

The ZA Domain Name Authority (NPC)
(Registration number 2003/021150/08)
Annual financial statements
for the year ended 31 March 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The regulation and management of the ZA domain name space
Directors	HC Gajjar (Chairperson) P Bhagattjee AM Brooks N Dhevcharran N Mabaso DH Martin ML Masilela WP Rowland MA Silber (Treasurer)
Registered office	COZA House Gazelle Close Old Pretoria Road Midrand 1685
Business address	COZA House Gazelle Close Old Pretoria Road Midrand 1685
Postal address	PO Box 4620 Halfway House 1685
Bankers	ABSA
Auditors	PricewaterhouseCoopers Inc. Chartered Accountants (S.A.) Registered Auditor Pretoria
Company registration number	2003/021150/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were internally compiled by: De Jager Public Registered Accountants & Auditors

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

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

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Published

09 July 2014

Directors' Responsibilities and Approval

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

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

HC Gajjar (Chairperson)

MA Silber (Treasurer)

Independent Auditors' Report

To the Members of The ZA Domain Name Authority (NPC)

We have audited the annual financial statements of The ZA Domain Name Authority (NPC) set out on pages 8 to 22, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Annual Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The ZA Domain Name Authority (NPC) as at 31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2014, we have read the Directors' report for the purpose of identifying whether there are material inconsistencies between this report and the audited annual financial statements. This report is the responsibility of the preparers. Based on reading this report we have not identified material inconsistencies between this report and the annual financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

Other matter

The supplementary information set out on page 23 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

F Grove
Director: F. Grové
Registered Auditor
Pretoria

09 July 2014

Directors' Report

The directors submit their report for the year ended 31 March 2014.

1. Review of activities

Main business and operations

The company is engaged in the protection and the furtherance of the ZA domain name space and operates principally in South Africa.

During the year the following changes in Expenses and Revenue occurred:

Expenses: Following the signature of the CR agreement with ZACR, ZADNA embarked on additional projects which involved additional expenditure and ZADNA also hosted the ICANN 2013 meeting.

Revenue: The Government Grant has fallen away as ZADNA is now self-funded. Should Government give ZADNA the grant then it will be utilized for special projects.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Registered office	COZA House Gazelle Close Old Pretoria Road Midrand 1685
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Business address	COZA House Gazelle Close Old Pretoria Road Midrand 1685
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Postal address	PO Box 4620 Halfway House 1685
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2. Going concern

The 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.

3. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. Authorised and issued share capital

The company is incorporated without any share capital.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Directors' Report

Name

HC Gajjar (Chairperson)

P Bhagattjee

AM Brooks

N Dhevcharran

N Mabaso

DH Martin

ML Masilela

WP Rowland

MA Silber (Treasurer)

6. Secretary

The company is a Not for Profit Company and is not required to appoint a secretary.

7. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with Section 90 of the Companies Act of South Africa.

Statement of Financial Position as at 31 March 2014

	Note(s)	2014 R	2013 R
Assets			
Non-Current Assets			
Property, plant and equipment	4	2 692	6 668
Current Assets			
Trade and other receivables	5	595 930	2 123 990
Cash and cash equivalents	6	6 770 818	3 511 829
		7 366 748	5 635 819
Total Assets		7 369 440	5 642 487
Equity and Liabilities			
Equity			
Retained surplus/(deficit)		6 949 732	4 487 670
Liabilities			
Current Liabilities			
Trade and other payables	8	419 708	1 154 817
Total Equity and Liabilities		7 369 440	5 642 487

Statement of Comprehensive Income

	Notes	2014 R	2013 R
Revenue	9	6 653 696	7 588 684
Other income		812 457	2 000
Operating expenses (See detailed income statement on page 23)		(5 247 002)	(2 334 780)
Operating surplus		2 219 151	5 255 904
Interest received	10	242 911	16 582
Finance costs	11	-	(16 729)
Surplus for the year		2 462 062	5 255 757

The ZA Domain Name Authority (NPC)
 (Registration number 2003/021150/08)
 Annual Financial Statements for the year ended 31 March 2014

Statement of Changes in Equity

	Retained surplus/(deficit) R	Total equity R
Balance at 01 April 2012	(768 087)	(768 087)
Total comprehensive surplus for the year	5 255 757	5 255 757
Balance at 01 April 2013	4 487 670	4 487 670
Total comprehensive surplus for the year	2 462 062	2 462 062
Balance at 31 March 2014	6 949 732	6 949 732

The notes on pages 15 to 22 are an integral part of these financial statements.

Statement of Cash Flows

	Note(s)	2014 R	2013 R
Cash flows from operating activities			
Cash generated from operations	14	3 016 078	1 675 719
Interest income		242 911	16 582
Finance costs		-	(16 729)
Net cash from operating activities		3 258 989	1 675 572
Cash flows from investing activities			
Cash flows from financing activities			
Movement in za central registry		-	(1 006 411)
Other non-cash item	15	-	2 460 572
Net cash from financing activities		-	1 454 161
Total cash movement for the year		3 258 989	3 129 733
Cash at the beginning of the year		3 511 829	382 096
Total cash at end of the year	6	6 770 818	3 511 829

Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 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.

Depreciation is calculated on the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Item	Average useful life
IT equipment	3 years

The residual value, useful life and depreciation method of each asset are reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.2 Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Regular way purchases of financial assets are accounted for at trade date.

Accounting Policies

1.2 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

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

1.3 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.

Operating leases – lessee

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

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

1.4 Employee benefits

Short-term employee benefits

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

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

Accounting Policies

1.4 Employee benefits (continued)

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

1.5 Provisions and contingencies

Provisions are recognised when:

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

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

1.6 Government grants

Government grants are recognised when there is reasonable assurance that:

- the company will comply with the conditions attaching to them; and
- the grants will be received.

Grants related to income are presented as a credit in the statement of comprehensive income.

1.7 Revenue - Registry fees

- ZA Central Registry (ZACR) must charge and collect, from Registrars, the relevant fees as stipulated in Schedule 3 of the ZA Central Registry Operating Agreement (Registrar Fees) as amended from time to time.
- ZACR must pay over to ZADNA the relevant fees as stipulated in Schedule 4 (ZACR Registry Fees) as amended from time to time.

Registrar Payment Terms: CO.ZA

- Creates or Renewals committed through the Legacy System Interface into the Central Registry System will only be payable on receipt of payment.
- Creates or Renewals committed by an EPP Registrar will be due and payable on commitment to the Central Registry System.

Transaction Fee Payment Terms:

- The Legacy Transaction Fee (Legacy creates and renewals) will only be based on receipt of payment and not on the transaction itself.
- Creates, Renewals and/or Grace Period Refunds committed by an EPP Registrar into the Central Registry system, will be due upon commitment of the transaction.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IAS 27 Separate Financial Statements

Consequential amendment as a result of IFRS 10. The amended Standard now only deals with separate financial statements.

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

The company has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

IFRS 11 Joint Arrangements

The standard replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non Monetary Contributions by Venturers. The standard defines a Joint arrangement as existing only when decisions about relevant activities requires the unanimous consent of the parties sharing joint control in terms of a contractual arrangement. The standard identifies two types of joint arrangements as:

- Joint operations which exist when the entities sharing joint control have direct rights to the assets and obligations for the liabilities of the joint arrangements. In such cases the joint operators recognise their share of the assets and liabilities and profits and losses of the joint arrangements in their financial statements.
- Joint operations which exist when the entities sharing joint control have direct rights to the assets and obligations for the liabilities of the joint arrangements. In such cases the joint operators recognise their share of the assets and liabilities and profits and losses of the joint arrangements in their financial statements.

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

The company has adopted the standard for the first time in the 2014 annual financial statements.

The impact of the standard is not material.

IFRS 12 Disclosure of Interests in Other Entities

The standard sets out disclosure requirements for investments in Subsidiaries, associates, joint ventures and unconsolidated structured entities. The disclosures are aimed to provide information about the significance and exposure to risks of such interests. The most significant impact is the disclosure requirement for unconsolidated structured entities or off balance sheet vehicles.

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

The company has adopted the standard for the first time in the 2014 annual financial statements.

The impact of the standard is not material.

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.

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

The company has adopted the standard for the first time in the 2014 annual financial statements.

The impact of the standard is not material.

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
- 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 company has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

IAS 19 Employee Benefits Revised

- Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlement
- Introduce enhanced disclosures about defined benefit plans
- Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

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

The company has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Amendment requires additional disclosures for financial assets and liabilities which are offset and for financial instruments subject to master netting arrangements.

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

The company has adopted the amendment for the first time in the 2014 annual financial statements.

The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2014 or later periods:

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

IFRS 9 Financial Instruments

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

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

The effective date of the standard is for years beginning on or after 01 January 2018.

The company expects to adopt the standard for the first time in the 2016 annual financial statements.

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

3. Risk management

Capital risk

Capital risk is the risk that the company will not be able to continue as a going concern for the foreseeable future. Capital risk is managed by robust budgeting and forecasting to ensure that current retained earnings as well as funding to be received is sufficient to fund current planned activities in the foreseeable future.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The company's risk to liquidity relates to the availability of funds to cover future commitments. The company manages liquidity risk by not entering into future commitments before funding for such expenditure has been obtained.

Cash flow forecasts are prepared and monitored to ensure adequate management of cash resources and short term investment maturities in order to ensure that cash resources are available when obligations become due.

Notes to the Annual Financial Statements

3. Risk management (continued)

Interest rate risk

The company is exposed to interest rate risk through its cash balances, loan funding and short term investments in fixed deposits. Changes in market interest rates affect the fair value of cash and investment assets. Interest rate risk is managed by matching the maturities of short term fixed deposits and the repayment of loan funding with management's expectations of future changes in interest rates, taking into account the company's liquidity needs.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors.

The company's maximum exposure to credit risk is the carrying amount of cash and cash equivalents and trade and other receivables as disclosed in notes 5 and 6.

4. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
IT equipment	87 190	(84 498)	2 692	87 190	(80 522)	6 668

Reconciliation of property, plant and equipment - 2014

	Opening balance	Depreciation	Total
IT equipment	6 668	(3 976)	2 692

Reconciliation of property, plant and equipment - 2013

	Opening balance	Depreciation	Total
IT equipment	16 615	(9 947)	6 668

5. Trade and other receivables

Trade receivables	595 930	2 052 433
Deposits	-	20 845
ZA Central Registry Interest repayment	-	50 712
	595 930	2 123 990

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. The majority of trade receivables pertain to one specific counterparty of which the credit risk is assessed by the directors on a continuous basis.

None of the financial assets that are fully performing have been renegotiated in the last year.

Fair value of trade and other receivables

Notes to the Annual Financial Statements

	2014 R	2013 R
5. Trade and other receivables (continued)		
The fair value of trade receivables approximate their carrying value due to the short term maturity of these receivables.		
Trade and other receivables past due but not impaired		
Trade and other receivables which are less than 6 months past due are not considered to be impaired. At 31 March 2014, R 595 230 (2013: R 2 052 433) were past due but not impaired.		
Reconciliation of provision for impairment of trade and other receivables		
The creation of provision for impaired receivables have been considered by the company. No such provision has been raised.		
The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The company does not hold any collateral as security.		
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	452 851	3 384 710
Short-term deposits	6 186 910	-
Other cash and cash equivalents	131 057	127 119
	6 770 818	3 511 829
7. Taxation		
No provision has been made for 2014 tax as the entity has been granted tax exemption by SARS in terms of section 10(1)(N) of the Income Tax Act. The company is a registered Non Profit Company in terms of Schedule 1 and section 10 of the Companies Act, Act 71 of 2008 and section 122 of the Companies Amendment Act, Act 3 of 2011.		
8. Trade and other payables		
Credit card	-	771
Value added tax ("VAT")	68 811	806 514
Sundry suppliers	261 710	315 293
Accrual for leave pay	89 187	32 239
	419 708	1 154 817
9. Revenue		
Government grant	-	1 500 000
ZA Central Registry Fees	6 653 696	6 088 684
	6 653 696	7 588 684
10. Interest received		
Interest received	242 911	16 582

Notes to the Annual Financial Statements

	2014 R	2013 R
11. Finance costs		
ZA Central Registry Loan	-	16 729
12. Salaries and wages		
Salaries and wages	929 611	756 339
Accrual for leave pay	89 187	32 239
Pay-as-you-earn	310 503	231 058
	1 329 301	1 019 636
13. Auditor's remuneration		
Fees	100 000	98 040
14. Cash generated from operations		
Surplus/ (Deficit) before taxation	2 462 062	5 255 757
Adjustments for:		
Depreciation	3 976	9 947
Interest received	(242 911)	(16 582)
Finance costs	-	16 729
Appropriation from ZA Central Registry Loan	-	(2 460 572)
Changes in working capital:		
Trade and other receivables	1 528 060	(2 103 145)
Trade and other payables	(735 109)	973 585
	3 016 078	1 675 719
15. Non cash movement in ZA Central Registry Loan		
Appropriation of loan to revenue		
Opening balance	-	1 006 411
Cash loan received	-	1 500 000
Interest accrued	-	88 822
Interest paid in cash	-	(134 661)
	-	2 460 572

Notes to the Annual Financial Statements

	2014 R	2013 R
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16. Commitments

Operating leases – as lessee (expense)

Operating lease payments represent rentals payable by the company for certain of its office properties. The lease is negotiated for a term of 12 months and is subject to a fixed amount of R28 000 (vat inclusive) per month. No contingent rent is payable.

17. Related parties

Related party transactions for the year consist of the following:

Income grant funding from the Department of Communications	1 500 000
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In terms of the Act, the Minister of Communications is entitled to appoint directors.

For the disclosure of directors' remuneration refer to note 18

18. Public Officer / Directors' emoluments

Executive

2014

	Directors' fees	Total
V Mpisane (Public Officer)	795 328	795 328

2013

	Directors' fees	Total
V Mpisane (Public Officer)	644 145	644 145

Notes to the Annual Financial Statements

18. Public Officer / Directors' emoluments (continued)

Non-executive

2014

	Directors' fees	Total
HC Gajjar (Chairperson)	21 000	21 000
P Bhagattjee	15 960	15 960
MA Silber (Treasurer)	6 840	6 840
N Dhevcharran	17 500	17 500
N Mabaso	9 000	9 000
DH Martin	28 970	28 970
ML Masilela	21 500	21 500
WP Rowland	20 500	20 500
A Brooks	61 500	61 500
	202 770	202 770

2013

	Directors' fees	Total
HC Gajjar (Chairperson)	17 300	17 300
P Bhagattjee	5 130	5 130
MA Silber (Treasurer)	7 980	7 980
N Dhevcharran	11 500	11 500
N Mabaso	7 000	7 000
ML Masilela	14 900	14 900
WP Rowland	15 900	15 900
	79 710	79 710

The ZA Domain Name Authority (NPC)
(Registration number 2003/021150/08)
Annual Financial Statements for the year ended 31 March 2014

Detailed Income Statement

	Note(s)	2014 R	2013 R
Revenue			
ZA Central Registry Fees		6 653 696	6 088 684
Government grant		-	1 500 000
	9	6 653 696	7 588 684
Other income			
Foreign currency exchange gain		3 718	-
ADR fees		-	2 000
ICANN Sponsorships		808 739	-
Interest received	10	242 911	16 582
		1 055 368	18 582
Operating expenses			
Accounting fees		140 322	165 028
Advertising		42 271	-
Auditor's remuneration	13	100 000	98 040
Bank charges		6 516	4 715
Computer expenses		5 481	1 931
Depreciation		3 976	9 947
Entertainment		23 091	9 264
Professional Fees		20 040	37 829
ICANN Contribution		-	294 578
Compensation Commissioner		3 427	5 059
Meeting reimbursement		208 995	94 132
PAYE		310 503	231 058
UIF		10 019	7 784
SDL		14 909	11 334
Fines and penalties - late payment of PAYE, UIF and VAT		229 638	-
Salaries and wages		1 018 797	788 578
Insurance		8 296	8 570
Rent paid		278 191	232 632
Other expenses		14 661	6 939
Policy and Regulations		36 350	-
Printing and stationery		1 454	157
ICANN July 2013 expenses		1 859 826	-
ICANN Travel/Accommodation		308 249	-
DOC Specific Funding		89 999	-
C&A Expenses		147 719	-
Staff welfare		460	409
Telephone and fax		50 854	47 361
Staff training		139 007	115 392
Travel		173 951	164 043
		5 247 002	2 334 780
Operating surplus			
Finance costs	11	-	(16 729)
		2 462 062	5 272 486
Surplus for the year			
		2 462 062	5 255 757

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