

**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**

**Registration Number : 1998/001781/08**

**DRAFT ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 December 2021**

**DRAFT**

**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**

Registration number : 1998/001781/08

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**General Information:**

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principle activities</b>	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
<b>Directors</b>	Mr B S B Gangaraju Mr N Pillay ( Appointed April 2020) Mr V Ramdass (Appointed March 2019) Mr DJ Hayman ( Appointed July 2019)
<b>Registered office</b>	15 Timeball Boulevard Point 4001
<b>Business address</b>	15 Timeball Boulevard Point 4001
<b>Postal address</b>	P.O. Box 38073 Point 4069
<b>Bankers</b>	First National Bank
<b>Auditors</b>	SizweNtsalubaGobodo Grant Thornton Inc Chartered Accountants (S.A) Registered Auditors
<b>Secretary</b>	Ngubane & Co.
<b>Managing Agent</b>	Tsebo Smart Pty Ltd
<b>Company registration number</b>	1998/001781/08
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with IFRS for SME and the applicable requirements of the Companies
<b>Preparer</b>	Ms A Mitha Financial Controller
<b>Issued</b>	

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

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**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**  
**Registration number : 1998/001781/08**  
**STATEMENT OF RESPONSIBILITY AND APPROVAL BY DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 2022 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 22, which have been prepared on the going concern basis, were approved by the board and signed on its behalf by:

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**Director**

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**Date**

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**Director**

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**Date**



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

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**Opinion**

We have audited the financial statements of the Durban Point Waterfront Management Association NPC set out on pages 7 to 22 which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the 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 the Durban Point Waterfront Management Association NPC as at 31 December 2021, 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 and the requirements of the Companies Act.

**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 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 Annual Financial Statements for the year ended 31 December 2021" (Registration number 1993/001781/08) which includes the General Information, the Statement of Responsibility and Approval by the Directors, Report of the Directors as required by the Companies Act of South Africa, and 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.

### **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.

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**Ayesha Ameer**  
**Sizwe Ntsaluba Gobodo Grant Thornton Inc.**  
**Director**  
**Registered Auditor**  
**07 June 2022**

**2 Nollsworth Crescent**  
**La Lucia, Durban**

**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**  
**Registration number : 1998/001781/08**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Director's Report**

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The Directors have pleasure in presenting their report on the activities of the company for the year ended 31 December 2021.

**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:

	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>
Revenue	11 845 234	12 131 891
Other Income	5 850 597	557 407
Expenses	(14 255 137)	(17 853 125)
<b>(Deficit) before interest and tax</b>	<b><u>3 440 694</u></b>	<b><u>(5 163 827)</u></b>

**DIRECTORATE**

Mr B S B Gangaraju  
Mr N Pillay ( Appointed April 2020)  
Mr V Ramdass (Appointed April 2019)  
Mr DJ Hayman ( Appointed June 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 2021 financial period.

**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**  
**Registration number : 1998/001781/08**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 R	2020 R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>702 256</b>	<b>624 829</b>
Property, plant and equipment	2	702 256	624 829
<b>Current assets</b>		<b>23 054 832</b>	<b>19 290 835</b>
Trade and other receivables	3	1 766 604	434 904
Cash and cash equivalents	4	21 288 228	18 855 931
<b>Total assets</b>		<b>23 757 088</b>	<b>19 915 664</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>21 594 299</b>	<b>17 511 477</b>
Retained income		21 594 299	17 511 477
<b>Liabilities</b>		<b>2 162 789</b>	<b>2 404 187</b>
<b>Current liabilities</b>		<b>2 162 789</b>	<b>2 404 187</b>
Trade and other payables	5	2 162 789	2 404 187
<b>Total equity and liabilities</b>		<b>23 757 088</b>	<b>19 915 664</b>



**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**  
**Registration number : 1998/001781/08**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 R	2020 R
Revenue	6	11 845 234	12 131 891
Other income	7	5 850 597	557 407
Operating expense		(14 255 137)	(17 853 125)
<b>Operating surplus /(deficit)</b>	8	<b>3 440 694</b>	<b>(5 163 827)</b>
Investment revenue	9	834 810	1 168 449
<b>Operating surplus for the financial period</b>		<b>4 275 504</b>	<b>(3 995 378)</b>
Tax Expense	10	(192 682)	(256 660)
<b>Total Comprehensive Income/(Loss) for the year</b>		<b>4 082 822</b>	<b>(4 252 038)</b>
<b>Attributable to</b> Equity holders of the company		<b>4 082 822</b>	<b>(4 252 038)</b>

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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 2021**

	Note	Accumulated surplus R	Total equity R
Balance as at 01 January 2020		21 763 515	21 763 515
Deficit for the financial period		(4 252 038)	(4 252 038)
Restated balance as at 01 January 2021		<u>17 511 477</u>	<u>17 511 477</u>
Surplus for the financial period		4 082 822	4 082 822
Balance as at 31 December 2021		<u><u>21 594 299</u></u>	<u><u>21 594 299</u></u>

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**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2 021 R	2020 R
<b>Cash flows from operating activities</b>			
Cash receipts from customers		17 695 831	12 689 298
Cash payments to suppliers		<u>-15 633 435</u>	<u>(16 411 334)</u>
Cash generated from operations	12	2 062 397	(3 722 036)
Interest income		834 810	1 168 449
Tax Movement		(192 682)	(256 660)
<b>Net cash flows from operating activities</b>		<b>2 704 525</b>	<b>(2 810 247)</b>
<b>Cash flows from investing activities</b>			
Purchase of Property, plant and equipment		-272 227	(155 457)
Disposal of Property, plant and equipment		-272 227	(155 457)
		0	-
<b>Net increase in cash and cash equivalents</b>		<b>2 432 297</b>	<b>(2 965 704)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>18 855 931</b>	<b>21 821 635</b>
<b>Cash and cash equivalents at end of year</b>	4	<b><u>21 288 228</u></b>	<b><u>18 855 931</u></b>

**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**  
**Registration number : 1998/001781/08**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Accounting Policies**

**1. Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with International Financial Reporting Standards 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 African 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 significant effect on the amounts recognised in the annual financial statements, are outlined 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 recoverable amount by performing value in 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.

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**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
	<b>TOTAL</b>	<b>R121 661</b>	<b>R0</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**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.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**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.

**DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC**  
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**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.



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	2021	2020
	R	R

**2. Property, plant and equipment**

	2021			2020		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Plant and machinery	917 361	(321 126)	596 235	645 134	(154 315)	490 819
Furniture and fixtures	40 968	(40 968)	-	40 968	(40 968)	-
Office equipment	53 950	(43 393)	10 557	53 950	(38 571)	15 379
IT equipment	71 163	(60 565)	10 596	71 163	(50 062)	21 101
Boat	129 244	(44 377)	84 867	129 244	(31 715)	97 529
<b>Total</b>	<b>1 212 686</b>	<b>(510 430)</b>	<b>702 256</b>	<b>940 459</b>	<b>(315 631)</b>	<b>624 828</b>

**Reconciliation of Property, plant and equipment - 2021**

	Opening balance	Additions at cost	Disposals at carrying value	Depreciation	Total
Plant and machinery	490 819	272 227	-	(166 812)	596 235
Furniture and fixtures	-	-	-	-	-
Office equipment	15 808	-	-	(5 249)	10 559
IT equipment	20 672	-	-	(10 076)	10 596
Boat	97 527	-	-	(12 662)	84 865
	<b>624 828</b>	<b>272 227</b>	<b>-</b>	<b>(194 799)</b>	<b>702 256</b>

**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)	490 819
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
	<b>604 608</b>	<b>155 457</b>	<b>-</b>	<b>(135 238)</b>	<b>624 828</b>

**3. Trade and other receivables**

Trade receivables	2 183 350	6 515 557
Less: Provision for Doubtful Debts (Refer to note 18)	(2 200 615)	(7 620 042)
Deposits	160 692	160 692
VAT	141 623	0
Other receivables	1 481 553	1 378 696
	<b>1 766 604</b>	<b>434 904</b>

**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Bank balances	380 691	128 647
Short-term deposits	20 907 537	18 727 284
	<b>21 288 228</b>	<b>18 855 931</b>

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	2021 R	2020 R
<b>5. Trade and other payables</b>		
Trade payables	1 338 570	1 285 221
Accruals	189 037	87 486
Deposits received	442 500	491 870
Current tax payable	192 682	256 660
Vat payable	0	282 949
	<u>2 162 789</u>	<u>2 404 186</u>
<b>6. Revenue</b>		
Levies received from property owners	8 727 203	8 727 203
Levies received from primary development - DPDC	800 000	800 000
Grant Income	2 318 031	2 604 688
	<u>11 845 234</u>	<u>12 131 891</u>
<b>7. Other income</b>		
Operating costs recovery	349 364	469 427
Sundry income	81 806	87 981
Doubtful Debt Provision	5 419 427	-
	<u>5 850 597</u>	<u>557 407</u>
<b>8. Operating Surplus /(Deficit)</b>		
Operating Surplus /(Deficit) for the year is stated after accounting for the following:		
Interest	834 810	1 168 449
<b>Operating lease charges</b>		
<b>Premises</b>		
Rent paid	356 904	275 215
<b>9. Investment revenue</b>		
Interest income on call account	676 956	1 106 627
Interest income on customers accounts	157 854	61 822
	<u>834 810</u>	<u>1 168 449</u>

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	2021 R	2020 R
<b>10. SA Normal Taxation</b>		
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting (deficit) / surplus	4 275 504	(3 995 377)
Tax at the applicable tax rate of 28% (2020: 28%)	1 197 141	(1 118 706)
<b>Exempt differences</b>		
Levies income (Sec 10(1)(e))	(2 667 617)	(2 667 617)
Non taxable income	(2 437 094)	(1 081 113)
Non deductible expenditure	3 907 569	4 867 435
Taxable income from interest and commission income	192 682	256 660
Assessed loss from prior year	-	-
<b>Tax expense (28%)</b>	<b>192 682</b>	<b>256 660</b>
No Tax loss available to reduce future taxable profits	-	-
<b>11. Auditor's remuneration</b>		
Audit Fees	79 876	90 225
<b>12. Cash generated from operations</b>		
(Deficit) / Surplus before taxation	4 275 504	(3 995 377)
<b>Adjustments for:</b>		
Depreciation and amortisation	194 799	135 238
Interest received - investment	(834 810)	(1 168 449)
Movements in provisions	-	-
<b>Changes in working capital:</b>		
Trade and other receivables	(1 331 700)	1 428 312
Trade and other payables	(241 397)	(121 758)
	<b>2 062 397</b>	<b>(3 722 036)</b>

**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.

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	2021	2020
	R	R

**14. Operating lease commitments**

A lease is classified as an operating lease if it does not transfer substantially all 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)

	2 021	2 020
Less than one year	193 704	184 480
One to five years	325 422	519 125
More than five years	0	0
<b>Total undiscounted lease liabilities as at 31 December</b>	<b>519 125</b>	<b>703 605</b>

**Agreement 2:**

Office space was leased from Durban Point Development Company (Pty) Ltd (DPDC) at monthly rental of R 14 493 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)

	2021	2020
Less than one year	182 614	173 916
One to five years	0	0
More than five years	0	0
<b>Total undiscounted lease liabilities as at 31 December</b>	<b>182 614</b>	<b>173 916</b>

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**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 R	2020 R
<b>15. Related parties</b>		
<b>Relationships</b>		
Related party relationships exist between Durban Point Waterfront Management Association and the following companies during the year:		
<b>Entity</b>	<b>Nature of relationship</b>	
Durban Point Development Company (Proprietary)	Property Developer - owner of the land in the Point Precinct presently being developed.	
eThekweni 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.	
<b>Related party balances (vat inclusive)</b>		
Durban Point Development Company (Pty) Ltd	-	-
eThekweni Municipality	-	5 162 673
Point Precinct Trust	-	-
Tsebo Smart Pty Ltd	(1 293 214)	(1 154 961)

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**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>
<b>15. Related parties (continued)</b>		
<b>Related party transactions (vat inclusive)</b>		
<b>Levy income related parties</b>		
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
<b>(Expense) related parties</b>		
Tsebo Smart Pty Ltd	(14 267 611)	(13 120 645)
<b>Recoveries from related parties</b>		
Durban Point Development Company (Pty) Ltd	221 811	217 352
<b>Grant in Aid</b>		
eThekweni Municipality	2 760 082	2 788 364
Point Precinct Trust	-	-
<b>16. Government Grant</b>		
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	2 318 031	2 604 688

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	2021 R	2020 R
<b>17. Levy Refund / (Levy Shortfall)</b>		
Total income for the year	18 530 641	13 857 747
Less: Interest on call account	(834 810)	(1 168 449)
Less: Grant income from eThekweni Municipality	(2 318 031)	(2 604 688)
Less: Total expenses	(14 255 137)	(17 853 125)
<b>(Operating Levy Shortfall) / Levy Refundable</b>	<b><u>1 122 664</u></b>	<b><u>(7 768 514)</u></b>
<b>18. Provision for Doubtful Debts</b>		
Levy payer	2 200 615	1 245 037
GIA	-	6 375 005
	<b><u>2 200 615</u></b>	<b><u>7 620 042</u></b>

A provision for doubtful debts was raised for 2 levy payers who were in arrears to the value of R 2 200 615 . 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.

**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.

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**DETAILED INCOME STATEMENT**  
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	Note(s)	2021 R	2020 R
<b>REVENUE</b>		<b>11 845 234</b>	<b>12 131 891</b>
Rendering of services		9 527 203	9 527 203
Grant Income		2 318 031	2 604 688
<b>OTHER INCOME</b>		<b>6 685 407</b>	<b>1 725 857</b>
Discount received			
Interest received	10	834 810	1 168 449
Doubtful Debts Provision		5 419 427	-
Operating costs recovery		349 364	469 427
Sundry income		81 806	87 981
		<b>18 530 641</b>	<b>13 857 747</b>
<b>OPERATING EXPENSES</b>			
Accounting fees		131 239	121 200
Administration fees		2 028 424	1 873 267
Advertising			2 175
Auditors remuneration	12	79 876	90 225
Bank charges		5 344	5 513
Cleaning		758 071	699 606
Computer expenses		64 138	60 143
Consulting fees		12 551	12 652
Courier and postage		509	465
Depreciation		194 799	135 238
Doubtful Debts Provision		-	5 087 904
Interest & Penalties		-	307
Insurance		130 400	123 819
IT Expenses- Help Desk System		118 116	109 080
Landscaping expenses		1 084 927	1 585 629
Legal expenses		13 595	-
Management fees		1 012 057	934 643
Operating costs for recovery		349 364	469 427
PR and newsletters		-	-
Printing and stationery		37 701	39 428
Rent		356 904	275 215
Repairs and maintenance		2 064 671	1 510 140
Secretarial fees		2 870	5 343
Security		5 420 526	4 206 580
Staff Welfare		13 919	10 161
Staff Uniforms		10 499	9 696
Telephone and fax		38 643	39 691
Water & Electricity		325 999	445 578
		<b>14 255 137</b>	<b>17 853 125</b>
<b>Deficit for the Financial Period before taxation</b>		<b>4 275 504</b>	<b>(3 995 377)</b>

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