012

	Opening Balance R	Additions R	Prior Adjustments R	Disposals R	Transfers R	Depreciation R	Impairment Loss R	Total R
Buildings	267 119 647	-	-	-	196 100 576	(11 586 734)	-	451 633 489
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	-	-	-	(3 040 757)	-	14 886 463
Equipment	278 647 144	868 191	-	-	27 280 944	(32 845 604)	-	273 950 675
Computer equipment	64 447 516	55 132 790	-	(34 879)	(5 160)	(19 439 804)	(9 239 864)	90 860 599
Parks and gardens	487 019	-	-	-	-	(25 161)	-	461 858
Leasehold improvements	236 887	-	-	-	-	(50 761)	-	186 126
Infrastructure asset	433 554 218	-	-	-	2 502 439	(45 616 012)	-	390 440 645
Work in progress	484 220 329	188 457 830	-	-	(239 518 424)	-	-	433 159 735
Leased assets	47 418 326	-	-	-	(1 596 670)	(2 613 567)	-	43 208 089
	1 613 662 490	**278 515 645**	**-**	**(34 879)**	**(1 601 830)**	**(123 329 020)**	**(9 239 864)**	**1 757 972 542**

Reconciliation of property, plant and equipment - Company - 2011

	Opening Balance R	Additions R	Prior Adjustments R	Disposals R	Transfers R	Depreciation R	Impairment Loss R	Total R
Buildings	8 273 238	-	-	(5 000)	268 317 277	(9 465 868)	-	267 119 647
Plant and machinery	3 181 888	-	-	-	7 482 283	(2 346 933)	-	8 317 238
Furniture and fixtures	235 291	-	-	-	27 352 961	(1 664 447)	-	25 923 805
Motor vehicles	995 566	-	-	-	3 163 939	(869 144)	-	3 290 361
Equipment	1 062 214	-	-	(9 440)	304 061 851	(26 467 481)	-	278 647 144
Computer equipment	2 924 233	-	-	-	77 304 088	(15 780 805)	-	64 447 516
Parks and gardens	-	-	-	(13 800)	523 883	(23 064)	-	487 019
Leasehold improvements	-	-	-	-	253 808	(16 921)	-	236 887
Infrastructure asset	-	-	-	-	460 152 031	(26 597 813)	-	433 554 218
Work in progress	1 631 245 680	575 667 977	(11 172 059)	-	(1 711 521 269)	-	-	484 220 329
Leased assets	-	-	-	-	51 405 819	(3 987 493)	-	47 418 326
	1 647 918 110	**575 667 977**	**(11 172 059)**	**(28 240)**	**(511 503 329)**	**(87 219 969)**	**-**	**1 613 662 490**

4. Property, plant and equipment (continued)

Other information

Depreciation, amortisation and impairment expense of R139 099 726 (2011: R90 644 837) has been charged in operating expenses.

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

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

	Group		Company	
	2012 R	Restated 2011 R	2012 R	Restated 2011 R
Capitalised finance leased assets				
Cost	465 848	136 126	465 848	136 126
Accumulated depreciation	(71 188)	(15 889)	(71 188)	(15 889)
Net book value	**394 660**	**120 237**	**394 660**	**120 237**

5. Intangible assets

	Cost R	Accumulated Depreciation R	Carrying value R
2012			
Group			
Licenses	330 000	-	330 000
Computer software	200 809	(107 053)	93 756
Total	**530 809**	**(107 053)**	**423 756**
Company			
Licenses	330 000	-	330 000
Computer software	200 809	(107 053)	93 756
Total	**530 809**	**(107 053)**	**423 756**
2011 - Restated			
Group			
Licenses	330 000	-	330 000
Computer software	175 129	(38 325)	136 804
Total	**505 129**	**(38 325)**	**466 804**
2011 - Restated			
Company			
Licenses	330 000	-	330 000
Computer software	175 129	(38 325)	136 804
Total	**505 129**	**(38 325)**	**466 804**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2012
(CONTINUED)

5. Intangible assets (continued)

	Opening Balance R	Additions R	Amortisation R	Total R
Reconciliation of intangible assets - 2012 - Group				
Licenses	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 - 2011 - Restated - Group				
Licenses	-	330 000	-	330 000
Computer software	-	175 129	(38 325)	136 804
	-	**505 129**	**(38 325)**	**466 804**
Reconciliation of intangible assets - 2012 - Company				
Licenses	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 - 2011 - Restated - Company				
Licenses	-	330 000	-	330 000
Computer software	-	175 129	(38 325)	136 804
	-	**505 129**	**(38 325)**	**466 804**

Other information

The license above has been assessed as having an indefinite useful life and computer software has been assessed as having a 3-year useful life.

6. Other financial assets

	Carrying amount 2012 R	Carrying amount 2011 R
Name of company		
La Mercy JV Property Investments (Pty) Ltd (unlisted)	60	60

	Group		Company	
	2012 R	Restated 2011 R	2012 R	Restated 2011 R

7. Loans receivables

Subsidiaries				
La Mercy JV Property Investments (Pty) Ltd	-	-	56 306 317	53 453 011

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 24 for more detail.

Related parties				
Airports Company South Africa (ACSA)	(1 172 161)	(1 172 161)	-	-

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.

Non-current assets	-	-	56 306 317	53 453 011
Non-current liabilities	(1 172 161)	(1 172 161)	-	-
	(1 172 161)	**(1 172 161)**	**56 306 317**	**53 453 011**

8. Inventories

Merchandise	145 225	140 065	145 225	140 065

In the current year 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.

9. Straight-lining of leases

Current assets	1 183 450	390 717	1 183 450	390 717
Current liabilities	-	(55 202)	-	(55 202)
	1 183 450	**335 515**	**1 183 450**	**335 515**

The operating lease asset relates to property lease rentals receivable at the TradeHouse and Cargo Terminal. The prior year's operating lease liability related to the rental lease payable for the Marine Building. This amount was amortised in the current year (included in the net movement) as the lease expired.

9. Straight-lining of leases (continued)

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Straight-lining:				
Opening balance	335 515	-	335 515	-
Net movement	847 935	335 515	847 935	335 515
Closing balance	**1 183 450**	**335 515**	**1 183 450**	**335 515**

10. Trade and other receivables

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Trade receivables	2 303 156	187 322	2 302 929	187 209
Pre-payments	3 645 374	3 559 548	3 645 374	3 559 548
Deposits	5 354 427	21 960 173	5 354 427	21 960 173
SARS VAT	65 570 371	44 010 356	64 504 199	44 010 358
Other receivables	4 734	196 316	-	-
Advance payments	985 311	2 177 624	985 311	2 177 624
	77 863 373	**72 091 339**	**76 792 240**	**71 894 912**
Fair value of trade and other receivables				
Trade receivables	2 356 227	287 625	2 356 000	287 512
Less: provision for impairment of trade receivables	(53 071)	(100 303)	(53 071)	(100 303)
Trade receivables - net	**2 303 156**	**187 322**	**2 302 929**	**187 209**

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 2012, R2 303 156 (2011: R187 322) were past due but not impaired.

10. Trade and other receivables (continued)

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
The ageing of amounts past due but not impaired are as follows:				
1 month past due	2 303 156	158 053	2 302 929	157 940
2 months past due	-	29 072	-	29 072
3 months past due	-	197	-	197

Trade and other receivables impaired
As of 31 March 2012, trade and other receivables of R53 071 (2011: R100 303) were impaired and provided for.
The amount of the provision was R53 071 as of 31 March 2012 (2011: R100 303).
The ageing of these loans is as follows:

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Over 6 months	54 335	100 303	53 072	100 303

11. Cash and cash equivalents

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Cash and cash equivalents consist of:				
Cash on hand	33 987	1 000	33 987	1 000
Bank balances	49 621 514	178 842 491	1 658 949	127 893 880
Amounts held in trust accounts	850 084 872	897 588 095	850 084 872	897 588 095
	899 740 373	**1 076 431 586**	**851 777 808**	**1 025 482 975**

The amounts held in trust accounts are deposits relating to the insfrastructure and construction projects.

12. Finance lease obligation

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Minimum lease payments due				
- within one year	174 707	42 228	174 707	42 228
- in second to fifth year inclusive	279 597	143 414	279 597	143 414
	454 304	185 642	454 304	185 642
less: future finance charges	(24 708)	(38 505)	(24 708)	(38 505)
Present value of minimum lease payments	**429 596**	**147 137**	**429 596**	**147 137**
Present value of minimum lease payments due				
- within one year	193 255	27 568	193 255	27 568
- in second to fifth year inclusive	236 342	119 569	236 342	119 569
	429 597	**147 137**	**429 597**	**147 137**
- non-current liabilities	236 342	119 569	236 342	119 569
- current liabilities	193 255	27 568	193 255	27 568
	429 597	**147 137**	**429 597**	**147 137**

The group leased the Ricoh photocopy machine from Fintech. The lease is for a period of 5 years with monthly lease instalments and interest rate linked to the prime interest rate.

13. Trade and other payables

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Trade payables	71 428 409	48 102 150	71 428 409	48 103 302
Retentions	8 307 320	4 419 324	8 528 306	4 419 324
Accrued leave pay	1 991 577	1 468 841	1 991 577	1 468 841
Lease accruals	1 160 254	67 223	-	-
Other accruals	7 667 856	42 003 180	7 667 856	42 003 180
Deposits received	1 366 055	870 111	1 366 055	870 111
	91 921 471	**96 930 829**	**90 982 203**	**96 864 758**
Fair value of trade and other payables				
Trade payables	71 428 409	48 102 150	71 428 409	48 103 302
Less: provision for impairment of trade payables	-	-	-	-
Trade payables - net	**71 428 409**	**48 102 150**	**71 428 409**	**48 103 302**

14. Deferred income

Goverment 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 Goverment grants are 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 the profit or loss as other income when the expense is recognised.

	Group		Company	
	2012 R	Restated 2011 R	2012 R	Restated 2011 R
Deferred Income: Government Grants				
Opening balance at the beginning of the year	463 938 323	1 106 816 045	463 938 323	1 106 816 045
Grants received during the year	448 334 000	526 905 000	448 334 000	526 905 000
Transferred to income for the year	(181 554 588)	(1 194 123 547)	(181 554 588)	(1 194 123 547)
Transfer to fixed assets	(487 389 406)	(328 298 446)	(487 389 406)	(328 298 446)
Transfer of surplus income	74 949 544	352 639 271	74 949 544	352 639 271
Closing balance	**318 277 873**	**463 938 323**	**318 277 873**	**463 938 323**
Deferred Income: Fixed Assets				
Opening balance at the beginning of the year	2 372 639 697	2 136 398 619	2 372 639 697	2 136 398 619
Recognition of grants for the year	487 389 407	328 298 445	487 389 407	328 298 445
Amortisation of deferred income - fixed assets	(138 460 781)	(92 057 367)	(138 460 781)	(92 057 367)
Closing balance	**2 721 568 323**	**2 372 639 697**	**2 721 568 323**	**2 372 639 697**
Total Deferred Income				
Government grants	318 277 873	463 938 323	318 277 873	463 938 323
Fixed assets	2 721 568 323	2 372 639 697	2 721 568 323	2 372 639 697
Total	**3 039 846 196**	**2 836 578 020**	**3 039 846 196**	**2 836 578 020**

15. Revenue

	Group		Company	
	2012 R	Restated 2011 R	2012 R	Restated 2011 R
Rendering of services	11 424 660	7 930 187	11 424 660	7 930 187
Rental from investment properties	8 533 935	5 899 244	8 339 701	5 702 868
Interest received (trading)	2 556 200	1 737 861	-	-
Other income	19 298	15 000	-	-
	22 534 093	**15 582 292**	**19 764 361**	**13 633 055**

16. Cost of sales

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Rendering of services				
Cost of services	1 560 228	1 400 359	1 560 228	1 400 359
Inventory	5 225	140 065	5 225	140 065
	1 565 453	**1 540 424**	**1 565 453**	**1 540 424**

17. Operating profit

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Operating profit for the year is stated after accounting for the following:				
Income from subsidiaries				
Interest	-	-	2 853 305	-
Operating expenses				
Premises				
Contractual amounts	295 888	1 499 903	295 888	1 499 903
Equipment				
Contractual amounts	481 927	1 205 960	481 927	1 205 960
	777 815	**2 705 863**	**777 815**	**2 705 863**
Profit (loss) on sale of property, plant and equipment	3 895	(12 880)	3 895	(12 880)
Impairment on property, plant and equipment	9 239 864	-	9 239 864	-
Profit (loss) on exchange differences	454 308	(15 375)	454 308	(15 375)
Amortisation on intangible assets	-	38 092	-	38 092
Depreciation	129 859 862	90 606 745	129 859 862	90 606 745
Employee costs	31 914 374	21 488 766	31 914 374	21 488 766

18. Finance income

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Interest revenue				
Subsidiaries	-	-	2 853 305	-
Bank and fixed term deposit	51 284 801	69 484 160	51 284 801	71 178 929
Interest charged on trade and other receivables	2 667	522	2 667	522

19. Finance costs

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Finance lease	71 205	23 772	71 205	23 772

20. Cash generated from operations

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Profit before taxation	66 123 599	633 351 490	70 824 264	634 901 924
Adjustments for:				
(Profit)/Loss on sale of property, plant and equipment	(3 895)	12 880	(3 895)	12 880
Interest received	(51 287 468)	(69 484 683)	(54 140 773)	(71 179 451)
Finance costs	71 205	23 772	71 205	23 772
Movements in operating lease assets and accruals	(847 935)	(388 157)	(847 935)	(388 157)
Movements in grant loan	-	(51 802 770)	-	(51 802 770)
Prior year adjustments	-	2 669	-	2 669
Other non-cash items	1 596 670	(918 884)	1 596 670	(918 884)
Changes in working capital:				
Trade and other receivables	(5 772 031)	-	(4 897 326)	-
Trade and other payables	(5 009 358)	-	(5 882 554)	-
	4 870 787	**510 796 317**	**6 719 656**	**510 651 983**

21. Auditors' remuneration

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Fees	1 031 286	296 854	729 026	249 854

22. Commitments

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Authorised capital expenditure				
Already contracted for and provided for				
Land	90 000 000	-	90 000 000	-
Infrastructure and construction projects	442 320 920	374 771 726	442 320 920	374 771 726
Restoration of land	561 732	-	-	-
Total contracted for and provided for	**532 882 652**	**374 771 726**	**532 320 920**	**374 771 726**
Not yet contracted for and authorised by Directors	**132 958 073**	**-**	**100 000 000**	**-**

This committed expenditure relates to infrastructure and construction projects and is financed by grants received from the KwaZulu-Natal Provincial Government as well as the restoration of land in the subsidiary.

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Operating leases – as lessee (expense)				
Minimum lease payments due				
- within one year	100	125 139	100	125 139
- in second to fifth year inclusive	400	1 300	400	1 300
- later than five years	700	-	700	-
	1 200	**126 439**	**1 200**	**126 439**

The holding company has leased a portion of the La Mercy land from its subsidiary - La Mercy JV Property Investments (Pty) Ltd. The land lease is for a fixed period of 15 years. No contingent rent is payable on all the existing leases.

22. Commitments (continued)

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Operating leases – as lessor (income)				
Minimum lease payments due				
- within one year	4 913 454	3 662 026	4 913 454	3 662 026
- in second to fifth year inclusive	28 733 139	9 562 733	28 733 139	9 562 733
- later than five years	13 054 845	-	13 054 845	-
	46 701 438	**13 224 759**	**46 701 438**	**13 224 759**

Certain of the group's property is held to generate rental income. Lease agreements are non-cancelable and have terms from 3 to 5 years. Rental income is subject to escalation of between 5 - 10% per annum. There are contingent rentals receivable for certain leases which amounted to R100 638 in the current year (2011 : Nil).

23. Provision and contingencies

Provisions and contingencies
Dube TradePort is currently 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. The possible tax liability, should the application for the ruling/settlement be unsuccessful, amounts to approximately R57 783 374.

24. Related parties

Relationships	
Subsidiaries	La Mercy JV Property Investments (Pty) Ltd.
Joint venture partner	Airports Company South Africa (ACSA)
Members of key management	R Persad
	A Swalah

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Related party balances				
Loan accounts - Owing by (to) related parties				
La Mercy JV Property Investments (Pty) Ltd	-	-	56 306 317	53 453 011
Airports Company South Africa (ACSA)	1 172 161	1 172 161	-	-
Amounts included in Trade Payables regarding related parties				
La Mercy JV Property Investments (Pty) Ltd	-	-	322 182	1 152
Related party transactions				
Interest received from related parties				
La Mercy JV Property Investments (Pty) Ltd	-	-	2 853 305	1 694 770
Expenses paid to related parties				
La Mercy JV Property Investments (Pty) Ltd	-	-	322 182	1 152
Pre-payment paid to related parties				
La Mercy JV Property Investments (Pty) Ltd	-	-	1 200	1 300

25. Directors' emoluments

	Salary R	Performance Bonus R	Acting Allowance R	Total R
Executive				
2012				
CEO	1 736 412	173 641	-	1 910 053
CFO (Acting as CFO from 01/04/2011 to 31/07/2011)	400 000	-	-	400 000
CFO (Acting as CFO from 01/08/2011 to 30/09/2011 and officially appointed as CFO on 01/10/2011)	741 666	120 000	26 412	888 078
Cargo and Air Executive	1 518 300	94 894	-	1 613 194
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 (acting from 01/04/2011 to 31/07/2011 and officially appointed on 01/08/2011)	800 000	120 000	-	920 000
Planning and Environment Executive	787 533	46 875	-	834 408
	10 383 911	**950 410**	**26 412**	**11 360 733**
2011				
CEO	1 638 124	116 716	-	1 754 840
CFO	1 015 117	69 789	-	1 084 906
Cargo and Air Executive	1 439 549	99 868	-	1 539 417
Information Technology and Communication Executive	1 055 891	75 892	-	1 131 783
AgriZone Executive	614 400	41 856	-	656 256
Property Executive	1 100 000	67 432	-	1 167 432
Corporate Affairs Executive	762 178	52 876	-	815 054
	7 625 259	**524 429**	**-**	**8 149 688**

	Board Fees R	Total R
Non-Executive		
2012		
MC Clark	14 700	14 700
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
	109 700	**109 700**
2011		
MC Clark	**19 600**	**19 600**

25. Directors' emoluments (continued)

The following Non-Executive Board members resigned from the Schedule 3C Public Entity on 07 March 2012
- MC Clark (Chairperson)
- KB Mbanjwa
- S Adam
- C Hlabisa

The following Non-Executive Board members were appointed to the Schedule 3C Public Entity on 07 March 2012
- B Gasa (Chairperson)
- C Sibiya (Deputy Chairperson)
- G Muller
- M Ramgobin
- V Mtshali

26. Prior period errors

Errors were identified in the prior year financial statements relating to revenue that was not recognised as well as notional interest of R108 000, the deferred operating lease asset of R398 815 and depreciation of R1 412 531 that was incorrectly raised in the prior year.

A reclassification error of R2 177 624 was also corrected in the prior period relating to interest receivable at year end that was incorrectly allocated to bank and cash - this had no financial implications on the prior year's figures. Prior period errors corrected in the subsidiary related to rental income of R196 277 that was erroneously ommitted from revenue in the prior year.

The 2011 financial statements have been restated to correct these errors. The effect of the restatement on the financial statements is summarised below.

	Group		Company	
	2012 R	Restated 2011 R	2012 R	Restated 2011 R
Statements of Financial Position				
Trade and other receivables	-	2 161 444	-	1 787 837
Amounts due to group companies	-	(108 000)	-	(108 000)
Property, plant and equipment	-	1 412 531	-	1 412 531
Opening retained earnings	1 288 351	-	914 744	-
Bank and cash	-	(2 177 624)	-	(2 177 624)
Profit or Loss				
Income	-	1 288 351	-	914 744

27. Risk management

The following assets and liabilities per the statement of financial position are included in the following categories of
- financial instruments
- financial assets – at fair value through profit and loss
- investment in subsidiary
- financial assets – loans and receivables
- cash and cash equivalents
- loan to subsidiary
- trade and other receivables
- financial liabilities at amortised cost
- trade payables

BACK TO CONTENTS

Capital risk management
The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 7 and 12 cash and cash equivalents disclosed in note 11, and equity as disclosed in the statements of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt.

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 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 table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings, based on the remaining period at the statements 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 2012	Less than 1 year
Trade and other payables	91 921 471

At 31 March 2011	Less than 1 year
Trade and other payables	96 930 829

Company

At 31 March 2012	Less than 1 year
Trade and other payables	90 982 203

At 31 March 2011	Less than 1 year
Trade and other payables	96 864 758

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 company 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 evaluated 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.

27. Risk management (continued)

Credit risk (continued)

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Financial instrument				
Trade and other receivables (neither past due nor impaired - current)	2 303 156	187 322	2 302 929	187 809
Trade and other receivables (more than 120 days)	54 335	100 303	53 071	100 303
Loans receivable	-	-	56 306 317	53 453 011

28. Going concern

The Consolidated Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the group to continue as a going concern is dependent on 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 group.

29. Transfer of surplus revenue to liability

In terms of the grant funding agreement between the group 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 R74 949 544 (2011: R352 639 271).

30. Events after the reporting period

In 2009 Dube TradePort entered into a five-year contract with Worldwide Flight Services (WFS) to operate and manage the Dube Cargo Terminal. After various areas of non-compliance with the contract were identified, Dube TradePort served WFS with a notification for contract termination and simultaneously actioned a 'step in' on 02 May 2012 which essentially means that the management and oversight of the Cargo Terminal resides with Dube TradePort. There are no additional financial implications of the 'step in' and contract termination.

31. Impairment of assets

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Property, plant and equipment	9 239 864	-	9 239 864	-

A strategic decision was taken to decommission the access control and telecommunication systems in the Cargo Terminal. This was required to achieve alignment of its operations and security to that of the TradeHouse and the rest of the precinct.

32. Comparative figures

Certain comparative figures have been restated due to prior period errors. Refer to note 26.

33. Irregular expenditure

	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Opening balance	902 972	-	902 972	-
Acquisition of vehicles for operations in AgriZone and Cargo Terminal	-	902 972	-	902 972
Acquisition of trucks for AiRoad operations	14 485 772	-	14 485 772	-
Condoned by the Board in terms of Treasury Regulation 16A6.4	(902 972)	-	(902 972)	-
	14 485 772	**902 972**	**14 485 772**	**902 972**

Financial Exposure: R14 485 772 (2011: R902 972)
Nature of the transaction: Acquisition of the four Euro 5 trucks for AiRoad services, operated by Worldwide Flight Services (South Africa) (WFS SA). WFS SA procured four Euro 5 trucks, trailers, a VW truck and related ground-handling equipment for AiRoad and the Cargo Terminal.

The procurement of the trucks for AiRoad was approved by the Accounting Authority in September 2010 and was procured in February 2011. At the time of procurement, local manufacturers could only supply Euro 2/3 while Euro 5's were available in Europe. WFS SA had chosen to use their preferred supplier for the procurement of trucks from Europe. During the audit this finding was raised by the office of the Auditor-General and the transaction was deemed to be irregular in terms of section 51 (1) (a) (iii) of the Public Finance Management Act (Act No. 1 of 1999) and is consequently disclosed as such.

34. Transactions with owners acting in their capacity as owners

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

35. Issuance of annual financial statements

The Annual Financial Statements, as authorised by the Board of Directors of Dube TradePort, were issued on 31 May 2012.The power to amend these Annual Financial Statements after issuance vests with the Board of Directors of Dube TradePort.

36. Transitional disclosure

The MEC for Finance listed the Dube TradePort Non-Profit Company (NPC) 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 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 NPC.

The NPC had not been wound up as at 31 March 2012, due to the Schedule 3C VAT registration process not being finalised. To date this matter is still currently 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 NPC. Using the matching principle, all transactions incurred for the current year related to the assets and liabilities accounted for in the NPC. 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 NPC. Furthermore, the grant funding was received in the NPC, 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 would provide financial statements that would 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 have been prepared under the NPC as this would provide users with financial statements that are relevant, reliable, comparable and understandable.

BACK TO CONTENTS

DETAILED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED
31 MARCH 2012
(CONTINUED)

	Notes	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Revenue					
Rendering of services		11 424 660	7 930 187	11 424 660	7 930 187
Rental from investment properties		8 533 935	5 899 244	8 339 701	5 702 868
Interest received (trading)		2 556 200	1 737 861	-	-
Other income		19 298	15 000	-	-
	15	**22 534 093**	**15 582 292**	**19 764 361**	**13 633 055**
Cost of sales					
Opening stock		(140 065)	-	(140 065)	-
Purchases		(1 570 613)	(1 680 489)	(1 570 613)	(1 680 489)
Closing stock		145 225	140 065	145 225	140 065
	16	**(1 565 453)**	**(1 540 424)**	**(1 565 453)**	**(1 540 424)**
Gross profit		**20 968 640**	**14 041 868**	**18 198 908**	**12 092 631**
Other income					
Discount received		59 840	-	59 840	-
Recoveries		703 607	171 411	703 607	171 411
Other income		512 707	91 334	346 049	91 334
Donations		15 027	-	15 027	-
Interest received	18	51 287 468	69 484 682	54 140 773	71 179 451
Gains on disposal of assets		3 895	-	3 895	-
Profit on exchange differences		-	15 375	-	15 375
Government grants		320 015 370	1 286 180 915	320 015 370	1 286 180 915
		372 597 914	**1 355 943 717**	**375 284 561**	**1 357 638 486**
Expenses (Refer to page 103)		**(327 371 750)**	**(736 610 323)**	**(322 588 000)**	**(734 805 421)**
Operating profit	17	**66 194 804**	**633 375 262**	**70 895 469**	**634 925 696**
Finance costs	19	(71 205)	(23 772)	(71 205)	(23 772)
Profit for the year		**66 123 599**	**633 351 490**	**70 824 264**	**634 901 924**

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

	Notes	Group 2012 R	Group Restated 2011 R	Company 2012 R	Company Restated 2011 R
Operating expenses					
Accounting fees		108 285	231 380	108 285	231 380
Administration and management fees		7 610 529	8 408 165	7 610 529	8 408 165
Advertising		13 716 642	13 040 211	13 618 718	12 949 711
Assessment rates & municipal charges		16 968 377	154 421	16 676 946	8 349
Auditors remuneration	21	1 031 286	296 854	729 026	249 854
Bad debts allowance		(47 210)	100 303	(47 210)	100 303
Bank charges		2 830 369	27 589	2 815 809	22 294
Cleaning		817 631	518 889	817 631	518 889
Commission paid		371 962	296 498	371 962	296 498
Computer expenses		-	16 699	-	16 699
Consulting and professional fees		62 323 152	34 452 442	62 323 152	34 452 442
Consumables		303 734	374 125	303 734	374 125
Delivery expenses		20 087	51 084	20 087	51 084
Depreciation and amortisation		139 099 726	90 644 837	139 099 726	90 644 837
Employee costs		31 914 374	21 488 766	31 914 374	21 488 766
Entertainment		38 705	55 915	38 705	55 915
Equipment and tools expense		3 714 911	1 531 540	382 136	15 505
Subsistence - Travel and accommodation		1 324 310	393 990	579 510	393 990
Furniture and equipment expense		62 855	59 395	62 855	59 395
Plants and seeds		60 246	153 463	60 246	153 463
Kerosene expense		4 040 060	-	4 040 060	-
Infrastructure expenses		1 596 670	500 765 584	1 596 670	500 765 584
Flowers		1 941	-	1 941	-
IT expenses		60 229	-	60 229	-
Insurance		2 107 781	3 011 075	2 107 781	3 011 075
Rent		777 815	2 705 863	777 815	2 705 863
Legal expenses		2 509 226	2 436 974	2 509 226	2 436 974
Loss on disposal of assets		-	12 880	-	12 880
Loss on exchange differences		454 308	-	454 308	-
Motor vehicle expenses		367 890	125 495	367 890	125 495
Pest control		1 909 377	-	1 909 377	-
Petrol and oil		836 673	163 496	836 673	163 496
Placement fees		1 875 512	350 039	1 875 512	350 039
Postage		3 065	114 260	3 065	114 260
Printing and stationery		563 993	459 418	563 993	459 418
Protective clothing		97 871	160 111	97 871	160 111
Repairs and maintenance		4 750 343	38 113 278	4 750 343	38 113 278
Security		9 029 351	5 460 213	9 029 351	5 460 213
Software expenses		243 148	429 349	243 148	429 349
Staff welfare		68 012	264 442	68 012	264 442
Subscriptions		90 746	155 615	90 746	155 615
Telephone and fax		730 738	1 118 784	730 738	1 118 784
Training		1 240 286	1 661 168	1 240 286	1 661 168
Travel - local		474 109	428 114	474 109	428 114
Travel - overseas		1 393 437	2 029 541	1 393 437	2 029 541
Utilities		9 879 198	4 348 058	9 879 198	4 348 058
		327 371 750	**736 610 323**	**322 588 000**	**734 805 421**

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NOTES

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