

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC

Registration Number : 1998/001781/08

Financial Statements

for the year ended 31 December 2023

Durban Point Waterfront Management Association NPC
Registration number : 1998/001781/08
Financial Statements for the year ended 31 December 2023

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 B S B Gangaraju Mr N Pillay Mr V Ramdass Mr DJ Hayman Mr A Mia
Registered office	15 Timeball Boulevard Rocpoint House Durban KwaZulu-Natal 4001
Business address	15 Timeball Boulevard Rocpoint House Durban KwaZulu-Natal 4001
Postal address	P O Box 38073 Point 4069
Bankers	First National Bank
Auditor	Moore Durban Chartered Accountants (SA) Registered Auditor
Managing Agent	Tsebo Smart Proprietary Limited
Company registration number	1998/001781/08
Level of assurance	These financial statements have been audited in compliance with the requirements of the Companies Act No. 71 of 2008.
Preparer	The financial statements were internally compiled under the supervision of: Aneesa Mitha (Financial controller)
Issued	11 June 2024

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Directors' Responsibilities and Approval

The directors acknowledge that they are required by the Companies Act No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008, 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 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 financial statements. However, any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and the auditor's report is presented on pages 4 to 6.

The financial statements and supplementary information set out in pages 7 to 21, which have been prepared on the going concern basis, were approved by the board on 11 June 2024 and signed on its behalf by:

Director

Director

Independent Auditor's Report

To the members 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 9 to 20, which comprise the statement of financial position as at 31 December 2023, 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 2023, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008.

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 directors' report as required by the Companies Act No. 71 of 2008, which we obtained prior to the date of this report. 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 IFRS for SMEs Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008, 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 International Standards on Auditing 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 International Standards on Auditing, 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.

Moore Durban
Chartered Accountants (SA)
Registered Auditor

Per: Devek Harryparsad CA(SA), RA
Partner

11 June 2024
Durban

DRAFT

Directors' Report

The directors submits their report on the financial statements of Durban Point Waterfront Management Association NPC for the year ended 31 December 2023.

1. Nature of business

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.

2. Review of financial results and activities

The financial results for the period are reflected in the statement of comprehensive income set out on page 9. The financial statements have been prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Directors

The directors in office at the date of this report are as follows:

Mr B S B Gangaraju
Mr N Pillay
Mr V Ramdass
Mr DJ Hayman
Mr A Mia

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report, that requires disclosure in these financial statements.

5. Going Concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the 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 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.

6. Legal matters

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

7. Auditor

Moore Durban was appointed as auditors for the 2023 financial period (2022: SizweNtsalubaGobodo Grant Thornton Inc.).

8. Managing Agents

The managing agent of the association is Tsebo Smart Proprietary Limited whose postal and business addresses are:

Postal address

P O Box 3486
Randburg
2125

Business address

Tsebo Office Park Block C
Chislehurst
Sandton
2196

9. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 11 June 2024. No authority was given to anyone to amend the financial statements after the date of issue.

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Statement of Financial Position

Figures in Rand	Note	2023	2022
Assets			
Non-current assets		537,644	646,043
Plant and equipment	2	537,644	646,043
Current assets		13,551,750	18,748,764
Trade and other receivables	3	1,808,287	4,579,509
Cash and cash equivalents	4	11,743,463	14,169,254
Total assets		14,089,394	19,394,806
Funds and Liabilities			
Funds		11,411,193	16,515,319
Accumulated surplus		11,411,193	16,515,319
Liabilities		2,678,201	2,879,487
Current liabilities		2,678,201	2,879,487
Trade and other payables	5	2,354,633	2,879,487
Current tax payable		323,568	-
Total funds and liabilities		14,089,394	19,394,806

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Statement of Comprehensive Income

Figures in Rand	Note	2023	2022
Revenue	6	12,856,636	12,063,370
Other income	7	482,751	552,519
Operating expenses		(19,773,057)	(18,548,586)
Operating deficit	8	(6,433,669)	(5,932,697)
Investment revenue	9	1,653,111	1,159,877
Deficit before income tax		(4,780,558)	(4,772,820)
Income tax	10	(323,568)	(306,160)
Total comprehensive deficit for the year		(5,104,126)	(5,078,980)

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Statement of Changes in Funds

Figures in Rand	Accumulated surplus	Total funds
Balance as at 01 January 2022	21,594,299	21,594,299
Total comprehensive deficit for the year	(5,078,980)	(5,078,980)
Balance as at 01 January 2023	16,515,319	16,515,319
Total comprehensive deficit for the year	(5,104,126)	(5,104,126)
Balance as at 31 December 2023	11,411,193	11,411,193

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Statement of Cash Flows

Figures in Rand	Note	2023	2022
Cash flows from operating activities			
Cash receipts from members and grants		12,977,009	12,615,889
Cash paid to suppliers		<u>(16,609,004)</u>	<u>(20,433,418)</u>
Cash used in operations	12	<u>(3,631,995)</u>	<u>(7,817,529)</u>
Interest received		1,653,111	1,159,877
Income tax paid		<u>(306,160)</u>	<u>(306,160)</u>
Net cash flows used in operating activities		<u>(2,285,044)</u>	<u>(6,963,812)</u>
Cash flows from investing activities			
Acquisition of plant and equipment	2	(147,013)	(155,162)
Proceeds from disposal of plant and equipment	2	6,266	-
Net cash flows used in investing activities		<u>(140,747)</u>	<u>(155,162)</u>
Total cash movement for the year		(2,425,790)	(7,118,973)
Cash at beginning of year		14,169,255	21,288,228
Cash at end of year	4	<u><u>11,743,463</u></u>	<u><u>14,169,255</u></u>

Accounting Policies

General information

Durban Point Waterfront Management Management Association - NPC is a non-profit company incorporated and domiciled in South Africa.

Nature of business

To look after the interests of the property owners within the Durban Point Waterfront Precint and to ensure that the common public areas are adequately maintained.

Registered office:

15 Timeball Boulevard
Rocpoint House
Durban
KwaZulu-Natal
4001

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared in accordance with The financial statements are prepared in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008. The financial statements have been prepared on the historical cost basis of accounting, and the following principal accounting policies. The financial statements are presented in South African Rand. These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

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

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 18.

1.2 Plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company. Day to day servicing costs are included in profit or loss when they are incurred. Depreciation is calculated to write off the asset's cost over its estimated useful life to its estimated residual value, using the straight-line method, and recognised in profit or loss.

The useful lives of items of plant and equipment have been assessed as follows:

Item	Average useful life
Boat	5 - 10 years
Computer equipment	3 years
Furniture and fixtures	3 years
Office equipment	3 - 12 years
Plant and machinery	3 - 5 years

When indicators are present that the useful lives and residual values of items of plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Accounting Policies

1.2 Plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs.

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These includes payables and receivables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

1.4 Income tax

Current tax assets and liabilities

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

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax expense

Income tax expense comprises current tax and is recognised in the same component of total comprehensive income or funds as the transaction or other event that resulted in the income tax expense.

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 surplus or deficit.

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 surplus or deficit.

1.6 Equity

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

Accounting Policies

1.7 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses. Contingent assets and contingent liabilities are not recognised.

1.8 Revenue

Revenue comprises levies receivable from members. Members are obliged, by way of agreement, to contribute funds to enable the association to meet its expenditure. Levies are recognised on the accrual basis.

1.9 Government grants

Government grants are recognised when there is reasonable assurance that:

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

Government grants are recognised as other income in profit or loss over the periods in which expenses are recognised.

A government grant that becomes receivable as compensation for expenses already incurred is recognised as other income in profit or loss in the period in which it becomes receivable.

Repayment of a grant related to income is applied first against any deferred income balance recognised on the receipt of the grant. Any excess thereon is immediately recognised as an expense in profit or loss.

1.10 Investment revenue

Investment revenue is recognised, in surplus or deficit, using the effective interest rate method.

Notes to the Financial Statements

Figures in Rand	2023	2022
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2. Plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	1,082,427	(658,487)	423,940	961,230	(468,920)	492,310
Furniture and fixtures	40,968	(40,968)	-	40,968	(40,968)	-
Office equipment	61,864	(51,413)	10,452	53,950	(47,162)	6,790
IT equipment	148,362	(104,651)	43,711	148,362	(73,623)	74,738
Boat	129,244	(69,702)	59,542	129,244	(57,040)	72,203
Total	1,462,865	(925,221)	537,644	1,333,755	(687,712)	646,043

Reconciliation of plant and equipment - 2023

	Opening balance	Additions at cost	Disposals at carrying value	Depreciation	Total
Plant and machinery	492,310	139,098	(6,266)	(201,203)	423,940
Office equipment	6,789	7,914	-	(4,251)	10,452
IT equipment	74,739	-	-	(31,028)	43,711
Boat	72,202	-	-	(12,662)	59,542
	646,042	147,013	(6,266)	(249,145)	537,644

Reconciliation of plant and equipment - 2022

	Opening balance	Additions at cost	Disposals at carrying value	Depreciation	Total
Plant and machinery	596,235	77,963	-	(181,887)	492,310
Office equipment	10,559	-	-	(3,769)	6,790
IT equipment	10,596	77,199	-	(13,057)	74,738
Boat	84,865	-	-	(12,662)	72,203
	702,256	155,162	-	(211,375)	646,043

3. Trade and other receivables

Trade receivables	7,240,074	6,754,618
Less: Provision for doubtful debts (Refer to note 18)	(5,717,276)	(3,754,266)
Creditors with debit balances	3,987	127,066
Deposits	183,392	183,392
Value-Added Tax	25,574	-
Other receivables	72,535	1,268,700
	1,808,287	4,579,509

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	722,449	508,013
Short-term deposits	11,021,014	13,661,242
	11,743,463	14,169,255

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Figures in Rand	2023	2022
5. Trade and other payables		
Trade payables	1,681,409	1,593,575
Debtors with credit balances	300,683	383,613
Accruals	85,541	159,973
Deposits received	287,000	258,500
Current tax payable	-	306,160
Value-Added Tax	-	177,666
	<u>2,354,633</u>	<u>2,879,487</u>
6. Revenue		
Levies received from property owners	9,608,049	8,727,203
Levies received from primary development - DPDC	800,000	800,000
Grant income	2,448,588	2,536,167
	<u>12,856,636</u>	<u>12,063,370</u>
7. Other income		
Operating costs recovery	359,239	229,814
Sundry income	123,512	322,706
	<u>482,751</u>	<u>552,519</u>
8. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Investment revenue	<u>1,653,111</u>	<u>1,159,877</u>
Operating lease charges		
Rent	<u>413,144</u>	<u>365,544</u>
9. Investment revenue		
Interest income on call account	1,012,499	859,609
Interest income on customers accounts	640,612	300,269
	<u>1,653,111</u>	<u>1,159,877</u>

Notes to the Financial Statements

Figures in Rand	2023	2022
10. Income tax		
Major components of the income tax expense		
Current taxation		
South African normal tax - current year	323,568	306,160
	<u>323,568</u>	<u>306,160</u>
Reconciliation of the income tax expense		
Reconciliation between accounting deficit and income tax		
Deficit before income tax	(4,780,558)	(4,772,820)
Income tax at the applicable tax rate of 27% (2022: 28%)	(1,338,556)	(1,336,389)
Tax effect of adjustments on taxable income		
Non-taxable levy income	(2,914,254)	(2,667,617)
Non-taxable income	(1,183,059)	(1,125,250)
Non-deductible income and expenditure	5,759,437	5,435,416
	<u>323,568</u>	<u>306,160</u>

No provision has been made for income tax on levies as the association is exempt from income tax on members' contributions in terms of Section 10(1)(e) of the Income Act 1962, as amended. Income tax is provided on income from other sources to the extent that the income exceeds R 50,000.

Change in tax rate

The corporate tax rate was changed from 28% to 27% and considered substantively enacted on 23 February 2023. The new rate is effective for tax years ending on or after 31 March 2023.

11. Auditor's remuneration

Audit fees	81,281	72,320
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12. Cash used in operations

Deficit before income tax	(4,780,558)	(4,772,820)
Adjustments for:		
Depreciation	249,145	211,375
Investment revenue	(1,653,111)	(1,159,877)
Changes in working capital:		
Trade and other receivables	2,771,223	(2,812,905)
Trade and other payables	(218,694)	716,698
	<u>(3,631,995)</u>	<u>(7,817,529)</u>

13. Commitments and contingencies liabilities

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

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Notes to the Financial Statements

Figures in Rand	2023	2022
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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 at year end. The details of the agreements are summarised below:

Agreement 1:

Office space was leased from Durban Point Development Company Proprietary Limited (DPDC) at monthly rental of R 15 979 (2022: R 15 218) 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 January 2023 to 31 December 2023. The lease is renewed annually.

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

Less than one year	207,084	182,614
One to five years	223,651	-
More than five years	-	-
Total undiscounted lease liabilities as at 31 December	430,735	182,614

Agreement 2:

Office space for the Control Room was leased from Durban Point Development Company Proprietary Limited (DPDC) at monthly rental of R19 800 (2022: R 18 000) 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 October 2023 to 30 September 2024. The lease is renewed annually.

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

Less than one year	243,540	54,000
One to five years	196,020	162,000
More than five years	-	-
Total undiscounted lease liabilities as at 31 December	439,560	216,000

Notes to the Financial Statements

Figures in Rand **2023** **2022**

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) Limited (DPDC)	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 Body Corporate	Dustyn J Hayman is a director of DPWMA and also a trustee on the Body Corporate
The Sails Body Corporate	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

Amounts included in trade receivables

Durban Point Development Company Proprietary Limited	20,672	-
eThekwini Municipality	1,437,431	-

Amounts included in trade payables

Durban Point Development Company Proprietary Limited	(22,092)	-
Tsebo Smart Proprietary Limited	(1,587,874)	(1,473,113)
eThekwini Municipality	(3,276)	-

Related party transactions

Levy income

Durban Point Development Company Proprietary Limited	800,000	920,000
The Sails Body Corporate	925,788	967,969
Point Bay Body Corporate	608,716	635,944

Grant received

eThekwini Municipality	2,448,588	2,536,167
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Expenses

Tsebo Smart Proprietary Limited	(15,103,391)	(16,226,776)
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Recoveries

Durban Point Development Company Proprietary Limited	275,862	218,468
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City Contributions

eThekwini Municipality	2,549,980	2,864,423
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Notes to the Financial Statements

Figures in Rand **2023** **2022**

16. Government Contribution

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

Grant received	2,448,588	2,536,167
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17. Levy shortfall

Total income for the year	14,992,499	13,775,766
Less: Interest on call account	(1,653,111)	(1,159,877)
Less: Grant income from eThekweni Municipality	(2,448,588)	(2,536,167)
Less: Total expenses	<u>(19,773,057)</u>	<u>(18,548,586)</u>
	<u>(8,882,257)</u>	<u>(8,468,864)</u>

18. Provision for doubtful debts

Levy payer	5,717,276	3,754,266
	<u>5,717,276</u>	<u>3,754,266</u>

A provision for doubtful debts was raised for 3 levy payers who were in arrears to the value of R 5 717 276 (2022: R 3 754 266). The accounts have been handed over to legal for collection. Interest has been levied in accordance with company policy.

19. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2022: Rnil).

20. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the 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 resources to meet its foreseeable cash requirements. The directors are not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

21. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report that requires disclosure in these financial statements.

22. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 11 June 2024. No authority was given to anyone to amend the financial statements after the date of issue.

Durban Point Waterfront Management Association NPC
Registration number : 1998/001781/08
Financial Statements for the year ended 31 December 2023

Detailed Statement of Surplus or Deficit

Figures in Rand	2023	2022
Revenue	12,856,636	12,063,370
Rendering of services	10,408,049	9,527,203
Grant Income	2,448,588	2,536,167
Other income	2,135,862	1,712,397
Interest received	1,653,111	1,159,877
Operating costs recovery	359,239	229,814
Sundry income	123,512	322,706
	14,992,499	13,775,766
Operating expenses		
Accounting fees	-	139,336
Administration fees	-	2,121,963
Advertising	2,700	640
Auditor's remuneration	81,281	72,320
Bank charges	3,496	4,536
Cleaning	840,779	807,270
Computer expenses	8,209	68,839
Consulting fees	11,627	21,492
Courier and postage	-	660
Depreciation	249,145	211,375
Doubtful debts provision	1,963,011	1,553,651
Interest and penalties	21446	478
Insurance	162,538	140,722
IT expenses- help desk system	-	135,101
Landscaping expenses	1,099,139	1,216,007
Legal expenses	9,245	6,054
Loss on asset	6,266	-
Management fees	4,058,646	1,235,600
Operating costs for recovery	359,239	229,814
Printing and stationery	28,144	33,392
Rent	413,144	365,544
Repairs and maintenance	2,237,653	2,637,674
Secretarial fees	2,870	5,913
Security	7,187,976	6,874,039
Staff welfare	12,150	11,193
Staff uniforms	-	10,822
Telephone and fax	37,048	41,184
Water and electricity	977,307	602,966
	19,773,057	18,548,586
Deficit for the year	(4,780,558)	(4,772,820)