DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC

Registration Number : 1998/001781/08

DRAFT ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2020

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

General Information:

Country of incorporation and domicile	South Africa
Nature of business and principle activities	It is a management association whose main business is to look after the interests of the property owners within the Durban Point Waterfront Precinct and to ensure that the common public areas are adequately maintained.
Directors	Mr G A Jacobson (Resigned April 2020) Mr B S B Gangaraju Mr N Pillay (Appointed April 2020) Mr V Ramdass (Appointed March 2019) Mr DJ Hayman (Appointed July 2019)
Registered office	15 Timeball Boulevard Point 4001
Business address	15 Timeball Boulevard Point 4001
Postal address	P.O. Box 38073 Point 4069
Bankers	First National Bank
Auditors	SizweNtsalubaGobodo Grant Thornton Inc Chartered Accountants (S.A) Registered Auditors
Secretary	Ngubane & Co.
Managing Agent	Tsebo Smart Pty Ltd
Company registration number	1998/001781/08
Level of assurance	These annual financial statements have been audited in compliance with IFRS for SME and the applicable requirements of the Companies Act 71
Preparer	Ms A Mitha Financial Controller
Issued	

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

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SUPPLEMENTARY SCHEDULE

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

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF RESPONSIBILITY AND APPROVAL BY DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors acknowledge that they are required by the Companies Act, 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards for Small and Medium-sized entities ("IFRS for SME"). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized entities ("IFRS for SME") and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Directors have reviewed the company's cash flow forecast for the year to 31 December 2021 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out in pages 7 to 23, which have been prepared on the going concern basis, were approved by the board and signed on its behalf by:

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

SNG
GrantThornton

An instinct for growth

SNG Grant Thornton
2 Nollsworth Crescent,
La Lucia, Durban, 4153
T +27 (0) 31 539 4800

Independent Auditor's Report
To The Shareholders of
Durban Point Waterfront Management Association NPC

Opinion

We have audited the financial statements of Durban Point Waterfront Management Association NPC set out on pages 7 to 23 which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Durban Point Waterfront Management Association NPC as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized entities (IFRS for SME's) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled Durban Point Waterfront Management Association NPC for the year ended 31 December 2020, which includes General Information, the Statement of Responsibility and Approval by the Directors, Report of the Directors as required by the Companies Act of South Africa, the detailed income statement. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

SNG
Grant Thornton
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Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ayesha Ameer
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor
10 June 2021

2 Nollsworth Crescent, La Lucia Ridge Office Estate, Durban

Director's Report

The Directors have pleasure in presenting their report on the activities of the company for the year ended 31 December 2020.

NATURE OF BUSINESS AND OPERATIONS

The Association was incorporated in terms of the Companies Act. It is a management association whose main business is to look after the interests of the property owners within the Durban Point Waterfront Precinct and to ensure that the common public areas are adequately maintained.

REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The financial results for the period are reflected in the statement of comprehensive income set out on page 8 thereof. The results are summarised as follows:

	2020 R	2019 R
Revenue	12 131 891	11 624 715
Other Income	557 407	948 033
Expenses	(17 853 125)	(14 810 975)
(Deficit) before interest and tax	**(5 163 827)**	**(2 238 228)**

DIRECTORATE

Mr G A Jacobson (Resigned April 2020)
Mr B S B Gangaraju
Mr N Pillay (Appointed April 2020)
Mr V Ramdass (Appointed March 2019)
Mr DJ Hayman (Appointed July 2019)

GOING CONCERN

The Directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient reserves to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the company. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

The Covid 19 outbreak has had no significant impact on the entity's operations as it continued to operate over the lockdown providing services to the Precinct .

LEGAL MATTERS

The Directors are aware of the ongoing legal matter for the recovery of levies from two of the levypayers .
The two mentioned legal matters have been raised as a provision under Note 3 with further details on Note 18

AUDITORS

SizweNtsalubaGobodo Grant Thornton Inc are appointed as auditors for the 2020 financial period.

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 R	2019 R
ASSETS			
Non-current assets		**624 829**	**604 608**
Property, plant and equipment	2	624 829	604 608
Current assets		**19 290 835**	**23 684 852**
Trade and other receivables	3	434 904	1 863 216
Cash and cash equivalents	4	18 855 931	21 821 635
Total assets		**19 915 664**	**24 289 460**
EQUITY AND LIABILITIES			
Equity		**17 511 477**	**21 763 515**
Retained income		17 511 477	21 763 515
Liabilities		**2 404 186**	**2 525 945**
Current liabilities		**2 404 186**	**2 525 945**
Trade and other payables	5	2 404 186	2 525 945
Total equity and liabilities		**19 915 664**	**24 289 460**

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 R	2019 R
Revenue	6	12 131 891	11 624 715
Other income	7	557 407	948 033
Operating expense		(17 853 125)	(14 810 975)
Operating deficit	8	**(5 163 827)**	**(2 238 228)**
Investment revenue	9	1 168 449	1 442 091
Operating surplus for the financial period		**(3 995 377)**	**(796 136)**
Tax Expense	10	(256 660)	(309 326)
Total Comprehensive Income/(Loss) for the year		**(4 252 037)**	**(1 105 463)**
Attributable to			
Equity holders of the company		**(4 252 037)**	**(1 105 463)**

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DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Accumulated surplus R	Total equity R
Balance as at 01 January 2019		22 868 978	22 868 978
Surplus for the financial period		(1 105 463)	(1 105 463)
Restated balance as at 01 January 2020		**21 763 515**	**21 763 515**
Surplus/(loss) for the financial period		(4 252 037)	(4 252 037)
Balance as at 31 December 2020		**17 511 477**	**17 511 477**

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 R	2019 R
Cash flows from operating activities			
Cash receipts from customers		12 689 298	12 572 747
Cash payments to suppliers		(16 411 334)	(3 389 709)
Cash generated from operations	12	(3 722 036)	9 183 039
Interest income		1 168 449	1 442 091
Tax Movement		(256 660)	-
Net cash flows from operating activities		**(2 810 247)**	**10 625 130**
Cash flows from investing activities		**(155 457)**	**(615 355)**
Purchase of Property, plant and equipment		(155 457)	(615 355)
Disposal of Property, plant and equipment		-	-
Net increase in cash and cash equivalents		**(2 965 704)**	**10 009 775**
Cash and cash equivalents at beginning of year		**21 821 635**	**11 811 860**
Cash and cash equivalents at end of year	4	**18 855 931**	**21 821 635**

Accounting Policies

1. Presentation of Annual Financial Statements
The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized entities ("IFRS for SME"), and the Companies Act of 2008. The annual financial statements have been prepared on the historical cost basis of accounting, and the following principal accounting policies. The basis of currency is the South Arican Rand .This is consistent with the prior year

Critical judgements in applying accounting policies

Management is required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most signficatn effect on the amounts recognised in the annual financial statements, are outlines as follows:

Key sources of estimation uncertainty:

Impairment testing:

The company reviews and tests the carrying value of property, plant and equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverableamount by performing value i use and fair value considerations. These calculations require the use of estimates and assumptions.

Provisions:

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of provision for doubtful debts have been made under note 3 and 20.

1.1 Property, plant and equipment

Property, plant and equipment is initially measured at cost & are shown at historical cost less accumulated depreciation and accumulated impairment losses. Property, equipment, furniture and fittings are depreciated on the straight line method at rates considered appropriate to reduce the carrying amount of the assets to their residual values over their anticipated useful lives.

These rates are:	
IT Equipment	3 years
Boat	10 years
Office equipment	
Fridge/Freezer	6 years
Projector	3 years
Switchboard System	5 years
Furniture and fittings	3 years
Plant and equipment	
CCTV Equipment	5 years
UPS - CCTV	3 years

Increase in carrying amounts are credited directly to a non-distributable reserve. Decreases in valuation that offset previous increases of the same amount are charged against the revaluation reserve and all other decreases are charged to the statement of comprehensive income.

Surplus and losses on disposal of plant and equipment are charged to the statement of comprehensive income. Where the recoverable amount of an asset is less than the carrying amount, the carrying amount of the asset is written down to its recoverable amount.

Accounting Policies (continued)
1.1 Property, plant and equipment (continued)

The following assets that have a Nil carrying amount which are still in use are disclosed in accordance with Section 17 of IFRS for SME.

Asset Description	Purchase date	Cost	Book Value
Boardroom Furniture	Dec-04	R21 700	R0
PABX System	Dec-04	R13 475	R0
Panel desks	Aug-05	R1 850	R0
Radios	Sep-05	R10 000	R0
HP PC	May-07	R5 395	R0
Highback Chairs	Jun-07	R6 800	R0
Meeting room furniture	Mar-06	R10 618	R0
Highpressure Cleaner	Apr-09	R13 441	R0
Binding Machine	Aug-10	R2 298	R0
Printer	Sep-10	R1 579	R0
Shredder	Oct-15	R3 767	R0
Dell Latitude E5450 laptop	Jan-16	R18 368	R0
Dell OptiPlex desktop	Jan-16	R12 370	R0
TOTAL		R121 661	R0

Accounting Policies (continued)
1.2 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Trade and other receivables

Trade and other receivables are classified as loans and receivables which 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 receivables 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.

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 amortised cost.

1.3 Deferred Taxation
Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The company provides for deferred tax on all temporary differences according to the comprehensive basis by using the financial position approach. Management has elected not to raise the deferred tax impact for the impairment for credit losses as recovery is anticipated. The delays were as a result of finalising approvals for payment.

Accounting Policies (continued)

1.4 Lease agreements

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.Lease rentals in respect of operating leases are charged against profit in a systemic manner to ensure matching of revenue and cost.

1.5 Impairment of assets

The carrying value of the assets is reviewed at each reporting date to assess whether there is any indication of impairment.

If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 Provisions and contingencies

Provisions are recognised when:

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.
If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

a. has a detailed formal plan for the restructuring, identifying at least:
   - the business or part of a business concerned;
   - the principal locations affected;
   - the location, function, and approximate number of employees who will be compensated for
   - the expenditures that will be undertaken; and
   - when the plan will be implemented; and

b. has raised a valid expectation in those affected that it will carry out the restructuring by starting to

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are

a. the amount that would be recognised as a provision; and
b. the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 14.

Accounting Policies (continued)

1.8 Revenue

Revenue from rendering of services is recognised when all the following conditions have been satisfied:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

a. the amount of revenue can be measured reliably;
b. it is probable that the economic benefits associated with the transaction will flow to the company;
c. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
d. the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction.

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

	2020 R	2019 R

2. Property, plant and equipment

	2020			2019		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Plant and machinery	645 134	(154 315)	490 819	587 438	(105 421)	482 017
Furniture and fixtures	40 968	(40 968)	-	40 968	(40 968)	-
Office equipment	53 950	(38 571)	15 379	53 950	(32 616)	21 335
IT equipment	71 163	(50 062)	21 099	134 900	(124 998)	9 902
Boat	129 244	(31 715)	97 529	228 759	(137 405)	91 354
Total	**940 459**	**(315 631)**	**624 828**	**1 046 015**	**(441 408)**	**604 608**

Reconciliation of Property, plant and equipment - 2020

	Opening balance	Additions at cost	Disposals at carrying value	Depreciation	Total
Plant and machinery	482 017	122 695	-	(113 893)	490 818
Furniture and fixtures	-	-	-	-	-
Office equipment	21 337	-	-	(5 528)	15 808
IT equipment	9 902	15 893	-	(5 122)	20 672
Boat	91 352	16 870	-	(10 694)	97 527
	604 608	**155 457**	-	**(135 238)**	**624 827**

Reconciliation of Property, plant and equipment - 2019

	Opening balance	Additions at cost	Disposals at carrying value	Depreciation	Total
Plant and machinery	0	508 997	-	(26 981)	482 017
Furniture and fixtures	0	0	-	-	-
Office equipment	5 273	18 508	-	(2 444)	21 337
IT equipment	16 045	-	-	(6 143)	9 902
Boat	9 319	87 850	-	(5 817)	91 352
	30 636	**615 355**	-	**(41 384)**	**604 608**

3. Trade and other receivables

	2020 R	2019 R
Trade receivables	6 515 557	2 811 805
Less: Provision for Doubtful Debts (Refer to note 18)	(7 620 042)	(2 532 138)
Deposits	160 692	160 692
VAT	0	16 302
Other receivables	1 378 696	1 406 555
	434 904	**1 863 216**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2020 R	2019 R
Bank balances	128 647	363 969
Short-term deposits	18 727 284	21 457 666
	18 855 931	**21 821 635**

	2020 R	2019 R

5. Trade and other payables

Trade payables	1 285 221	1 218 790
Accruals	87 486	334 328
Deposits received	491 870	663 500
Current tax payable	256 660	309 327
Vat payable	282 949	0
	2 404 186	**2 525 944**

6. Revenue

Levies received from property owners	8 727 203	8 705 568
Levies received from primary development - DPDC	800 000	800 000
Grant Income	2 604 688	2 119 147
	12 131 891	**11 624 715**

7. Other income

Operating costs recovery	469 427	871 751
Sundry income	87 981	76 282
	557 407	**948 033**

8. Operating Surplus /(Deficit)

Operating Surplus /(Deficit) for the year is stated after accounting for the following:

Interest	1 168 449	1 442 091

Operating lease charges
Premises

Rent paid	275 215	332 975

9. Investment revenue

Interest income on call account	1 106 627	1 387 435
Interest income on customers accounts	61 822	54 657
	1 168 449	**1 442 091**

	2020 R	2019 R

10. SA Normal Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2020 R	2019 R
Accounting (deficit) / surplus	(3 995 377)	(796 136)
Tax at the applicable tax rate of 28% (2019: 28%)	(1 118 706)	(222 918)
Exempt differences		
Levies income (Sec 10(1)(e))	(2 667 617)	(2 661 559)
Non taxable income	(1 081 113)	(1 018 506)
Non deductible expenditure	4 867 435	3 902 983
Taxable income from interest and commission income	256 660	309 326
Assessed loss from prior year	-	-
Tax expense (28%)	**256 660**	**309 326**
No Tax loss available to reduce future taxable profits	-	-

11. Auditor's remuneration

	2020 R	2019 R
Audit Fees	90 225	63 880

12. Cash generated from operations

	2020 R	2019 R
(Deficit) / Surplus before taxation	(3 995 377)	(796 136)
Adjustments for:		
Depreciation and amortisation	135 238	41 384
Interest received - investment	(1 168 449)	(1 442 091)
Movements in provisions	-	-
Changes in working capital:		
Trade and other receivables	1 428 312	11 560 893
Trade and other payables	(121 758)	(181 011)
	(3 722 036)	**9 183 039**

13. Commitments and contingencies liabilities

At year end, the Association had no capital commitments or contingent liabilities. Refer to Note 14 for disclosure of operating lease balance.

	2020 R	2019 R

14. Operating lease commitments

A lease is classified as an operating lease if it does not transfer substantially aal the risks and rewards to incidental to ownership.The Association has two operating lease agreements. The details of the agreements are summarised below:

Agreement 1:

The surveillance control centre premises is leased from Durban Marine Theme Park (Pty) Ltd at monthly rental of R14 342.43 during the first year, payable in advance. The monthly rental for the second and each subsequent year of this lease shall be determined by escalating the monthly rental payable during the immediately preceding year by a rate equivalent to the rate by which the Consumer Price Index for all categories and for the whole of South Africa shall have escalated during the immediately preceding calendar year. The period of the lease is from 01 August 2019 to 31 May 2024.

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

		Restated
Less than one year	**184 480**	**175 695**
One to five years	**519 125**	**703 605**
More than five years	**0**	**0**
Total undiscounted lease liabilities as at 31 December	**703 605**	**879 300**

Agreement 2:

Office space was leased from Durban Point Development Company (Pty) Ltd (DPDC) at monthly rental of R 13 803 payable in advance. The rental shall be escalated by the rate of the Consumer Price Index. The lease period in terms of the agreement is from 01 December 2019 to 30 November 2020.The lease is renewed annually.

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

		Restated
Less than one year	**0**	**165 636**
One to five years	**0**	**0**
More than five years	**0**	**0**
Total undiscounted lease liabilities as at 31 December	**0**	**165 636**

	2020 R	2019 R

15. Related parties

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

Entity	***Nature of relationship***
Durban Point Development Company (Proprietary)	Property Developer - owner of the land in the Point Precinct presently being developed.
eThekwini Municipality	Contributor of the Grant-In-Aid
Durban Infrastructural Development Trust	50% shareholding in DPDC
Point Precinct Trust	Owner of certain parcels of land, deemed public zone, that is managed contractually by DPWMA
Rocpoint (Proprietary) Limited	50% shareholding in DPDC
Point Bay	Dustyn J Hayman is a director of DPWMA and also a trustee on the Body Corporate
The Sails -	Vinesh Ramdass is a director of DPWMA and also a trustee on the Body Corporate
Tsebo Smart	Mr. Neels de Bruin (Operations Manager at DPWMA) who is a member of key management personnel at Durban Point Waterfront Management Association is also the relation's manager of Tsebo Smart who provides facilities management services to Durban Point Waterfront Management Association NPC.

Related party balances (vat inclusive)

	2020 R	2019 R
Durban Point Development Company (Pty) Ltd	-	-
eThekwini Municipality	5 162 673	2 374 309
Point Precinct Trust	-	-
Tsebo Smart Pty Ltd	1 154 961	(1 075 808)

	2020 R	2019 R

15. Related parties (continued)

Related party transactions (vat inclusive)		
Levy income related parties		
Durban Point Development Company (Pty) Ltd	920 000	920 000
The Sails Body Corporate	967 969	967 969
Point Bay Body Corporate	635 944	635 944
(Expense) related parties		
Tsebo Smart Pty Ltd	(13 120 645)	(5 830 712)
Recoveries from related parties		
Durban Point Development Company (Pty) Ltd	217 352	285 469
Grant in Aid		
eThekwini Municipality	2 788 364	2 374 309
Point Precinct Trust	-	-

16. Government Grant

The City is required to pay a grant to DPWMA in relation to maintenance services provided by DPWMA on behalf of the City. The non-refundable grant cover services such as road infrastructure maintenance, cleaning, landscaping etc.

Grant Received	2 604 688	2 119 147

	2020 R	2019 R

17. Levy Refund / (Levy Shortfall)

	2020 R	2019 R
Total income for the year	13 857 747	14 014 839
Less: Interest on call account	(1 168 449)	(1 442 091)
Less: Grant income from eThekwini Municipality	(2 604 688)	(2 119 147)
Less: Total expenses	(17 853 125)	(14 810 975)
(Operating Levy Shortfall) / Levy Refundable	**(7 768 514)**	**(4 357 373)**

18. Provision for Doubtful Debts

	2020 R	2019 R
Levy payer	1 245 037	467 521
GIA	6 375 005	2 064 617
	7 620 042	2 532 138

The Directors have raised a provision for doubtful debt for the following outstanding amount receivable from the eThekwini Municipality to the extent of R 5 162 673.13 :

A decision was taken to provide for doubtful debt on the grant in aid (GIA) receivable from the eThekwini
The Directors believe that the outstanding amount will be recovered within the 2021 financial year. The effects of discounting cannot be determined as the settlement date has not been committed by the debtor. The effective interest rate method spreads the interest income over the life of the financial asset. Such a method does not seem to be relevant to the trade debtors where normally there is no interest payment to spread. IFRS for SME therefore allows short-term debtors with no stated interest rate to be measured at the original invoice amount and the effect of discounting is immaterial.

An amount of R1 212 332 which is the accrued sundry debtor relating to the GIA was also included in the GIA provision .

A provision for doubtful debts was also raised for 2 levy payers who were in arrears to the value of R 1 245 036 ,93 . The accounts have been handed over to legal for collection .Interest has been levied in accordance with company policy.

19. Directors remuneration

The Directors have not received any remuneration for services rendered.

20. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation and classification in the current year. (Refer to Note 22)

21. Covid 19

On 11 March 2020,the World Health Organisation(WHO) officially declared COVID-19, the disease caused by novel coronavirus, a pandemic . Management is closely monitoring the evolution of this pandemic, including how it may affect the organisation ,the economy and the general population. There are no cases of COVID-19 infection among its people and the outbreak has had no significant impact to the organisation's operations to date. Management has implemented the necessary safety and precautions as prescribed by the Group and Government policy. Management will continue to monitor and assess the ongoing development and respond accordingly."

There is no material financial impact as the entity continues to operate as a Going Concern.

	2020	2019
	R	R

22. Prior period errors

The correction relates to disclosure regarding the operating lease commitment term and balances in the prior year. The error has been adjusted retrospectively. This is the earliest practicable period to correct the error.

The errors have been corrected by restating the 2019 disclosure figures. The following table summaries the impact on the entiy's financial statement:

Operating lease commitment balance	As previously reported	As restated
Total undiscounted lease liabilities as at 31 December 2019		
Agreement 1: Durban Marine Theme Park (Pty) Ltd		
Less than one year	172 104	175 695
One to five years	315 524	703 605
More than five years	0	-
Total undiscounted lease liabilities as at 31 December	487 628	879 300
Agreement 2: Durban Point Development Company (Pty) Ltd		
Less than one year	157 749	165 636
One to five years	0	0
More than five years	0	0
Total undiscounted lease liabilities as at 31 December	157 749	165 636

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC
Registration number : 1998/001781/08
DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note(s)	2020 R	2019 R
REVENUE		**12 131 891**	**11 624 715**
Rendering of services		9 527 203	9 505 568
Grant Income		2 604 688	2 119 147
OTHER INCOME		**1 725 857**	**2 390 124**
Discount received			
Interest received	10	1 168 449	1 442 091
Operating costs recovery		469 427	871 751
Sundry income		87 981	76 282
		13 857 747	**14 014 839**
OPERATING EXPENSES			
Accounting fees		121 200	167 567
Administration fees		1 873 267	1 753 115
Advertising		2 175	-
Auditors remuneration	12	90 225	63 880
Bank charges		5 513	5 851
Cleaning		699 606	700 630
Computer expenses		60 143	56 907
Consulting fees		12 652	19 617
Courier and postage		465	422
Depreciation		135 238	41 384
Doubtful Debts Provision		5 087 904	2 444 111
Interest & Penalties		307	224
Insurance		123 819	116 471
IT Expenses- Help Desk System		109 080	54 000
Landscaping expenses		1 585 629	972 235
Legal expenses		-	21 707
Management fees		934 643	998 735
Operating costs for recovery		469 427	871 751
PR and newsletters		-	1 035
Printing and stationery		39 428	47 090
Rent		275 215	332 975
Repairs and maintenance		1 510 140	2 084 476
Secretarial fees		5 343	6 522
Security		4 206 580	3 517 531
Staff Welfare		10 161	9 412
Staff Uniforms		9 696	9 692
Telephone and fax		39 691	47 166
Water & Electricity		445 578	466 470
		17 853 125	**14 810 975**
Deficit for the Financial Period before taxation		**(3 995 377)**	**(796 136)**

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