



DUBE  
TRADEPORT  
CORPORATION

**ANNUAL  
REPORT** 2023/24

# NAVIGATING THIS REPORT

## 6

### PROGRAMMES



ADMINISTRATION



CARGO DEVELOPMENT



PROPERTY AND SEZ ADMINISTRATION



DUBE AGRIZONE



DUBE iCONNECT



DEVELOPMENT PLANNING AND INFRASTRUCTURE

## 6

### CAPITALS



FINANCIAL CAPITAL



MANUFACTURED



HUMAN CAPITAL



SOCIAL & RELATIONSHIP CAPITAL



INTELLECTUAL CAPITAL



NATURAL CAPITAL

#### DEFINITION OF CAPITALS

- **FINANCIAL CAPITAL:** Grant funding allocated to Dube TradePort Corporation;
- **HUMAN CAPITAL:** The knowledge, skill, motivation and experience of the leadership and employees;
- **INTELLECTUAL CAPITAL:** Knowledge-based intangible intellectual property belonging to Dube TradePort Corporation, including systems, procedures, rights and licences;
- **MANUFACTURED CAPITAL:** Man-made physical infrastructure, buildings and equipment used in the production of goods or provision of services;
- **NATURAL CAPITAL:** All renewable and non-renewable environmental resources that support the current, past or future prosperity of Dube TradePort Corporation; and
- **SOCIAL AND RELATIONSHIP CAPITAL:** The relationships between Dube TradePort Corporation, communities and other stakeholders.

### OTHER ICONS



DUBE TRADEZONE/SPECIAL ECONOMIC ZONE



STRATEGIC GOALS



DUBE CARGO TERMINAL



CODE OF CONDUCT



DURBAN DIRECT



DUBE CITY



VALUES



BROAD-BASED BLACK ECONOMIC EMPOWERMENT




COVID-19



ASSETS AND OPERATIONS

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01

# FOREWORD

**Reverend Musa Zondi, MPL**

MEC: KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs

**KWAZULU-NATAL HAS EXPERIENCED SUFFICIENT ONGOING PRIVATE SECTOR INVESTMENT TO MAINTAIN ITS POSITION AS SOUTH AFRICA'S SECOND-LARGEST MANUFACTURING HUB WITH A HIGH EXPORT PROPENSITY.**

As the KwaZulu-Natal Provincial Government, we aim to capitalize on this momentum by fostering stronger partnerships with the private sector to accelerate industrialization and create jobs for our people. Among the initiatives we have championed is broad-scale investment Infrastructure, including enhancing road accessibility, expanding water provision, and improving the efficiency of our ports and airports to enable seamless connectivity to regional and global markets.

In the past five years, we have focused on enhancing infrastructure that directly impacts the effectiveness of our Special Economic Zones (SEZs) as prime destinations for attracting new domestic and foreign direct investment.

The Dube TradePort SEZ, in particular, has garnered significant interest from key operators in the manufacturing value chain across various sectors, reinforcing our commitment to making similar investments in the future.

The interest in Dube TradePort has attracted around 50 investors, now fully operational within the zone, bringing in R4.3 billion in private sector investment. This has created approximately 5,000 permanent jobs and over 51,000 indirect jobs.

Additionally, the organization has delivered 23 fully serviced industrial sites, which have seen rapid uptake, resulting in an early investment of R1.8 billion in the past 24 months.

The introduction of Dube TradePort's second phase of its light industrial development precinct has surpassed all expectations, further crystallizing its role as a catalyst for economic growth within the region.

Notably, several well-known exporters such as Samsung, Yangtze Optics Africa, LM Diapers, Tufbag, Futurelife and Conlog, which cater to markets in Asia, Europe, and the US,

are currently located within the Dube TradePort SEZ. These businesses have contributed to Dube TradePort tenants exporting goods worth R610 million in the past fiscal year.

Enhancing air connectivity has been a vital component in ensuring seamless multi-modal transit for trade, enabling the success of the Dube TradePort SEZ and other economic hubs within the province.

Considerable efforts have been made by entities led by my department, working with various stakeholders to promote route development. These sustained efforts have put in place mechanisms to effectively engage and develop sound business cases for airline operators to restore and introduce new air services into KwaZulu-Natal.

Organizations such as the Dube TradePort, in collaboration with Tourism KwaZulu-Natal, Trade and Investment KwaZulu Natal, and our airport operator, have capitalized on KwaZulu-Natal's strong reputation as an investment destination and value-for-money tourism destination to attract both international and regional airlines to Durban.

These direct air services open up substantial opportunities for new investments, businesses, trade, export potential, and an influx of international tourists. In the past fiscal year, the KwaZulu-Natal Route Development Committee introduced two new routes linking our province to key tourism and trade markets in eSwatini and Zambia.

Over the years, the Dube TradePort Special Economic Zone, which also operates the Dube Cargo Terminal, has observed that increased air connectivity between destinations directly translates into a significant rise in the movement of goods through its terminal.

This demonstrates the relationship between the introduction of new air services and the growth in trade volumes. The gradual restoration of international air services in KwaZulu-Natal has led to a substantial spike in demand for airfreight over the past two quarters of the 2023/24 financial year, resulting in a 57% increase in cargo volumes.

This uptick highlights the growing use of available capacity by the business community and the increasing number of carriers operating from Durban's King Shaka International Airport.

Against this backdrop, our future goals are clear: we aim to enhance mechanisms that drive economic development in this province, including expanding the capacity of Special Economic Zones to strengthen industrial development.

We believe we have laid a solid foundation by establishing highly functional institutions that have delivered great value to our economy. Organizations such as Dube TradePort SEZ, combined with KwaZulu-Natal's diversified business sector, are poised to propel this province on a growth trajectory.

As local and global investors seek new markets and reliable partners, destinations like KwaZulu-Natal underscore the importance of aligning policy, infrastructure, and institutions to enable effective global competition.

The government of KwaZulu-Natal, alongside our private sector partners, organized labor, and civil society, shares a collective responsibility to accelerate the growth and transformation of the economy in alignment with the National Development Plan.

Unity of thought and action is crucial for sustained economic growth and boosting investor confidence, especially in these tough economic times.

As the Provincial Government, we are encouraged by the increasing number of developmental projects initiated within the Dube TradePort. We are optimistic about the impact this organization will have across the entire KwaZulu-Natal province.

We envision a future where it contributes to introducing new sectors into our economy and creating ecosystems that support these sectors, enabling the localization of their supply chains and fostering a robust and dynamic economic future for our province.

I would like to thank the Dube TradePort Corporation Board and its executive team for their initiatives in securing strategic investments and developing crucial services and infrastructure. As a government, we believe this will lead to economic and social transformation in KwaZulu-Natal.



**Rev Musa Zondi, MPL**  
MEC for KwaZulu-Natal Economic Development, Tourism and Environmental Affairs

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## VISION

To be the leading global innovative manufacturing and air logistics platform in Southern Africa with seamless connectivity in a smart city environment.

## MISSION

- Enabling the development of an aeropolis by providing leading edge spatial planning and infrastructure
- Attracting and sustaining investment through the creation and operation of a special economic zone and related commercial zones.
- Growing business and trade through enhanced logistics and new regional and international air services connectivity.



## VALUES



The day-to-day business of Dube TradePort Corporation is conducted with honesty, integrity and in accordance with professional values, as set out below:

**PROFESSIONAL EXCELLENCE:** Being passionate about value-adding professionalism;

**UBUNTU:** Creating open, honest relationships which are built on trust, mutual respect, dignity, and fairness;

**EMPOWERMENT:** Actively embracing the economic, transformational, and developmental agendas of stakeholders;

**INNOVATION AND CREATIVITY:** Succeeding through innovative, creative, and adaptable teams; and

**SERVICE EXCELLENCE:** Providing unsurpassed service excellence of which our clients may be proud

## STRATEGIC GOALS



Dube TradePort Corporation's strategic outcomes-orientated goals include:

- Driving the development of a sustainable aeropolis to create new economic opportunities within the region;
- Operating a world-class and globally competitive Special Economic Zone, supported by high-end infrastructure;
- Securing private sector investment in targeted logistics, agri-processing, manufacturing, commercial and services sectors;
- Providing high quality competitive and sustainable services to those utilising Dube TradePort Corporation's cargo terminal property zones, facilities and commercial operations;
- Sustaining and growing cargo and air services;
- Pursuing financial sustainability by driving revenue growth and increasing operational efficiencies;
- Maintaining effective corporate governance and human capital management; and
- Ensuring the efficacy of supply chain management for radical economic transformation.



## CODE OF BUSINESS CONDUCT

A Code of Business Conduct underpins Dube TradePort Corporation's business culture and that of its staff members.

- Principles contained in the organisation's Code of Business Conduct include:
- Upholding the values of the organisation in all dealings with customers, suppliers, and stakeholders;
- Treating all people with respect and dignity, while fostering a productive environment free of harassment, intimidation, and discrimination;
- Being professional at all times;
- Refraining from using any position of power afforded by the organisation for the furtherance of self-interest or the interests of family or friends;

- Avoiding being compromised by allowing personal interests to influence business decisions, or by any conflict of interest;
- Honouring the content and spirit of any and all business transactions and agreements;
- Addressing any and all instances of crime, bribery, corruption, or inducements by adopting a policy of zero tolerance against offenders;
- Displaying the highest levels of confidentiality;
- Maintaining records in an appropriate manner and complying with all policies, procedures, and internal control systems;
- Embracing a culture of tolerance regarding diversity, especially as it applies to culture, religion, and sexual orientation.

# CORPORATION STRUCTURE

## ACCOUNTING AUTHORITY AND EXECUTIVE MANAGEMENT



PROGRAMME 1			PROGRAMME 2	PROGRAMME 3	PROGRAMME 4	PROGRAMME 5	PROGRAMME 6
ADMINISTRATION			CARGO DEVELOPMENT	PROPERTY & SEZ ADMINISTRATION	DUBE AGRIZONE	DUBE iCONNECT	DEVELOPMENT, PLANNING & INFRASTRUCTURE
Office of the CEO	Corporate Services	Finance	Executive: Business Services	Executive: Investments Kaya Ngqaka	Executive: Business Services	Executive: Business Services	Executive: Development, Planning & Infrastructure
CEO	Executive: Corporate Services	CFO					
Hamish Erskine	Nolufefe Ali	Ayesha Swalah	Mlibo Bantwini	Executive Assets & Operations: Buhle Shandu	Mlibo Bantwini	Mlibo Bantwini	Owen Mungwe



# 04

## OVERVIEW

DUBE TRADEPORT SPECIAL ECONOMIC ZONE



**DUBE TRADEPORT CORPORATION IS A BUSINESS ENTITY OF THE KWAZULU-NATAL PROVINCIAL GOVERNMENT AND IS TASKED WITH DEVELOPMENT OF DUBE TRADEPORT SPECIAL ECONOMIC ZONE, A HIGHLY COMPETITIVE BUSINESS OPERATING ENVIRONMENT AND HOME TO KING SHAKA INTERNATIONAL AIRPORT.**

In so doing, it strives to meet the primary objectives of the National Development Plan, the Medium-Term Strategic Framework and the Provincial Growth and Development Plan by providing an enabling environment to attract new private sector investment and to facilitate an integrated logistics platform.

Strategically located on South Africa's east coast between the key seaports of Durban and Richards Bay, and some 30km from the Durban city centre, Dube TradePort Special Economic Zone is a 'Greenfield' development of more than 3 800ha.

### DUBE TRADEPORT SPECIAL ECONOMIC ZONE COMPRISES

#### DUBE TRADEZONE

Dube TradeZone is a designated Special Economic Zone and comprises fully serviced industrial real estate for, especially, manufacturing, assembling, air-related cargo distribution, high-tech aerospace services, electronics, and pharmaceuticals production, automotive, clothing, textiles, cold-storage, warehousing, distribution, and logistics.

Dube TradeHouse is located within this precinct and provides a single, dedicated facility for the benefit of freight forwarders and shippers. It's position adjacent to Dube Cargo Terminal, affords the facility airside access via an elevated cargo conveyor air bridge connection directly to Dube Cargo Terminal.

## DUBE CARGO TERMINAL



Dube Cargo Terminal is a state-of-the-art facility, purpose built to be the most secure in Africa. Digital tracking, secure cargo, and the on-site location of a full suite of the requisite statutory bodies ensures the quick turn-around and exceptionally efficient processing of cargo

## DUBE AGRIZONE



Dube AgriZone is a designated Special Economic Zone and offers world-class agricultural facilities and technical support for the propagation, growth, packing and distribution of a wide range of high-value perishables and horticultural products by way of a thoroughly efficient supply chain, which displays the necessary agility required to ensure delivery to local, regional, and international markets. The facility comprises 16 hectares of glass greenhouses, a plant nursery and Dube AgriLab, which is a sophisticated, state-of-the-art tissue culture laboratory designed for the propagation of improved plant stock, as well as Dube AgriHouse office space.

Individual growers active within this facility operate four dedicated Packhouses, one for each greenhouse. The said infrastructure is designed to handle all post-harvest requirements, such as pre-cooling, washing, grading, sorting, and packaging. The Packhouses play a key role in ensuring shelf-readiness immediately upon departure from Dube AgriZone.

## DUBE CITY



Dube City is a premium 12-hectare office, retail and hospitality precinct located in an urban 'green' hub immediately adjacent to King Shaka International Airport. The evolving Dube City, a three-minute drive from the airport's passenger terminal, is home to Dube TradePort Corporation's head office, 29° South, with additional developments currently under construction.

## DUBE iCONNECT



Dube Trade Port Special Economic Zone has in place a dedicated Information Technology and Telecommunications provider, Dube iConnect. This facility delivers Infrastructure-as-a-Service, inclusive of regional disaster recovery.



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# BOARD OF DUBE TRADEPORT CORPORATION

## STRUCTURE AND RESPONSIBILITIES

Dube TradePort Corporation's Board is structured so as to provide a diversity of skills and experience relevant to the organisation's business operations and the disparate environments in which it is active, whilst concurrently ensuring effective inter-Governmental co-operation and collaboration.

As at 31 March 2024, the Board of Dube TradePort Corporation consisted of seven non-executive members and one executive member, namely the Chief Executive Officer.

## BOARD RESPONSIBILITIES AS PER THE BOARD CHARTER

In line with the Dube Trade Port Corporation's annually reviewed Board Charter, the Board is responsible for:

- Ensuring that the strategic planning, establishment, design, construction, operation, management and control of Dube TradePort is effectively performed by management;

- Implementing and activating the master plan for the economic growth of Dube TradePort and KwaZulu-Natal;
- Managing and utilising resources in accordance with the objects and requirements of the master plan;
- Ensuring that risks associated with the strategy have been thoroughly assessed by management, and that effective risk management and internal control exists;
- Providing effective leadership on an ethical foundation and ensuring that Dube TradePort Corporation's ethics are effectively managed;
- Ensuring that Dube TradePort Corporation is, and is seen to be, a good corporate citizen;
- Assuming responsibility for IT governance;
- Ensuring that there an effective risk-based internal audit is in place;
- Ensuring that Dube TradePort Corporation complies with all laws and regulations; and
- Ensuring stakeholder communication through the integrity of the Annual Report.

## DETAILS OF INDEPENDENT NON-EXECUTIVE BOARD AND COMMITTEE MEMBERS

**Name:** Mpumelelo Gift Mahlase Zikalala

**Gender and Race:** African Male

**Age:** 38

**Designation:** Board Chairperson

**Qualifications:** Bachelor of Law (LLB)

**Name:** Paulos Ngcobo

**Gender and Race:** African Male

**Age:** 61

**Designation:** Board Deputy Chairperson  
Investment Committee member

**Qualifications:** Dip. Special Human Resources  
Dip. Labour Economics

### OTHER MEMBERSHIPS/DIRECTORSHIPS

- BEIER Group of companies
- Abandoawonye Trading CC
- Transman SA Pty Ltd
- Cornubia Square Pty Ltd
- Uniplate Pty Ltd

### OTHER MEMBERSHIPS/DIRECTORSHIPS

- Zikalala Attorneys
- Zikalala Corporation Pty Ltd
- Ezimoti Agricultural Primary Co-Op Limited
- Wakili Pty Ltd
- Zikalala Pty Ltd
- Liberty Lane Trading 379 Pty Ltd
- Use It Waste Beneficiation
- E-Vend Pty Ltd
- Aldabri 29 Pty Ltd
- wen Adendorff and Associates Pty Ltd
- Westmead Oil Pty Ltd
- Upper Highway Investments Pty Ltd
- Gap Plastics Pty Ltd
- Dormatorque Pty Ltd
- Aktiv Property Development Pty Ltd
- Etapicname Pty Ltd
- Fulele Investments Pty Ltd
- Isibaya Strategic Investments Pty Ltd

**Name:** Linda Ngcobo  
**Gender and Race:** African Female  
**Age:** 55  
**Designation:** Board Member  
**Qualifications:** CA (SA)

#### OTHER MEMBERSHIPS/DIRECTORSHIPS

- Mashiya Beef Studs cc
- Tegwen Agencies Corporate Clothing and Premium Gift Specialists cc
- Africandi Business Solutions cc
- South African Cargo Services cc
- African Investments 265 Pty Ltd
- 1st Verification Networx Pty Ltd
- Frey's Food Barnds Pty Ltd

**Name:** Nokhane Moerane  
**Gender and Race:** African Female  
**Age:** 64  
**Designation:** Board Member  
**Qualifications:** B. Comm, B. Law, B. Laws

**Name:** Zahid Fakey  
**Gender and Race:** Indian Male  
**Age:** 48  
**Designation:** Audit and Risk Committee Chairperson (Independent)  
**Qualifications:** CA (SA), Registered Auditor B. Comm (Hons) (Accounting), CISA

**Name:** Yunus Goolam Hoosen  
**Gender and Race:** Indian Male  
**Age:** 48  
**Designation:** Board Member  
 Appointed 27 July 2023  
**Qualifications:** B. Adm, B.Comm (Hons)

**Name:** Lucky Sifiso Gabela  
**Gender and Race:** African Female  
**Age:** 64  
**Designation:** Board Member  
**Qualifications:** MBA, Post Grad Dip Econ Principles

**Name:** Richard Vallihu  
**Gender and Race:** Indian Male  
**Age:** 58  
**Designation:** Board Member  
**Qualifications:** MBA, Fin Man (Diploma) B. Sc (Hons)

- S'dinane Logistics Pty Ltd
- Centra Fire Pty Ltd
- Surgolinx Pty Ltd
- Moiscore Pty Ltd
- Taiostyle Pty Ltd
- Centa Fire Protection Equipment Pty Ltd
- Phambili Port Services Pty Ltd
- Brey Brey Fuels Pty Ltd
- Ilembe Energy Pty Ltd
- Durban ICC
- Omashenge Properties Pty Ltd
- Wothonya Pty Ltd
- Maternal Adolescent and Child Health Institute NPC
- Inovative People Solutions cc
- Ndame Investments Pty Ltd
- EL.W.EN Pty Ltd

#### OTHER MEMBERSHIPS/DIRECTORSHIPS

- MTK Moerane Investments Pty Ltd
- Nestlife Assurance Corporation RF
- Endla Ecumenical Development Services of Africa
- CBD Biotechnologies Pty Ltd

#### OTHER MEMBERSHIPS/DIRECTORSHIPS

- National Bioproducts Pty Ltd
- Albaraka Bank Limited
- Unplugged Enterprises Pty Ltd
- ZKR Capital Pty Ltd
- WefeedSA NPC

#### OTHER MEMBERSHIPS/DIRECTORSHIPS

- Acting DDG Investment Promotion & Intergovernmental Clearing House (IPICH)

#### OTHER MEMBERSHIPS/DIRECTORSHIPS

#### OTHER MEMBERSHIPS/DIRECTORSHIPS

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## CHAIRPERSON'S MESSAGE

**Mr Mpumelelo Zikalala**

Chairperson of the Board of Dube TradePort Corporation

**THE BOARD OF DUBE TRADEPORT CORPORATION IS PLEASED WITH THE ORGANISATION'S OVERALL PERFORMANCE AS WE CONTINUE DELIVERING ON THE ORGANISATION'S 50-YEAR MASTER PLAN. WE HAVE MADE SIGNIFICANT PROGRESS IN DEVELOPING OUR PRECINCTS AND ATTRACTING PRIVATE INVESTMENT.**

Recently, we launched the second phase of our light industrial development zone, Dube TradeZone 2 which has generated great interest from the manufacturing sector. At this stage, a number of our precincts are entering the second phase of their development, while others are at an advanced planning stage, with Environmental Impact Assessments having been submitted. Once approved, these will clear the way for new development projects to get underway.

This has been achieved in spite operating in a tough economic climate, demonstrating Dube TradePort's resilience, and its capability of making measured and prudent decisions that have resulted in a steady recovery over the past four years, and enabled the organisation to reach 83.9% of its performance targets.

In the past year, Dube TradePort Corporation has seen an improvement in its operational performance. Our Cargo and Property businesses have exceeded their growth targets, while other areas are showing more modest growth.

As a Board, we recognise the importance of establishing the direction and strategy of the business, ensuring that it aligns with the values and interests of all our stakeholders. We have also demonstrated our commitment to the organisation's effort to strengthen its capacity. In 2019, we initiated an organisational change process to enable the organisation to better serve its stakeholders, and we are currently recruiting the relevant positions to support Dube TradePort's strategic goals going forward.

The organisation's strong performance metrics at the end of this financial year are the result of consistent monitoring and evaluation of the implementation of the business strategy by its management, which we oversee as the Board. For us as the Board of Dube TradePort Corporation, this has involved setting performance standards for which we can hold management accountable for.

This has created an organisation with clear targets, resulting in it achieving 83.9% of its the targets, outlined in its Annual Performance Plan, this year. This success can also be attributed to proactive interventions to systematically address challenges that might have impacted organisational performance in the passed.

Moreover, we take great pride in managing a company that has reliable and strong procedures in place to guarantee accurate reporting and delivery, especially in terms of the integrity of our supply chain management procedures, which continue to be essential to the success of our operations. Here, effective compliance with the Public Finance Management Act and all other Treasury Notices, and legal regulations has been ensured by the establishment of good governance and the maintenance of a solid framework of rules, procedures, and controls.

We have, furthermore, demonstrated a commitment to Broad-Based Black Economic Empowerment, by initiating programmes that have contributed to the acceleration of transformation in the sectors within which we operate. These initiatives have seen Dube TradePort Corporation maintain the BBEE Level 2 scorecard, reflecting our commitment to meaningful economic empowerment. Additionally, we continue to support businesses, especially Small, Micro, and Medium Enterprises (SMMEs), particularly in the manufacturing sector. Our success can be seen in developments such as LM Diapers, HR Matters Properties and Synergy Blenders, which are growing their operations within our industrial precinct, and emerging as Black Industrialists.

The past four years have seen significant airline restructuring and a lack of aircraft following the pandemic, both of which have had a detrimental impact on air services to Durban, which are essential for trade and investment. Nonetheless, the Dube Cargo Terminal handled 14 424 tonnes of freight last year alone, demonstrating a consistent rise in the volume of air cargo handled. Of this, more than 900 tonnes were perishable items meant for Middle Eastern and European export markets. Increased belly-hold capacity has become available due to the gradual reintroduction of passenger flights, which is being used mostly for airfreight from KwaZulu-Natal as a dedicated freighter service is not yet available. Overall, the results, thus far, show that there is a significant need for airfreight in this market, both now and in the future.

The KwaZulu-Natal Route Development Committee under the banner of Durban Direct, continues to work with airline operators to attract new routes into the province. Some of the key successes this year have included launching regional routes from Lusaka -Zambia and Manzini-Eswatini into Durban. Efforts to restore more air services into KwaZulu-Natal are ongoing.


Furthermore, Dube TradePort Corporation together with our partners continue to deliver on the development of the Durban Aerotropolis Master Plan.

Through negotiation and engagement, we have reached key milestones that enable the planning and implementation of a programme of capital projects required to see the development of the necessary civil infrastructure.

As the Board, we lead this organisation with a sound ethical foundation that ensures good corporate citizenship. In this light, we have supported programmes that protect and preserve our natural, and human resources. The organisation has thus had a long-standing site-wide rehabilitation project that has had a huge impact in restoring natural flora and fauna in the land holdings of Dube TradePort, and worked as an offset for the industrial and infrastructural development activities that are undertaken within the precinct.

In conclusion, I want to express my gratitude to the Leader of Government Business and the KwaZulu-Natal MEC for Economic Development, Tourism, and Environmental Affairs, Reverend Musa Zondi, for his support and guidance, as we oversee the development of this mega project.

I also extend my thanks to my fellow Board members for their valuable and diverse expertise which they contribute tirelessly for the benefit of this organisation. To the management of Dube TradePort Corporation, I appreciate the insight you always provide and the open and responsive approach to our engagements that has fostered a positive working relationship during our tenure. I am, furthermore, grateful to the staff of Dube TradePort for their dedication, which has been essential to the organisation's growth and resilience, especially during challenging economic conditions. I am confident that we will continue this momentum as we work to secure the future.



**Mr Mpumelelo Zikalala**  
Chairperson of the Board of Dube TradePort Corporation

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# 07

# VALUE CREATION

CAPITALS		VALUE ADDING ACTIVITIES
 <p><b>FINANCIAL CAPITAL</b> Funding received from Provincial government.</p>	<ul style="list-style-type: none"> <li>• R283 million funding received in the form of Government grants;</li> <li>• Designated Special Economic Zone; and</li> <li>• Tenant and investor confidence.</li> </ul>	<ul style="list-style-type: none"> <li>• Air services strategy and route development;</li> <li>• Focus on financial sustainability and update of financial sustainability model; and</li> <li>• Construction of both revenue generating and enabling infrastructure projects.</li> </ul>
 <p><b>MANUFACTURED CAPITAL</b> R5.38 billion in assets constructed.</p>	<p>Assets include:</p> <ul style="list-style-type: none"> <li>• Bulk infrastructure;</li> <li>• Cargo Terminal;</li> <li>• 16 ha of greenhouses;</li> <li>• Dube iConnect equipment; and</li> <li>• Buildings, plant and equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of Dube TradeZone 2 and AgriZone 2;</li> <li>• 435 913 m<sup>2</sup> land and buildings leased in Dube TradeZone and Dube City;</li> <li>• Careful scheduling of work and resources in Dube Cargo Terminal and Dube AgriZone;</li> <li>• Execution of planned maintenance programmes.</li> </ul>
 <p><b>HUMAN CAPITAL</b> Our 212 skilled and experienced employees enable us to meet our mandate and our stakeholders' requirements.</p>	<ul style="list-style-type: none"> <li>• Positive employee relations with a diverse and representative workforce; and</li> <li>• Skilled employees.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular meetings with shop stewards and representatives of Trade Unions;</li> <li>• Supplier and enterprise development;</li> <li>• Granting bursaries;</li> <li>• Implementation of the Employment Equity Plan;</li> <li>• Approval and review of various Human Resources policies; and</li> <li>• Review of results of the Employee Engagement Survey to continuously improve the work environment.</li> </ul>
 <p><b>SOCIAL AND RESPONSIBILITY CAPITAL</b> Close integration with our tenants, suppliers and the community around us.</p>	<ul style="list-style-type: none"> <li>• Empowerment of suppliers and members of the wider community.</li> <li>• Engagement with communities;</li> <li>• Collaborative partnerships; and</li> <li>• Special Economic Zone incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• Timely reporting to regulators, as per the PFMA and other requirements;</li> <li>• Approval of Special Economic Zone Enterprises by Board;</li> <li>• Implementation of Corporate Social Investment initiatives;</li> <li>• Customer survey undertaken;</li> <li>• Execution of approved B-BBEE strategy and implementation plan;</li> <li>• Pre-determined criteria included in procurements focused on empowering previously disadvantaged service providers; and</li> <li>• Implementation of enterprise and supplier development initiatives.</li> </ul>
 <p><b>INTELLECTUAL CAPITAL</b> Policies, systems and procedures drafted, reviewed for relevance and implemented.</p>	<ul style="list-style-type: none"> <li>• Strong governance and compliance culture;</li> <li>• Appropriately skilled employees;</li> <li>• Robust supply chain process; and</li> <li>• Well-regarded brand and reputation.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular Board meetings attended by representative Department of Economic Development, Tourism and Environmental Affairs;</li> <li>• Employee Engagement Survey undertaken; and</li> <li>• Marketing campaigns completed during the year.</li> </ul>
 <p><b>NATURAL CAPITAL</b> The natural resources located on our landholdings are managed in a responsible and compliant manner.</p>	<ul style="list-style-type: none"> <li>• 3 526ha of land managed; and</li> <li>• Energy, water and natural eco-systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Air and water quality monitored throughout the precinct;</li> <li>• 8 662m<sup>2</sup> of solar panels in Dube AgriZone; and</li> <li>• Energy management project underway.</li> </ul>

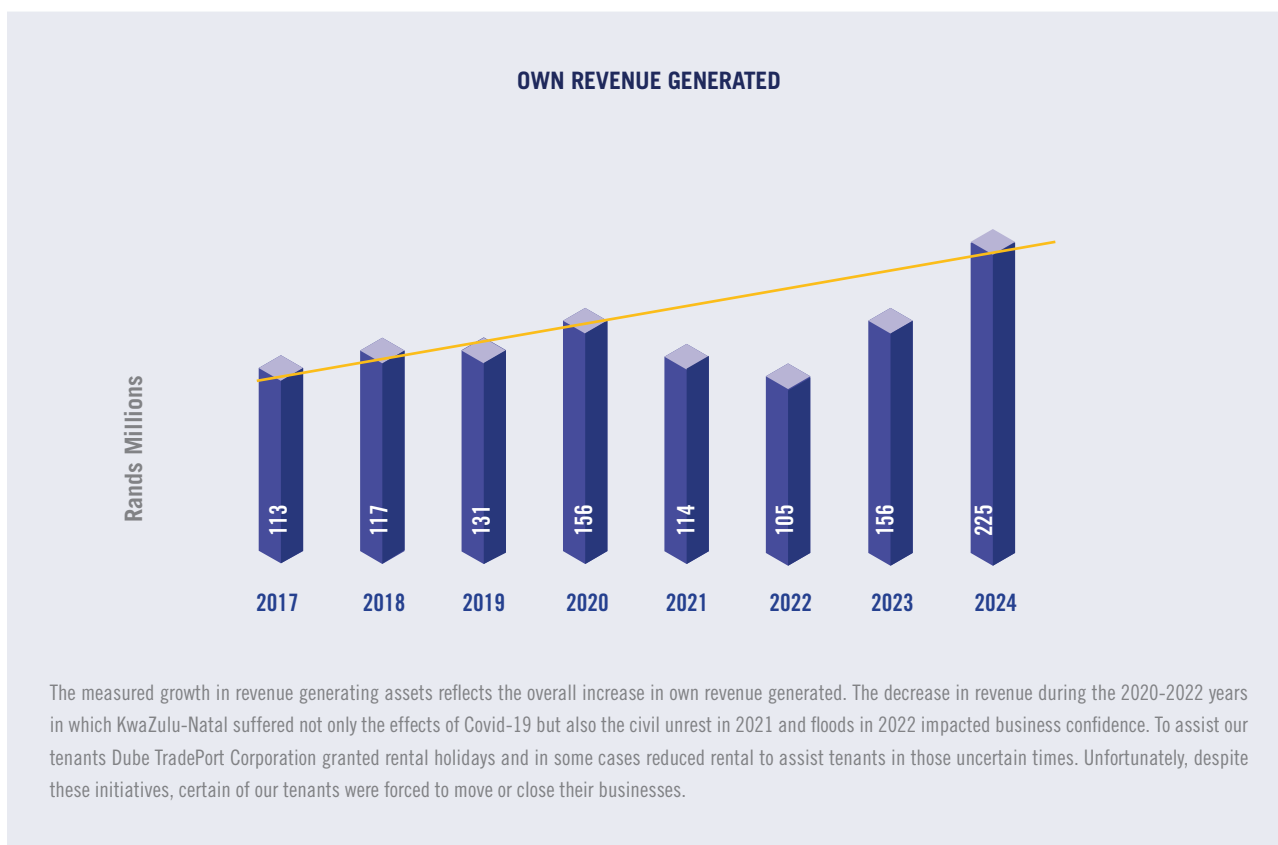
Our value creation, using the six capitals results in the delivery of the following key areas:

- Increased investment and export potential;
- Increased active participation of black people in the economy; and Sustainable development and operation of the Dube TradePort.
- These key delivery areas are aligned to the priorities of the Provincial Growth and Development Strategy to build a capable, ethical developmental state, ensure economic transformation and job creation and to ensure spatial development with human settlements and local government.

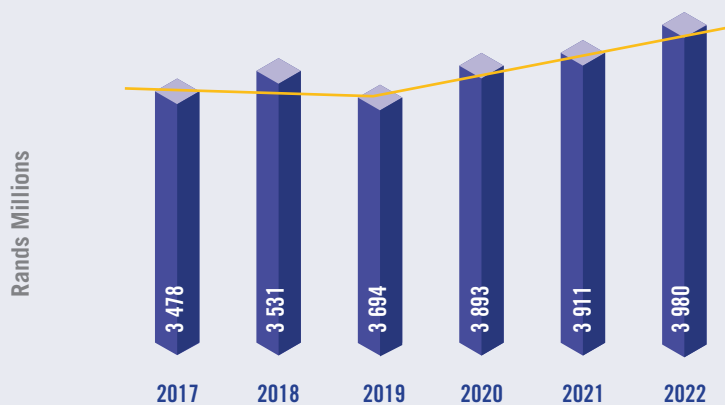
View the Environmental, Social and Corporate Governance highlights at a glance.

	VALUE CREATED	FUTURE VALUE CREATION
	<ul style="list-style-type: none"> <li>• Direct international flights landing in Durban;</li> <li>• R232 million own revenue generated including</li> <li>• R68.6 million of revenue earned from all properties leased;</li> <li>• R9.2 million of revenue earned by Dube iConnect.;</li> <li>• R24 million of revenue earned from cargo and AiRoad services;</li> <li>• 45.4% costs covered by own revenue;</li> <li>• R242.6 million capital expenditure on infrastructure projects during the year.</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of new revenue creation opportunities and introduction of considered cost reduction initiatives.</li> </ul>
	<ul style="list-style-type: none"> <li>• 14 424 tonnes of cargo processed through Dube Cargo Terminal;</li> <li>• R45.96 million of produce was grown and/or handled in Dube AgriZone; and</li> <li>• 89.0% occupancy of all buildings owned by Dube TradePort Corporation.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of quality and fit-for-purpose assets with pro-active asset management to attract investors.</li> <li>• Planning and development of the Durban Aerotropolis Master Plan continues.</li> <li>• Implementation of phase 2 of the master plan including construction of the Automotive Supplier Park and other strategic projects.</li> </ul>
	<ul style="list-style-type: none"> <li>• 98% achievement of employment equity targets;</li> <li>• 97% of employees took part in Employee Engagement Survey</li> <li>• Partnership with ICAS;</li> <li>• R3.8 million spent on training employees;</li> <li>• 97.6% black employees; and</li> <li>• 45% female representation.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuation of the journey as to become “employer of choice” with engaged and fulfilled employees. 71% of employees were recorded as engaged by the independent survey undertaken.</li> <li>• Finalisation of the organisational structure fit for a world-class entity.</li> </ul>
	<ul style="list-style-type: none"> <li>• Level 2 B-BBEE scorecard maintained;</li> <li>• 85.9% of procurement expenditure undertaken with 51% black-owned and 31% black women-owned companies; and</li> <li>• R499 809 spent on training activities provided for suppliers and would-be suppliers, aimed at improving the business skills of black-owned SMMEs; and</li> <li>• R72.8 million spent on construction with EMEs and QSEs.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuation as an agent of transformational change in the community. Resulting in increased active participation in the economy by black people.</li> </ul>
	<ul style="list-style-type: none"> <li>• 23.8 million people reached through digital marketing and communication;</li> <li>• Clean audit opinion; and</li> <li>• 93.5% implementation of ICT governance framework and policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of robust business continuity plans to withstand disruption to business caused by external events.</li> </ul>
	<ul style="list-style-type: none"> <li>• 229.3 hectares of land rehabilitated or maintained;</li> <li>• 20% of energy used in the greenhouses obtained from renewable sources; and</li> <li>• 44.4 million litres of water able to be stored in our ponds.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of common utilities facility in Dube TradeZone 2, using sustainable clean energy from gas and solar power.</li> <li>• Ongoing rehabilitation of land as required by the Environmental Authorisation to offset damage caused to the natural resources by construction projects.</li> </ul>

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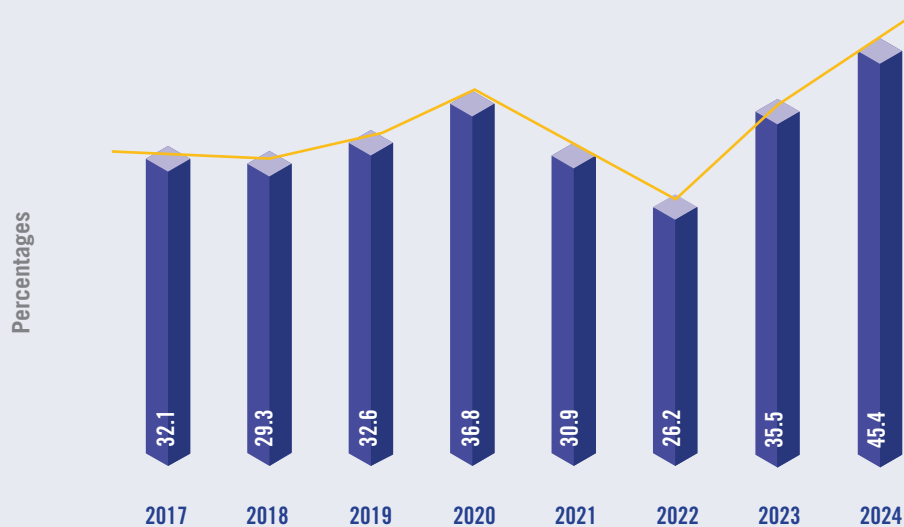


### OPERATIONAL EXPENDITURE



Whilst operational expenditure has increased, the rate of increase is slower than the increase in revenue. We have ensured that sharp focus on the reduction and efficient use of resources has led to an improvement in our sustainability. This is particularly evident in both 2023 and 2024 financial years.

### PERCENTAGE OF OPERATING COVERED BY OWN REVENUE





09

# CHIEF EXECUTIVE OFFICER'S REVIEW

**Mr Hamish Erskine**  
Chief Executive Officer  
Dube TradePort Corporation

**NOT WITHSTANDING TOUGH ECONOMIC CONDITIONS WITHIN THE COUNTRY, WE HAVE MADE A SIGNIFICANT RECOVERY IN ACHIEVING MANY OF OUR TARGETS.**

The increase in revenue in the previous financial year, to almost pre-Covid levels, signaled a recovery of our operations and gave rise to cautious optimism and this trend has continued into the current year. Cargo revenue has returned to pre-Covid levels as the global airline industry recovers, occupancy continues to remain at please levels and enquiries from potential investors are steady.

The property revenue target of R50 million was exceeded by 37.2% which is particularly pleasing in a recovering economy. Whilst in other areas of the business recovery is slower, the increase in revenue, however small is encouraging and underlines the commitment and efforts of our staff both in their own areas and as a collective.

## OVERALL PERFORMANCE



There has been a strong management focus to achieve the targets in the Annual Performance Plan which has paid off as this year we met or exceeded 83.9% of the targets. Following the performance of the year ended 2022/2023, interventions were introduced to ensure that challenges were detected early and addressed so that, where possible, they were resolved and did not adversely impact on the organisational performance. The hard work has paid off.

We continue to ensure that those challenges that remain are reviewed to ensure that they do not follow us into the future.

## ADMINISTRATION



Own revenue increased by **43.9%**  
→ **R232.4 million**

The significant increase due mostly from the increase in rentals received from property rentals. Whilst revenue increases, we are also focused on increasing our operational efficiency. This is monitored via our sustainability target which measures the percentage recovery of operational costs that are covered by our own revenue.



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This rose from 35.5% in 2022/23 to 45.4% in 2023/24. The increase is indicative of the efforts and determination of the employees to increase revenue and to ensure that the operations are carried out in the most cost-effective manner.

With regard to the increase in general expenses to R228 253 089 (2023: R194 530 749), an amount of R94.7 million is attributed to the increase in municipal rates. The rates and utilities expense item accounts for 41.7% of our general expenses. As reported last year, Dube TradePort Corporation continues to have engagements with the eThekweni Municipality on this matter, a reduction in this material expense would positively impact the operating expenses.

### SUPPLY CHAIN MANAGEMENT

We are pleased to report that we have robust and resilient supply chain management processes in place. During the year under review, we continued with a project to automate more of our supply chain processes, with a view to increasing efficiency in the process. We did not receive any unsolicited bid proposals during the review period.

### ROLL-OVER FUNDS

All surplus funds remaining from the prior year were approved for utilisation in the 2023/24 financial year. The majority of funds rolled-over related to accrued expenses and were spent during the year.

### BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Dube TradePort Corporation remains committed to achieving economic transformation in all our activities. During the past year we were pleased to have maintained our Broad-Based Black Economic Empowerment score of Level 2.

Management continues to work on those areas in which we have scored lower than desired points, with the intention of not only improving our scorecard, but also being the agent of meaningful economic empowerment within our community.

Dube TradePort Corporation achieved 98% of its overall Employment Equity target, included in the Employment Equity Plan. 3.85% of our workforce comprises people living with disabilities.

Females account for **48%** of the entire workforce and **98%** of the female workforce is black.

Each year, Dube TradePort Corporation provides temporary employment to young graduates in the form of learnerships and internships. We are continually impressed by the high calibre of these graduates and, where possible, we set out to employ the highest performers at the conclusion of their internships or learnerships. However, many of these young people find permanent employment with other employers before their internships are concluded. We take this as a compliment that the period spent with Dube TradePort Corporation stands them in good stead to kick-start their careers. We are pleased to report that approximately 88% of our procurement expenditure is conducted with targeted companies, including 51% black-owned enterprises, qualifying small enterprises, exempt micro- enterprises and 30% black women-owned businesses. This indicates our commitment to real and meaningful economic transformation.



Revenue earned from properties increased by **98%**

from R59.7 million earned in the 2022/2023 financial year to R68.6 million earned in the year under review. In the current subdued economic conditions, this is an excellent achievement, and the future looks bright with a strong pipeline.

There is a significant improvement in occupancy from **73.4%**  **88.9%** in the current year

Lease renewals and/or extensions with existing tenants demonstrates the commitment by long standing tenants to continue their business relationships with Dube TradePort Corporation.

The following factors contributed to the increased occupancy:

- We continued the provision of rent-free beneficial occupation/tenant installation periods for qualifying tenants;
- Four new mini-factory leases were concluded in the current financial year;
- Two new leases were concluded at the Dube TradeHouse and nine existing tenants renewed their leases tenants;
- Air Chefs re-opened their airline catering facility and are operating albeit at reduced capacity; and
- The lease of two properties within TradeZone 1.

Other the following factors must also be considered:

- Several tenants are struggling to meet rental payments due to poor trading conditions and financial challenges resulting in requests for rental concessions/waivers/below market rentals;
- Businesses funding delays and high start-up costs experienced by small enterprises;
- High cost of doing business in KwaZulu-Natal including very high municipal rates;

The marketing campaign for properties, involved communications on several platforms including at the South African Institute of Black Property Practitioners, South African Property Owners Association and Manufacturing Indaba annual conferences in the second half of the financial year.

During the year, there was a steady increase in the enquiries from new sectors which encompassed renewable energy, cannabis, plastics and recycling as well chemicals. The demand from the renewable energy sector was exacerbated by the energy crisis in the country. Leads on AgriZone have remained steady with the demand still led by the Cannabis sector.

Although we continue to offer support to businesses in particular Small, Micro and Medium Enterprises (SMMEs) to assist unlock funding, access to market and other government related support measures, these issues remain a big challenge for both the business conversion rate and sustainability of the businesses.

TradeZone 2 continues to draw significant interest, especially within the manufacturing sector, signaling a robust demand for pre-built structures among investors. This demand has catalyzed plans for speculative build developments within TradeZone 2. To meet this demand, we are constructing facilities, ranging from 1 000 to 10 000 square meters, catering for medium and large investments. The first buildings are projected for occupancy in the next financial year.

In the financial year, TradeZone 2 achieved notable milestones. LM Diapers and HR Matters Properties completed construction, while Synergy Blenders and Yangtze Optics Africa Cable are currently under development. Additionally, TradeZone 1 welcomed new tenants Barrows, Gemtoll, and Visible Worx, enriching the business landscape.

In the coming financial year, the management team will reassess the Investment Promotion Strategy to align it with the demand from emerging sectors and ensure it is aligned with the Country Investment Strategy. Promotion initiatives will concentrate on targeted marketing and collaboration with business stakeholders and government entities to attract new investments. Moreover, facilitation services will remain a priority to assist investors in securing funding. We will intensify investment promotion and marketing efforts, focusing on properties like Iziko office and retail building, spec builds in TradeZone 2 and targeted marketing for land leases.

Dube TradePort Corporation will persist in identifying new investments and emerging opportunities through collaborations with government entities and private and government funding institutions. This includes intensifying investment promotion and facilitation to strengthen the investment pipeline, embracing the post-pandemic “way of working” by organizing online roadshows and webinars to market the precinct, prioritizing investor aftercare, finalizing the investment promotion strategy aligned with the Country Investment Strategy and incorporating upcoming sectors, and collaborating with internal departments to enhance the “ease of doing business,” including implementing an online application process and streamlining access to information.

## ASSETS AND OPERATIONS



During the year under review, Assets and Operations commenced the journey of capacity building in line with the approved organisational structure and budget.

Our security services continue to collaborate with the broader security cluster at based at the King Shaka International Airport to provide the best security levels to position the Special Economic Zone as a secure investor friendly location. During the year under review, we concluded a procurement for security systems upgrades, which will strengthen the CCTV and access control with smart AI enabled capabilities.

We concluded our energy assessments and obtained energy performance certificates, as required by the Energy Performance Regulation passed by the Minister of Department of Mineral Resources and Energy. Dube TradePort Corporation is one of the few organisations to achieve this compliance a year ahead of the gazetted compliance date of December 2025.

## DUBE CARGO TERMINAL



The Cargo Terminal processed 14 424 tonnes of cargo, demonstrating above average and steady growth of air cargo volumes in the market. Significantly, more than 900 tons of perishable export cargo was handled during the fruit export season, as a result of extensive cargo development activities and collaboration with airlines and freight forwarders, in line with the Cargo Development Strategy. The revenue performance of the Dube Cargo Terminal also grew to a recorded revenue of

**R24.01 million**  
during the period

Dube Cargo Terminal maintained above average levels of SLA performance over 99% during the period, as measured by customer airlines. Careful resource planning and allocation was key to achieving satisfactory SLA performance in conjunction with close collaboration with customer Airlines to meet their changing needs. The SACAA Licence was maintained throughout the year with multiple audits from the Regulator, as well as audits from the Airlines evaluating Aviation Security standards.

Dube AiRoad continued to service the local delivery market connecting Dube Cargo Terminal to the commercial centres in the Province, providing much needed first and last mile services to customers.

## DUBE iCONNECT



With a lower than anticipated initial base revenue, Dube iConnect saw an increase of 12.2% from the previous financial year's revenue figures. With an average of more than 5% increase on quarter-to-quarter recurring revenue. This is well above the industry compounded average of 6.2% expected between 2023 and 2030 as projected by Zion Market Research recent evaluations for the global information and communications technology market.

Dube iConnect did experience a drop-off in revenue in the last quarter, this was due to the migration of one of the resellers onto their own equipment offsite and this had been anticipated to happen for some period of time. We continue to be impacted by tenant migrations caused by an increased debt load, which cause them to close operations.

Global supply chains have eased somewhat, but availability of certain ICT materials and constantly fluctuating and drastically increasing pricing continued to affect the ICT sector in some niche segments. Dube TradePort Corporation is not immune to these external pressures. The Dube iConnect team continues to closely monitor the net impact on financial sustainability and replaces operationally inefficient or cost inefficient resources where the opportunity arises. This monitoring and adjustment forms part of an ongoing operational efficiency project.

## DUBE AGRIZONE



Despite operational challenges faced by some operators, approximately R45 million worth of fresh produce was produced and handled by Dube AgriZone operators during 2023/24 year.

This is an indication that the sector is slowly returning to pre-Covid conditions, as input costs largely driven by cost of fertiliser have slightly reduced when compared to previous years.

Although occupancy levels for greenhouses and packhouses were maintained at approximately 96.3% for the year, two lease agreements expired early in 2024 and Dube TradePort Corporation is in the process of soliciting proposals to enter into new agreements with new operators.

Provision of operational services such as maintenance of greenhouses and packhouses continued, but at a reactive approach emanating from historical backlogs due to staff shortage. A drive to replace major assets that have reached end of life was initiated with procurements for replacement of greenhouse growing gutters and cloth screens. These will be replaced in the future, in order to bring the facilities to their original conditions.

Although the landscaping and rehabilitation programme was affected by staff shortages due to promotion of our staff members to other divisions of the entity as well as natural attrition; it managed to achieve its target, as approximately 229.3 ha of land owned by Dube TradePort Corporation was rehabilitated and maintained in line with the requirements of the Environmental Authorisation.



Revenue earned from plant sales increased by 113% as compared to the previous financial year. Despite lower than targeted revenue, AgriLab production capabilities were increased by more than 65%. An increase in number of plants delivered to growers and farmers was achieved as compared to the previous year. This increase in the production capabilities as well as the increased production bodes well for future growth.

During the year, plants produced were supplied to local sugarcane growers, small scale farmers, private succulent growers and a bamboo private developer for a pilot project aimed at developing a climate-conscious agroforestry project in Mpumalanga.

Two successful research and development projects were conducted during the year and the two new products will be added to AgriLab's list of product offerings. Initiation, multiplication, rooting, and hardening off trials were completed successfully towards the development of micropropagation protocols for both the Spekboom (*Portulacaria afra*) a nutrient-rich native plant endemic to South Africa that carries medicinal benefits and is ideal for offsetting harmful carbon emissions from the atmosphere and Red Dragon Flower Plant (*Huernia schneideriana*) a succulent plant ideal for ornamental purposes and the commercial market.



The Development, Planning and Infrastructure Division is currently working on new capital projects, the submission of the basic assessment for the TradeZone 2 offset wetland rehabilitation as well as upgrading and rehabilitating assets.

In the year under review, the construction of the facility on erf 650 was handed over to our tenant, Future Life Health Products Pty Limited. We are excited to see a fully functioning manufacturing operation in this building. The bulk infrastructure on AgriZone 2 was completed in February 2024 and will soon be handed over to enable leasing of sites to commence.

**The expenditure on capital projects was R242.6 million in the year under review, this lower than anticipated due to the stage of completion of various construction projects.**

**However, pleasingly, expenditure on Qualifying Small Enterprises and Emerging Micro Enterprises reached R72.8 million which was higher than originally anticipated.**

The construction of the multi-use facility in Dube City, named Iziko@Dube, continues to steam ahead and monitoring the progress from our adjacent head office has been extremely rewarding. The construction activities are expected to be completed at the end of October 2024.

We are anticipating the commencement of construction of our three warehouse facilities in TradeZone 2. The service provider for the 5 000m<sup>2</sup> facility on Erf 769 has been appointed and has submitted the drawing to the eThekweni Municipality for approval, and Dube TradePort Corporation is currently finalising the appointments of service providers on the facilities on Erf 770 and Erf 771.

The site wide road rehabilitation project has commenced and we are also undertaking other small repair and restoration of infrastructure throughout the precinct.

In response to the electricity and water challenges that are facing our country, and with the view to enhancing the attractiveness and resilience of our zones, we are in the advanced design and planning stages for the construction of a solar farm to be situated in AgriZone 2 and, a water reservoir which will hold approximately seven mega litres or, about two days' water supply for the precinct.

Dube TradePort Corporation is continuing to champion and facilitate the implementation of the Durban Aerotropolis Master Plan. With the assistance of the Department of Economic Development, Tourism and Environmental Affairs, we have resuscitated the Durban Aerotropolis Master Plan implementation structures and work streams and concluded a stakeholder engagement plan with affected stakeholders.

As part of the Durban Aerotropolis lead initiatives, we have concluded the lease terms for the Regional Wastewater Treatment plant with eThekweni Municipality in Trade Zone 5 and we are working hard to try and identify new land parcels for human settlement development opportunities.

In terms of land use management process and precinct development, Dube TradePort Corporation, in collaboration with Tongaat Hulett Property, submitted a Spatial Planning and Land Use Management Application for Trade Zone 3 to eThekweni municipality for consideration and approval, however, due to the institutional challenges of Tongaat Hulett Property, the application was placed on hold by the municipality. In order to overcome this challenge, the entity is busy exploring ways in which it can undertake Trade Zone 3 development alone, subject to identification and securing land for environmental obligation as these environmental obligations were initially borrowed from Tongaat Hulett Property.

In the next financial year, a framework plan for Trade Zone 4 and 5 will be developed as a precursor to detailed township establishment studies and applications. The township establishment work is underway for both of the Automotive Supplier Park projects namely - the Durban Logistic Hub and the Illovo Automotive Supplier Park.

The Illovo Automotive Supplier Park received a negative environmental response for the Environmental Impact Assessment. The decision was appealed and Dube TradePort Corporation is awaiting the outcome of the appeal process.

The environmental specialist studies and town planning framework for the Durban Logistics Hub was developed and is being refined as the detailed township establishment process continues. The negotiation of commercial terms was concluded with Transnet and Transnet initiated the relocation of existing farmers.

Dube TradePort Corporation managed to secure an environmental authorisation amendment for the AgriZone2 development and a site wide Water Use License, these authorisations being key to unlocking future developments and building plans approval processes.

Environmental stewardship of the environment continues in form of maintenance of the natural environment through the alien clearing and rehabilitation of the portfolio of landholdings that Dube TradePort Corporation holds – these being done in perpetuity as part of the original environmental authorisation.

Dube TradePort Corporation continues to be committed to carbon management of its operations and that of its tenants and is monitoring Scope 1, 2 and 3 emissions which are our direct impacts, direct consumption of fossil driven energy and indirect emissions to the Dube TradePort Corporation precincts. The carbon footprint of the entity and its operations showed 17.7% decrease in the year under review based on the previous year's baseline.

We have commenced the design of a customised Environmental Management System which should be completed in the next financial year to assist in our quest to not only measure, monitor, analyse and reduce our environmental impact within our precinct.

Dube TradePort Corporation continues to be committed to sustainability of its operations and is aligned to both the Provincial and National Governments' commitments to Net Carbon Zero strategies by 2050, through the use of alternative sources of energy and decarbonisation of its operations

**CORPORATE SERVICES**



The approved organisational structure was implemented in April 2023. We are in the process of filling the positions in the structure to capacitate the under resourced divisions. Initially, 34 positions were approved and filled and subsequently, towards the end of the financial year, approval to fill a further 40 positions was obtained. We are in the process of recruiting to fill these posts.

Dube TradePort Corporation strives to keep its workforce engaged and satisfied with the working conditions. It is for that reason we intentionally conduct an annual Employee Engagement Survey measure the levels of engagement and employee satisfaction. During the end of the financial year, the annual engagement survey was conducted. It is practice to communicate results and develop action plans to address areas of dissatisfaction which are the cause for disengagement. A number of strategic projects have been initiated during the year as interventions to address concerns raised by our workforce as it relates to Performance Management, Rewards and Recognition and Organisational Culture dimensions of the employee engagement survey.

We are pleased to report an overall employee engagement score of **71%**

The target of 1% improvement over the previous year was exceeded by 6%. Demonstrating the success of the programmes implemented as Dube TradePort Corporation strives to become an 'Employer of Choice'. We continue to listen to our employees and are putting in place programmes to address areas of dissatisfaction despite the notable improvement.

During the reporting year, in attempt to foster sound employer employee relations, management continued to facilitate Management and Union meetings with the intention to address matters before they become a challenge. Management has been proactive in allowing union members to participate in Dube TradePort Corporation's strategic projects.

We are passionate intentional about introducing international best practice in our areas of operation, hence the preparation for implementation of the ISO45001:2018 (Health and Safety Standard). The AgriZone Division is identified as the first division to be certified by the end of the 2024/25 financial year and a roll out plan to certify other divisions will be set in motion thereafter.

The digital transformation project was initiated. The digital programme office has been instituted. The digital transformation strategy has been developed and approved by the ICT Steering Committee and is due to be presented to the Executive team during the first quarter of the new financial year. The three key capabilities were identified to address the business capabilities. These are Customer Relations Management, Data Management and Applications Integration.

## MARKETING

Dube TradePort has made significant progress in increasing brand awareness by capitalizing on its latest developments. These have included attracting high-profile clients to our light industrial development, introducing new air services to KwaZulu-Natal through our Durban Direct partnerships, hosting business events and participating in business-specific conferences and exhibitions to improve brand visibility. Through these initiatives, we reached over

**R28.8 million**  
people continue to build  
momentum in this direction



## DURBAN DIRECT

Air access is an important driver of economic growth for the province, as it is necessary for attracting foreign direct investment, promoting tourism, driving imports and exports, and creating sustainable jobs. In the period under review, the Route Development Committee successfully launched two regional routes:

Lusaka to Durban operated  
by ProFlight Zambia and  
Manzini to Durban operated  
by eSwatini Air.



Both routes operate two times a week service from King Shaka International Airport. Dube TradePort Corporation continues to provide route support to qualifying airlines through a cost-based incentive programme.

In the current financial year, three international airlines benefited from the programme which resulted in the two of the airlines increasing their frequencies demonstrating confidence in the routes. Whilst progress has been made in restoring air services that were suspended during the pandemic, recovery has been constrained with air passenger traffic at King Shaka International Airport only reaching 77% of pre-Covid traffic levels. The Route Development Committee therefore has a critical role to play in restoring the remaining routes and catalysing recovery particularly for regional and international routes. Engagements with airline partners to explore international and intercontinental route development opportunities is ongoing.

## CONCLUSION

Looking ahead, the coming year is expected to pose challenges, particularly with the anticipated rise in interest rates, property rates, utilities, fuel prices, water limitations, and the surge in prices of imported raw materials and commodities. The country's energy crisis has also impacted the interest from Foreign Direct Investors. However,

Dube TradePort Corporation is actively engaged in projects aimed at mitigating energy and water risks within the precinct.

I remain confident that we will find lasting solutions to each of the challenges we face, whilst maintaining the long-term growth trajectory and developmental mandate of Dube TradePort. Our intent now is to build back better, ensuring that resilience and sustainability remain our business priorities.

In conclusion and on behalf of my executive colleagues, I take this opportunity to extend my grateful thanks to Reverend Musa Zondi, the MEC for Economic Development, Tourism and Environmental Affairs, for the invaluable support he has afforded Dube TradePort Corporation.

I would also extend my deepest thanks to the Chairperson and members of the Board for the inspirational leadership they have brought to our organisation and for the commitment they have demonstrated in driving Dube TradePort Corporation through these uncertain times. We take up the challenge now to steer the business into the future, seeking new opportunities and continually determining more efficient and effective ways of working.

Finally, I would like to express my sincere gratitude to the executive team and all our members of staff for the sterling performance they have collectively delivered in taking our organisation forward. Whilst we have not achieved all our goals during the past twelve months, I am mindful of the incredible efforts and consistent hard work put in by the various teams. Our achievements are a product of the expertise and incredible dedication our staff deliver in striving to realise our shared vision.

We recognise that Dube TradePort Special Economic Zone is a vehicle to encourage and accelerate development and we have identified the need to foster innovation and creativity in the quest to hardwire change and drive a strong and inclusive economy.

**Mr Hamish Erskine**  
Chief Executive Officer  
Dube TradePort Corporation

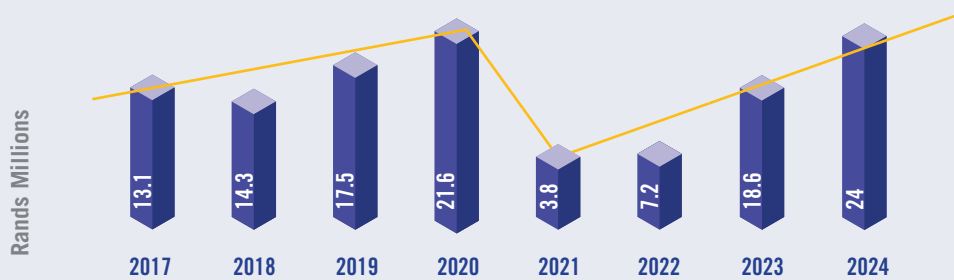


**DESPITE 96.3%  
OCCUPANCY,  
TWO LEASES  
EXPIRED EARLY IN  
2024, AND DUBE  
TRADEPORT SEEKS  
NEW OPERATORS.**



# CEO'S REVIEW: CARGO TERMINAL

### REVENUE FROM CARGO SERVICES

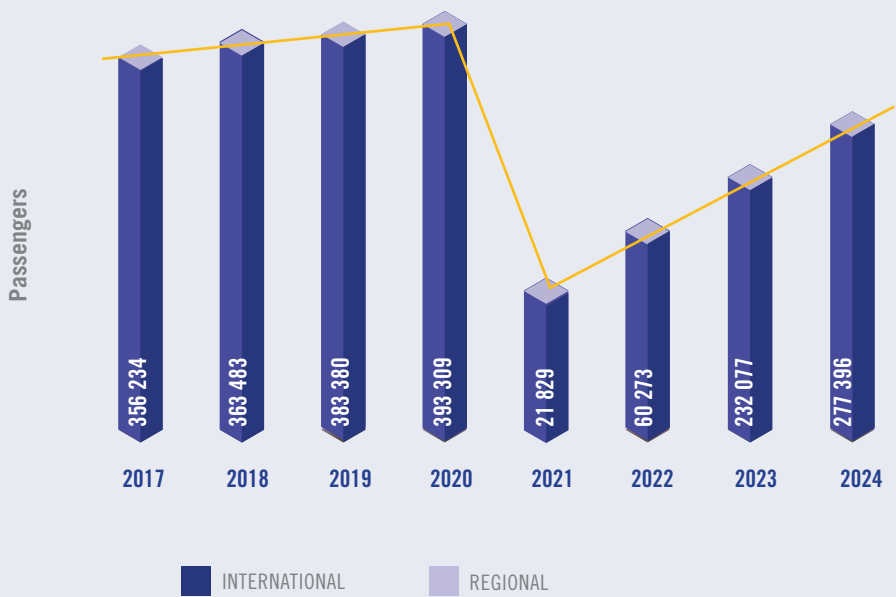


Travel and logistics sector was one of the sectors most impacted by the effects and lockdowns imposed during the Covid-19 pandemic. This is clearly shown by reviewing the graphs relating to cargo handling and the revenue that is earned by Dube TradePort Corporation.

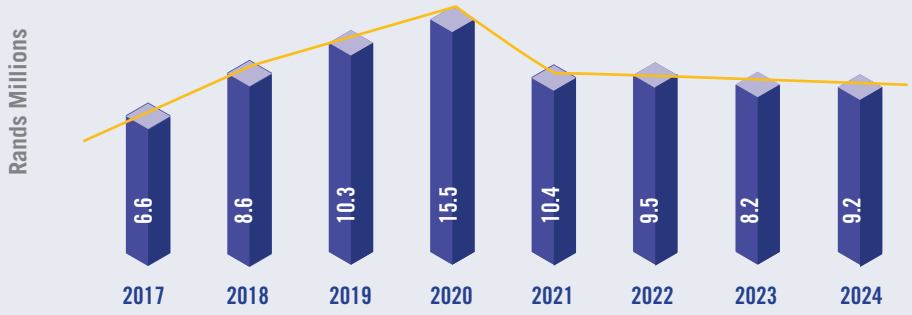
### CARGO TONNAGES



### TOTAL INTERNATIONAL AND REGIONAL PASSENGERS THROUGH KING SHAKA INTERNATIONAL AIRPORT



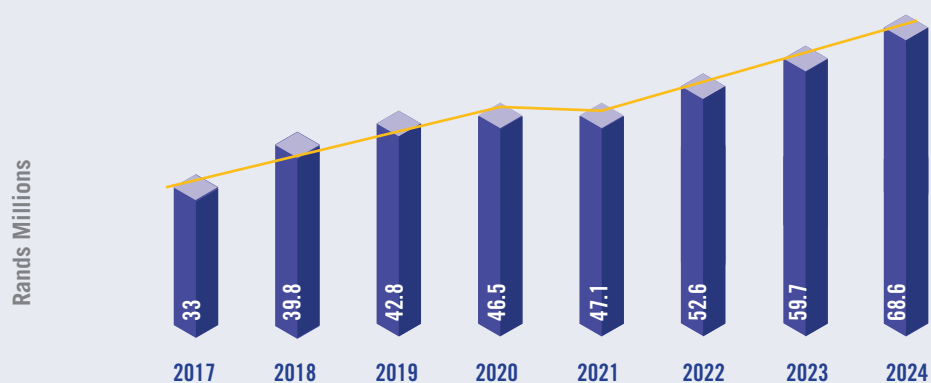
### REVENUE FROM DUBE ICONNECT SERVICES





# CEO'S REVIEW: PROPERTY COMMERCIAL

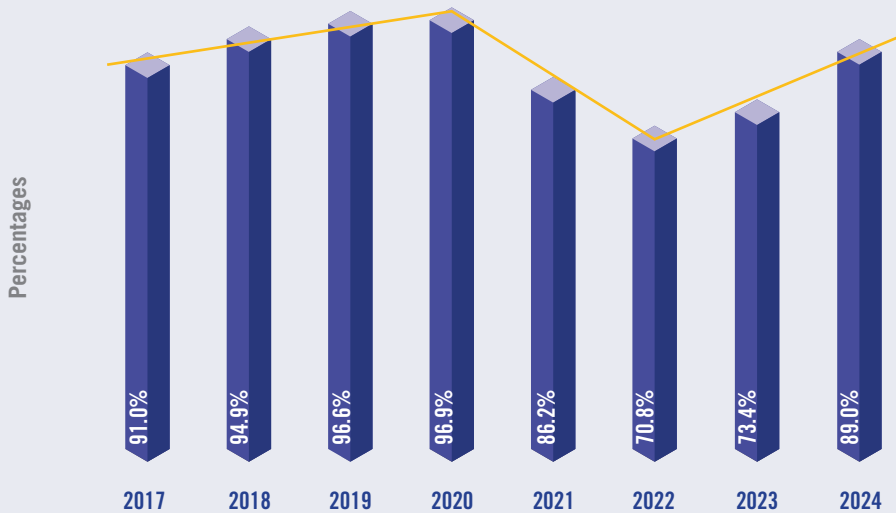
### REVENUE FROM PROPERTIES



### RETURN FROM INVESTMENT PROPERTY



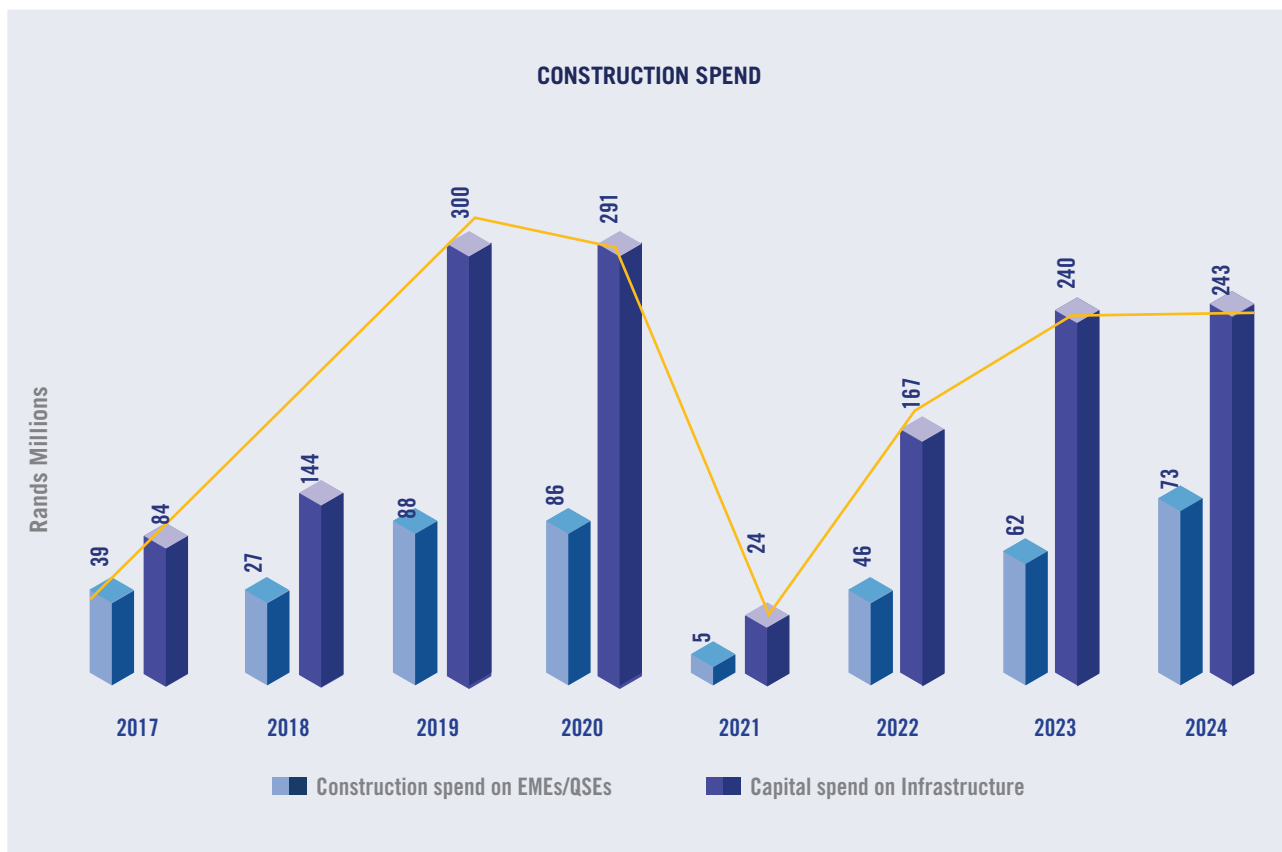
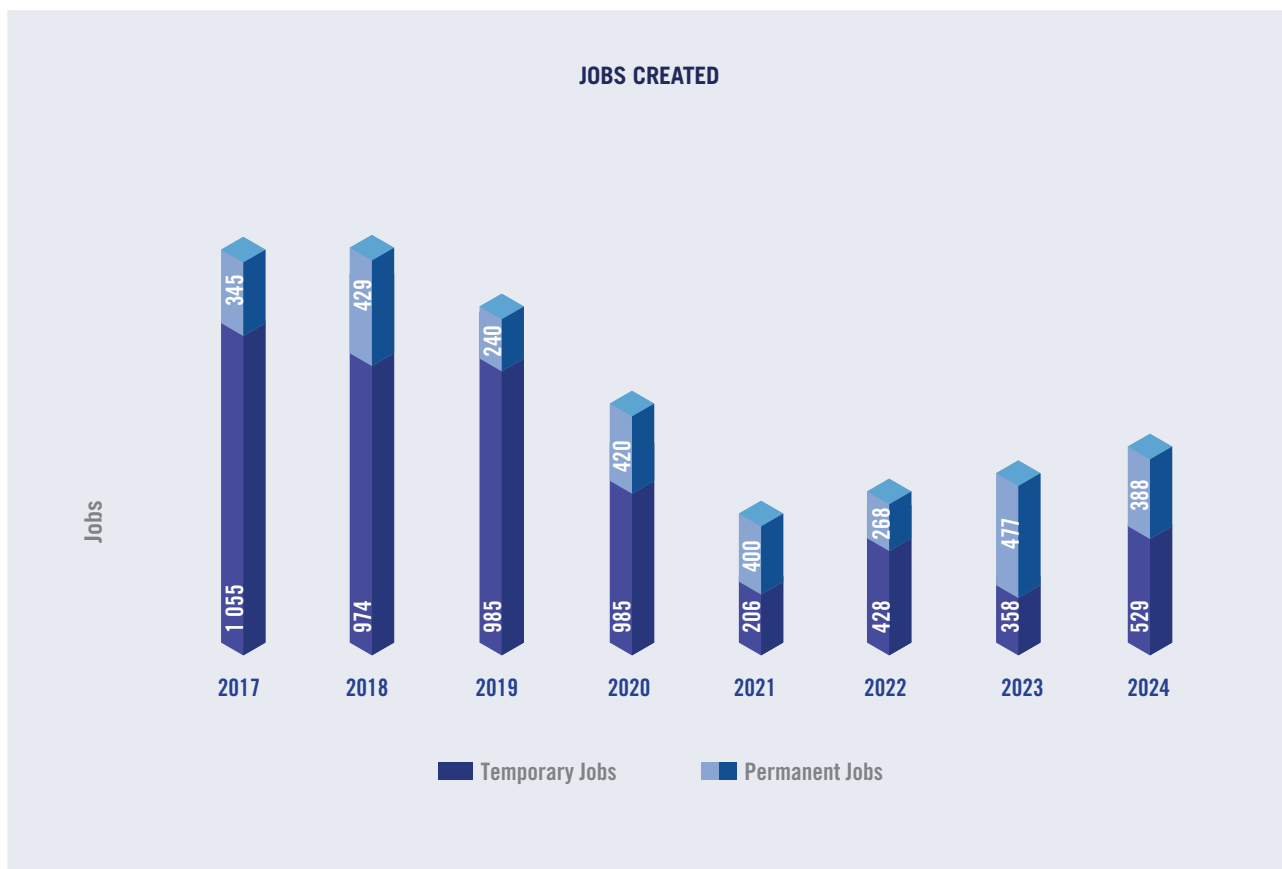
### OCCUPANCY OF DTPC OWNED BUILDINGS



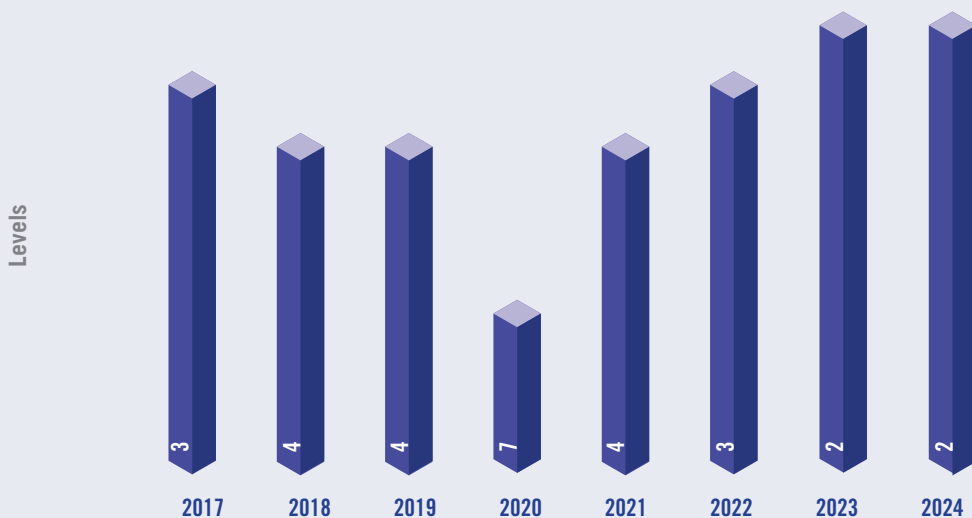
### INVESTMENT SECURED



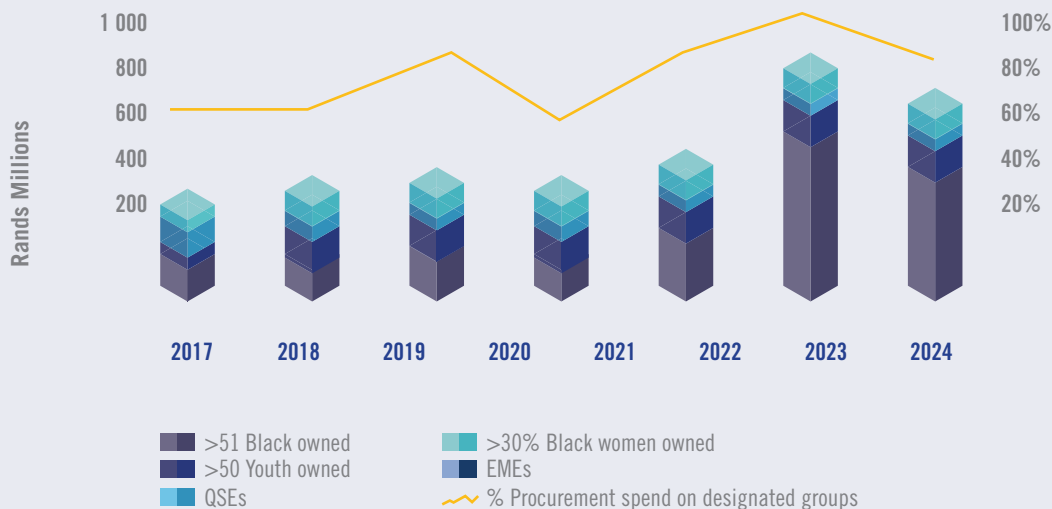
CONTINUED...



### B-BBEE LEVEL



### PROCUREMENT SPEND ON DESIGNATED GROUPS





# 10

# CORPORATE SERVICES REPORT

## CORPORATE SERVICES

- Provides an enabling support environment to the organisation, which is characterised by integrated, solution focused and agile practices.
- Provides support services to the organization based on specialized knowledge, best practices and technology to serve internal customers.
- Functions include Human Resources, Marketing, Information, Communication, Technology and Governance (ICTG), Corporate Social Investment, Health and Safety, Information Management, and Fleet, Travel and Office Management.

Although the organization has been operating based on 194 of the actual approved positions as at April 2022, management have managed to run an efficient operation under difficult circumstances. The new structure provided Dube TradePort Corporation an opportunity to grow the staff establishment to 333 positions.

This structure will assist with recruitment of the required competencies and skills, in priority areas, as aligned to our strategy and expanded mandate. During the year, an initial compliment of 34 positions were approved and, subsequently, on 7 March 2024, a further 40 positions were also approved. The remainder of the positions will be filled following a phased in approach up over the next ten years.

## HUMAN RESOURCES MANAGEMENT

For the year under review the human resources division focused on the following key initiatives:

## IMPLEMENTATION OF THE NEW STRUCTURE

The approved organisational structure was implemented in April 2023. We are in the process of filling the positions in the structure to capacitate the under resourced divisions.

## RECRUITMENT AND SELECTION

Human Resources embarked upon a focused recruitment drive and 32 of the approved positions were filled, with the remaining two positions to be filled during the first quarter of the new financial year. Our Employment Equity Plan was taken into consideration in filling the vacancies. The recruitment for the additional 40 vacancies approved for filling will commence in the new financial year.



## WORKFORCE MOVEMENTS

Workforce movements during the financial year are tabled below:

CATEGORY	NUMBER OF EMPLOYEES AT 31 MARCH 2023	APPOINTMENTS AND INTERNAL PROMOTIONS	TERMINATIONS AND INTERNAL PROMOTIONS	NUMBER OF EMPLOYEES AT 31 MARCH 2024	APPROVED POSTS AS AT 31 MARCH 2024
Top Management	6	1	0	7	7
Senior Management	20	1	1	20	22
Middle Management	43	15	9	49	66
Junior Management	54	16	9	61	77
Semi-skilled	68	3	8	63	72
Unskilled	15	0	3	12	12
<b>TOTAL</b>	<b>206</b>	<b>36</b>	<b>30</b>	<b>212</b>	<b>256</b>

## EMPLOYMENT AND VACANCIES BY PROGRAMME

PROGRAMME	2022/2023 NUMBER OF EMPLOYEES AS AT 31 MARCH 2023	APPROVED POSTS AS AT 31 MARCH 2024	NUMBER OF EMPLOYEES AS AT 31 MARCH 2024	VACANCIES APPROVED DURING 2023/2024	% OF VACANCIES
Administration	57	83	65	33	45%
Cargo Development	53	55	51	7	10%
Property and SEZ Administration	26	41	28	20	28%
AgriZone	43	45	42	5	7%
Dube iConnect	8	10	9	2	3%
DPI	19	22	17	5	7%
<b>TOTAL</b>	<b>206</b>	<b>256</b>	<b>212</b>	<b>72</b>	

## REASONS FOR STAFF LEAVING

Staff left Dube TradePort Corporation for the following reasons:

REASON	NUMBER
Death	2
Resignation	11
Dismissal	2
Retirement	1
Ill Health	1
<b>TOTAL</b>	<b>17</b>

## EMPLOYMENT AND VACANCIES BY CATEGORY

CATEGORY	2022/2023 NUMBER OF EMPLOYEES AS AT 31 MARCH 2023	APPROVED POSTS AS AT 31 MARCH 2024	NUMBER OF EMPLOYEES AS AT 31 MARCH 2024	VACANCIES APPROVED DURING 2023/2024	% OF VACANCIES
Top Management	6	7	7	1	1%
Senior Management	20	22	20	3	4%
Middle Management	43	66	49	31	43%
Junior Management	54	77	61	27	38%
Semi-skilled	68	72	63	10	14%
Unskilled	15	12	12	0	0%
<b>TOTAL</b>	<b>206</b>	<b>256</b>	<b>212</b>	<b>72</b>	

## PERSONNEL COSTS BY SALARY BAND

LEVEL	PERSONNEL EXPENDITURE (EXCLUDING BOARD MEMBERS AND INTERNS)	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES AS AT 31 MARCH 2024 (EXCLUDING BOARD MEMBERS AND INTERNS)	AVERAGE PERSONNEL COST PER EMPLOYEE
Top Management	16 654 321	11.6%	7	2 379 189
Senior Management	26 677 982	18.6%	20	1 333 899
Middle Management	45 236 664	31.4%	49	923 197
Junior Management	34 015 193	23.7%	61	557 626
Semi-skilled	19 120 630	13.3%	63	303 502
Unskilled	1 955 276	1.4%	12	162 940
<b>TOTAL</b>	<b>143 660 066</b>		<b>212</b>	

## PERSONNEL COSTS BY PROGRAMME

PROGRAMME	TOTAL OPERATING EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE
Administration	105 447 702	48 674 653	46,2%	65	748 841
Cargo Development	68 784 828	26 312 565	38,3%	51	515 933
Property and SEZ Administration	190 920 637	25 653 954	13,4%	28	916 213
AgriZone	66 984 320	16 175 424	24,1%	42	385 129
Dube iConnect	23 325 092	7 183 106	30,8%	9	798 123
DPI	40 083 575	19 660 363	49,0%	17	1 156 492
<b>TOTAL</b>	<b>495 546 154</b>	<b>143 660 066</b>	<b>29,0%</b>	<b>212</b>	<b>677 642</b>

## TALENT MANAGEMENT STRATEGY

Dube TradePort Corporation Talent Management Strategy was developed and approved during the year under review with the intention to operationalise it in the new financial year. The objective of the Talent Management strategy is to:

- Provide the strategic framework for the management of talent within Dube TradePort Corporation in order to ensure the right people, with the right skills, are in the right roles at the right time to deliver the entity's strategy.
- Cover the strategic imperative and outcomes required for talent management, as well as outlining talent definitions, approaches and principles.
- Explain the talent framework processes and tools to ensure effective talent identification, succession planning, attraction and sourcing, development, retention and release.
- Include the measures, roles and accountabilities to ensure successful implementation and sustainable management of talent over time.

## PERFORMANCE MANAGEMENT AND REWARDS

Redesign of Performance Management System and Performance Reward Structure was initiated during the year and the Performance Management Project has commenced. A consultative approach was followed which entailed interviews and gathering feedback. This was followed by research and benchmarking. The review of the system is scheduled to be finalised by end of April 2024.

During the previous year, the organization did not meet the target of 80% and no performance incentives were paid to the employees during the year under review.

## ORGANIZATIONAL CULTURE ALIGNMENT PROJECT

The Organizational Culture Alignment Project was launched on 1 March 2024. The project inception and kick-off meetings have been held and the Project Initiation Document, Project Plan and Communication Strategy are currently under review for final approval.

## DIGITAL TRANSFORMATION JOURNEY

The Digital Transformation Project will introduce a digital culture into Dube TradePort Corporation. Digital culture will foster different mind-sets, behaviours and values required for us to fully integrate new technologies and ways of working to achieve service excellence.

## EMPLOYEE ENGAGEMENT SURVEY

We strive to keep its workforce engaged and satisfied with the working conditions. It is for that reason we conduct an annual Employee Engagement Survey measure the levels of engagement and employee satisfaction. Action plans at both organisational and divisional level are developed to address areas of dissatisfaction which are the cause for disengagement.

A number of strategic projects have been initiated during the financial year as interventions to address concerns raised previously by our workforce as they relate to the Performance Management, Rewards and Recognition and Organisational Culture dimensions of the employee engagement survey.

A target of 1% increase from the previous years' result of 64% was set. We are pleased to report that the target was exceeded by 6% resulting to an overall employee engagement score of 71%. Dube TradePort Corporation strives to become an 'Employer of Choice' and we continue to implement programmes to address the areas of dissatisfaction despite the notable improvement.

## EMPLOYEE RELATIONS

During the reporting year, in attempt to foster sound employer employee relations, management continued to facilitate Management and Union meetings with the intention to address matters before they become a challenge. Management has been proactive in allowing union members to participate in Dube TradePort Corporation's strategic projects.

## EMPLOYEE RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

Regrettably, the following actions took place during the 2023/24 financial year:

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	7
Written Warning	5
Final Written Warning	1
Dismissal	2

## IMPLEMENTATION OF THE EMPLOYMENT EQUITY PLAN AND B-BBEE PLAN

Dube TradePort Corporation achieved 98% of its overall Employment Equity target, which is inclusive of exceeding its disability target. Employees who live with disabilities accounts for 3.85% of the workforce. Females account for 45% of the entire workforce and 98% of the female workforce is black.

The tables below reflect Employment Equity Plan achievements versus targets in all occupational and gender categories, as at 31 March 2024:

LEVEL	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	3	0	0	0	0	1	1
Senior Management	8	8	0	0	2	1	0	1
Professionally Qualified	15	11	2	2	4	5	1	2
Skilled	19	21	0	0	10	10	3	2
Semi-skilled	28	29	1	1	9	9	0	1
Unskilled	9	9	0	0	0	9	0	0
<b>Total</b>	<b>83</b>	<b>81</b>	<b>3</b>	<b>3</b>	<b>24</b>	<b>25</b>	<b>5</b>	<b>7</b>

LEVEL	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	1	1	1	0	0
Senior Management	5	6	1	1	0	0	2	3
Professionally Qualified	19	18	1	1	5	5	0	2
Skilled	26	20	1	1	2	2	0	0
Semi-skilled	21	26	0	0	5	6	0	0
Unskilled	3	5	0	0	0	0	0	0
<b>Total</b>	<b>75</b>	<b>76</b>	<b>3</b>	<b>4</b>	<b>13</b>	<b>14</b>	<b>2</b>	<b>5</b>



## SKILLS DEVELOPMENT

During the period under review, Dube TradePort Corporation increased its investment in skills development by 10.9% and R3 768 770 was spent on internal learning and development.

Programme	Personnel Expenditure*	Training Expenditure (Including Interns Training Costs)**	Training Expenditure as a % of Personnel Expenditure	Number of Employees trained (Incl. Interns)	Average training cost per employee trained (per programme)
Administration	48 674 653	908 943	1,9%	31	29 321
Cargo Development	26 312 565	1 544 653	5,9%	63	24 518
Property and SEZ Administration	25 653 954	116 251	0,5%	11	10 568
AgriZone	16 175 424	160 756	1,0%	4	40 189
Dube iConnect	7 183 106	595 744	8,3%	9	66 194
DPI	19 660 363	442 424	2,3%	8	55 303
<b>TOTAL</b>	<b>143 660 066</b>	<b>3 768 770</b>	<b>2,6%</b>	<b>126</b>	<b>29 911</b>

\*Personnel expenditure excludes Board and Interns

\*\*Training expenditure exclusive of VAT

## EMPLOYEE WELLNESS PROGRAMME

Dube TradePort Corporation partnered with ICAS to afford employees and their immediate family members psychosocial care. This is a voluntary confidential service. Year on year improvement on the utilisation of the programme has been noted. The average industry utilisation is 13,6% and our utilisation is at 46,6%, an increase of 4% from the previous reporting year.

In January 2024, an in-service trainee died due to heavy rains that flooded his home. A colleague who stayed with him survived the floods. Our employees heeded the call for support to the family of the bereaved and the employee who survived. Money and household items were donated. A memorial Service was also held for the deceased intern. In the spirit of 'Ubuntu' (one of our core values), we continue to support sick employees and the deceased.

## DUBE TRADEPORT SPORTS DAY AND EMPLOYEE RECOGNITION AWARDS

We held our second Sports Day and Employee Recognition Awards. The key objectives of the Sports Day and recognition awards is to recognise and reward good performance, to improve employee engagement and to foster a culture of high performance. Included in the activities was the Employee Recognition Awards where trophies and certificates were handed to well deserving employees. Recognition was mainly based on individual and team performance and behaviour competencies, in line with our core values.

Whilst focusing on our mandate, we are intentional about introducing international best practice hence the implementation of the ISO45001:2018 (Health and Safety Standard). We are in the process of preparing the environment for the ISO45001:2018 certification. The AgriZone Division is identified as the first division to be certified by the end of the 2024/25 financial year and a roll out plan to other divisions will be set in motion thereafter.

To ensure that all people including our stakeholders, have equal opportunity and access to our services or products we embarked on a Universal Access Audit for our properties/ buildings. The audit findings and recommendations are in the process of being implemented and the recommendations will be incorporated in future developments within the precinct to ensure continual compliance of the buildings/areas.

## CORPORATE SOCIAL INVESTMENT

Dube TradePort Corporation continue to be a responsible corporate citizen, especially in its surrounding communities. In so doing, a number of Corporate Social Investment initiatives aimed at empowering, particularly, women, the youth and people living with disabilities, as well as promoting environmental conservation have been implemented.

## GRADUATE DEVELOPMENT PROGRAM

The Graduate Development Program is a strategic initiative to support the Talent Management and Succession Planning Strategy. The intention is for the entity to grow

and develop its own pools of talented young people for talent and succession management purposes. The implementation of the program is underway.

Learners who have received good academic results in matric were encouraged to apply and those nominated are granted bursaries for the tertiary studies that are aligned to critical and scarce skilled areas. The consultation with the Department of Education and the principals of the high performing schools from the surrounding areas has taken place. Awarding of bursaries will take place in 2024/2025 once the successful learners have been nominated.

### **DTPC FARMERS INCUBATION PROJECT**

Dube TradePort Corporation started a consultation exercise with Small Farmers (Co-operatives) from surrounding communities viz. Waterloo, Hambanathi and Ndwedwe area. We have also started to engage with potential stakeholders like relevant Educational institutions, Department of Agriculture and the Agricultural Development Agency (ADA) to formalize partnership. Co-operatives have submitted applications to participate in the incubation program of two to three years after which they will be provided with opportunities for funding to start their own projects of interest or to graduate to become tenants of our mini-factories. Interviews and site visits were conducted successfully. Training for successful applicants and construction of the structures to be used by farmers will be rolled-out in the next financial year.

### **COMMUNITY SKILLS DEVELOPMENT SUPPORT INITIATIVE**

As a way of addressing the high rate of unemployment in South Africa, and particularly in the communities living close to the operations of Dube TradePort Corporation, we will offer training initiatives to enable community members to partake in the opportunities that will become available during the construction and operational phases of new developments. Consultation with potential service providers and funders has commenced. The next steps will involve consultation with the leadership of the targeted communities. Artisans' skills and other scarce skills will be prioritized.

### **BURSARY SCHEME**

Dube TradePort Corporation continues to provide financial support to students from disadvantaged backgrounds, mainly from KwaZulu Natal. Through this support, many young people have been able to complete their studies, graduate and many are already working and have started to contribute to the economy. Scarce skills in Engineering, Information technology, Agriculture and other fields are prioritized.

### **INTERNSHIP PROGRAMME**

We continue to make a difference in the lives of young unemployed graduates through our internship program. This is helping in addressing a massive unemployment problem confronted by particularly the youth. Students who require in-service training opportunity to complete their studies also benefit from this program. The organisation absorbs some of these young people when there are suitable opportunities. Sixteen interns have been absorbed by Dube TradePort Corporation since the inception of the program.

### **INFORMATION MANAGEMENT**

Dube TradePort Corporation places great emphasis on striving for compliance with all applicable acts, legislation and practices pertaining to the management of DTPC's information and records.

Information and record management priorities for the year under review included ensuring compliance with the National Archives and Records Services of South Africa Act, no 43 of 1996, Kwazulu-Natal and Records Service Act, no 08 of 2011, Promotion of Access to Information Act, No. 2 of 2000 (PAIA) and Protection of Personal Information Act, No. 4 of 2013 (POPIA) and the related regulations.

### **RECORDS MANAGEMENT**

DTPC continually strives to improve records management practices within the organisation. Over the past financial year, the Records Management Policy was developed and approved. The File Plan was also reviewed and updated to accommodate any business changes, this activity assists in preparation for implementation of the Electronic Document and Records Management System.

### **PAIA**

Dube TradePort Corporation continuously strives to promote access to the information it holds as required by the South African Constitution. We have conducted our annual review of the section 14 PAIA Manual, this is available on the external website and a physical copy made available at the Main Reception area. Over the past financial year, only one PAIA request was received.

### **POPIA**

DTPC continuously strives to improve practices where personal information is processed. The DTPC Data Privacy Policy and was reviewed and approved, effective 1 December 2023. The Compliance Framework was also reviewed and approved. The Personal Information Impact Assessment was updated over the year. Awareness was provided to employee, which included highlighting policy changes.

## MARKETING AND COMMUNICATIONS

We focused on implementing targeted marketing initiatives aimed at supporting our business services. This included hosting of business events, delivery of marketing campaigns to promote our products and services and provision of marketing support to business services to enhance revenue generation. In this period, we participated in more than strategic business events and conferences that attract our target markets, including SAPOA, SAIBPP Convention, Manufacturing Indaba, Undercover Farming, Transport Evolution, AviaDev Africa, and World Routes. To ensure wider reach and a strong brand presence, our participation in these events mainly included speaker or panellist opportunities, advertising on event publications, as well as exhibitions. Through these initiatives, the organization was able to reach over 15 million people.

Furthermore, Dube TradePort Corporation has continued to play a key role in the implementation of the KwaZulu-Natal Route Development Strategy. In partnership with the Route Development Committee, we launched two regional routes linking Durban to Manzini and Lusaka, respectively. Provision of marketing support to existing airline customers in ongoing to catalyse growth and expansion of existing routes. In the next financial year, the focus of the Route Development Committee is to reinstate the remaining routes that were suspended during the pandemic.



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**DUBE TRADEPORT  
CORPORATION  
RECOGNISES  
THE NEED TO  
APPLY MEANINGFUL  
GOVERNANCE  
PRINCIPLES**

**IN THE EXECUTION OF ITS DAY-TO-DAY  
BUSINESS OPERATIONS.**

# CORPORATE GOVERNANCE

## APPLYING MEANINGFUL GOVERNANCE PRINCIPLES

### INTRODUCTION

Corporate Governance includes a system of structures, as well as the rights, duties, and obligations by which an organisation is controlled. Through such a framework of conventions and practices, a Board is able to ensure accountability, fairness, and transparency in terms of an organisation's stakeholder interaction.

Acknowledging this, Dube TradePort Corporation recognises the need to apply meaningful governance principles in the execution of its day-to-day business operations.

Prior to 01 April 2011, Dube TradePort Corporation operated as a Non-Profit Company (formerly known as a Section 21 Company) registered under the Companies Act. However, as from 01 April 2011, Dube TradePort Corporation became a Schedule 3C Provincial Public Entity, formalised in September 2011, in line with the publication of the notice in the Government Gazette.

The KwaZulu-Natal Dube TradePort Corporation Act, No. 2 of 2010, allowed for the establishment, management, staffing and financing of Dube TradePort Corporation as a Public Entity and the winding-up of Dube TradePort Non-Profit Company. The Act provided for Dube TradePort Corporation to be the successor in law of Dube TradePort Non-Profit Company Proprietary Limited. The non-profit company was concluded on 31 August 2013.

The Board Chairperson and KwaZulu-Natal's Member of the Executive Council for Economic Development, Tourism and Environmental Affairs, annually sign a Shareholders Compact, which document comprehensively describes each signatory's responsibilities.

### PUBLIC FINANCE MANAGEMENT ACT

Dube TradePort Corporation's Board is regarded as the Accounting Authority in terms of the Public Finance Management Act (PFMA). This Act also applies to the organisation's subsidiary, La Mercy JV Property Investments Proprietary Limited, held jointly by Dube TradePort Corporation (60%) and Airports Company South Africa SOC Limited (40%) and is deemed to be a Schedule 3C entity.

The PFMA regulates financial management and governance, as well as the responsibilities of the Board. The organisation ensures that its Board members and staff complement are familiar with the provisions of the PFMA by way of induction and other regular training interventions.

### PORTFOLIO COMMITTEE

Budgets are discussed annually with the KwaZulu-Natal Finance Portfolio Committee.

### SPECIAL ECONOMIC ZONE ACT

In December 2016, Dube TradePort Corporation was designated as a Special Economic Zone. The areas gazetted included Dube AgriZone 1 and Dube TradeZone 1 and 2. The Minister of Finance is considering the expansion of the Special Economic Zone to include Dube TradeZone 3 and 4, as well as Dube City.

A further application to have the Automotive Supplier Park, located to the South of Durban, designated as a Special Economic Zone has also been submitted.

### FOURTH REPORT ON CORPORATE GOVERNANCE (KING IV)

Dube TradePort Corporation is cognisant of the need to remain constantly committed to the very highest standards of corporate governance and the inculcation of ethical and moral business behaviour amongst all its members of staff.

The organisation also adheres to the principles contained in the King IV Report on Corporate Governance. It is committed to the implementation of the principles espoused in King IV and every endeavour is made to effectively implement and to report on areas where improvement is deemed necessary.

Dube TradePort Corporation regularly develops and introduces organisational policies and procedures, given that this is a growing organisation. All existing policies and procedures are reviewed by Committees of the Board. The Board approves any new policies before their implementation.

### THE BOARD AND COMMITTEES

Dube TradePort Corporation employs a unitary Board structure, with a majority of independent, non-executive members. The appointment of Board members is the responsibility of the organisation's shareholder, being KwaZulu-Natal's Member of the Executive Council for Economic Development, Tourism and Environmental Affairs. In addition, the Minister of Trade Industry and Competition has appointed a Board member, as mandated by the Special Economic Zone Act.

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The diversity of the Board members' skills is augmented in the Audit and Risk and Investment Committees. This is achieved through the inclusion of external members whose participation, while not being members of the Board, in such Committees is permissible in terms of the PFMA.

Dube TradePort Corporation's Board members may be appointed for a term of up to five years. This is in terms of the KwaZulu-Natal Dube TradePort Corporation Act, No. 2, of 2010. The organisation's non-executive members of the Board collectively bring a wealth of experience and expertise stemming from their own specialist fields, thus ensuring that discussions revolving around strategy, policy and performance are lively, constructive and robust. The Act requires Board members to be skilled in such areas as financial management, tourism, transport, economic development and any other skill, experience or qualification which is deemed by the Member of the Executive Council for Economic Development, Tourism and Environmental Affairs to be of benefit to Dube TradePort Corporation.

The present Board members were appointed with effect from 01 June 2022, for a five-year term of office. In December 2023, Mr Themba Ndhlovu resigned from the Board. The Minister of Trade, Industry and Competition elected Mr. Yunus Hoosen as the dtic representative to the Board (in terms of the Special Economic Zone Act). The Board comprises a diverse and transformed group, inclusive of seven black, non-executive board members - two of whom are female - and one white executive, male member.

A number of Committees of the Board assist the Board in fulfilling its stated objectives and responsibilities. Committee roles and responsibilities are detailed in each Committee's formal Terms of Reference. The Audit and Risk Committee is tasked with additional responsibilities, as stated in terms of the PFMA. The Terms of Reference of each Board Committee are reviewed annually, thus ensuring continuous relevance, and allowing for the inclusion of legislative changes or best practices.

The organisation's Board and Committee meetings are convened by formal notice to the members and meeting packs, containing detailed memoranda and management reports, are distributed by the Company Secretary in advance of scheduled meetings, affording members ample opportunity to study the material presented and to request additional information from management if, and when, necessary. Board and Committee members have unrestricted access to management.

The Board has access to professional services, which - if and when required - are procured through the normal procurement processes.

A primary focus, every two years, is to ensure that the Board Charter and the Terms of Reference for each Committee of the Board are fully and correctly aligned to the principles contained in King IV and completely and accurately describe the duties and responsibilities of the Board and/or its Committees.

## **BOARD RESPONSIBILITIES**

The Board is responsible for strong ethical leadership and, as custodian of corporate governance, is further responsible for ensuring that the entity conducts its business in line with ethically sound governance principles, which extend beyond mere legislative and regulatory compliance.

In this regard, the Board leads by example, setting the tone for the implementation of and adherence to an ethical organisational culture.

The Board is also responsible for developing, approving, and adopting strategic plans and providing management with sound leadership, in line with Dube TradePort Corporation's values, whilst understanding that strategy, risk, performance and sustainability are inseparable. This it achieves by way of an annual review of key policies, thus ensuring the organisation's obligations to all its key stakeholders are satisfactorily met. In addition, the Board Charter is reviewed on an annual basis. For further information pertaining to specific Board responsibilities, please refer to: [www.dubetradeport.co.za/Corp\\_Gov](http://www.dubetradeport.co.za/Corp_Gov)

The Board is provided with feedback from the Audit and Risk Committee and is satisfied that policies have been designed and implemented which satisfactorily underpin an effective system of internal control and internal financial control.

The Board is satisfied that it has carried out all of its responsibilities, as set out in the Board Charter.

## **BOARD INDUCTION**

At the beginning of their terms of office, members of the Board, together with the independent Chairpersons of the Committees attend a Board Induction session.

## **STRATEGY SETTING**

The Board set aside a day in October 2023 to meet with executive management and the representative of KwaZulu-Natal's Department of Economic Development, Tourism and Environmental Affairs, to discuss the annual performance plan and future strategy.

The presence of representatives of the Department of Economic Development, Tourism and Environmental Affairs ensures that the strategy of the entity is aligned not only with the Department, but also with the Provincial Growth and Development Plan.

## **CHAIRPERSON AND CHIEF EXECUTIVE OFFICER**

The role of the Chairperson of the Board is to assume responsibility, together with members of the Board, for the organisation's strategic direction, its policies, and its procedures. Dube TradePort Corporation's Board is presently led by Mr Mpumelelo Zikalala.

The role of the Chief Executive Officer is to assume responsibility for the effective management of Dube TradePort Corporation and the implementation of the strategy, policy, and directives of the Board.

The roles of the Chairperson of the Board and the Chief Executive Officer are separate and clearly defined, such that no one individual has unfettered powers of decision-making. In any instance where the Chairperson may be conflicted, the Deputy Chairperson shall be available to lead the Board and to assume the role of lead independent Board member.

The term of office of the Chief Executive Officer, is due to end on 28 February 2025. Mr Hamish Erskine has a one-month notice period stipulated in his employment contract. He has no other professional commitments outside Dube TradePort Corporation.

## DELEGATION OF AUTHORITY

The organisation has in place a comprehensive Delegation of Authority framework. This ensures the timely and effective implementation of the Board's strategy.

Such a framework does not, however, relieve the Board of its responsibilities and the Board retains the prerogative to withdraw any given Delegation of Authority at any time. The Delegation of Authority document is reviewed at least annually, or whenever required. The Delegation was last reviewed in October 2023.

## BOARD EVALUATION

The Board undertakes an annual self-assessment of the performance of the Accounting Authority and structure. The assessment is conducted through self-evaluation by each member. The assessment of performance includes the conduct of all members serving on the various Committees of the Board. The combined results of these questionnaires are shared with all participants, thus enabling the identification of areas where challenges are being experienced and to assist in addressing same. A summary report of the performance assessment is shared with the KwaZulu-Natal Member of the Executive Council for Economic Development, Tourism and Environmental Affairs.

Following the analysis of the annual self-assessment, no material remedial actions have been deemed necessary.

The performance of the Chief Executive Officer is reviewed by the Board of Dube TradePort Corporation.

## DECLARATIONS OF BOARD MEMBERS' INTERESTS

In line with a requirement applicable to all Dube TradePort Corporation staff members, the organisation's Board members are obliged to complete declaration of interest forms on an annual basis.

Further to this, interests are required to be declared prior to any and all meetings of the Board and/or Committees of the Board, where conflicts of interest might potentially arise. As and when a conflict is noted, such conflict is interrogated and, where necessary, the conflicted person is recused from the meeting.

## STANDARDS OF BOARD MEMBERS' CONDUCT

Board members conduct themselves with the care, skill, and diligence, as required by the fiduciary and general duties of the Accounting Authorities, as is stipulated in the PFMA.

## BOARD MEETINGS

Dube TradePort Corporation's Board meets at least four times per annum and retains full control over the organisation. During the 2023/24 financial year, four ordinary Board meetings, one ad hoc meeting, and one strategy planning meeting were held. In common with most organisations, the Board uses available technology to facilitate holding successful online meetings. The ad hoc meeting was held online.

Each Committee comprises at least two Board members, providing for integrated thinking and decision-making, ensuring that deliberations take into account available resources and stakeholder interests.

Committee meeting feedback provided to the Board ensures that critical concerns and issues are communicated directly to the Board. The Chairperson of the Audit and Risk Committee is invited to attend part of each Board meeting, to provide feedback with regard to his committee.

Representatives of the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs are also invited to attend Board meetings and Audit and Risk Committee meetings. In addition, the Chief Financial Officer is invited to attend Board meetings, while relevant executives are also invited to attend meetings, as and when matters affecting their areas of responsibility are being discussed, so affording members of the Board the opportunity to interrogate, understand and form an informed view of matters under discussion.

It is recognised that active participation in and attendance at Board and Board Committee meetings is essential for an effective governance structure.

The commitment of the Board members is reflected by their attendance record for Board meetings, as is disclosed on page 45 in this document.

The Board is briefed regularly on matters relevant to the business activities of Dube TradePort.

During each meeting, detailed quarterly performance reports and operational dashboards are tabled, and the Board is provided with copies of all relevant legislation, practice notes and guidelines published since the previous meeting.

These are discussed so as to ensure that all Board members are familiar with changes in laws and regulations which may apply to the business environment in which Dube TradePort Corporation operates.

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee was established in terms of the PFMA and is responsible for assisting the Board in the discharge of its duties.

Mr Zahid Fakey was appointed Chairperson of the Audit and Risk Committee on 01 September 2018. Mr Fakey is an independent registered chartered accountant and has the requisite knowledge and status this position demands, as well as having the necessary business, financial and leadership skills. He is not a political office-bearer. Ms Linda Ngcobo and Mr Lucky Gabela were appointed to the committee effective 1 June 2022.

The Audit and Risk Committee meets at least four times per annum and is convened in line with formal Terms of Reference, as approved by the Board. Such Terms of Reference were reviewed during the year and include

a materiality and significance framework. For further information about the Committee's specific responsibilities, please refer to: [www.dubetradeport.co.za/Corp\\_Gov](http://www.dubetradeport.co.za/Corp_Gov)

A detailed report of the work of the Audit and Risk Committee is contained in the Annual Financial Statements on pages XX of this document.

Representatives of the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs are invited to attend Committee meetings. In addition, the Chief Executive Officer, and Chief Financial Officer, together with members of the internal and external audit teams, also attend Audit and Risk Committee meetings by invitation. During the year under review, the Audit and Risk Committee met with the internal and external auditors, without management being present.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its Terms of Reference for the year to date.

The focus for the forthcoming financial year will be to ensure that by improved reporting on timely resolution of audit findings.

The Chairperson of the Audit and Risk Committee of La Mercy JV Property Investments Proprietary Limited is also invited to attend meetings to provide feedback on matters discussed by that subsidiary's Audit and Risk Committee.

## SCHEDULE OF ATTENDANCE AT BOARD AND COMMITTEE MEETINGS (INCLUDING AD HOC MEETINGS)

BOARD/ COMMITTEE MEMBERS	BOARD/ COMMITTEE MEMBERSHIP	BOARD		AUDIT AND RISK COMMITTEE	REMUNERATION AND HR COMMITTEE	INVESTMENT COMMITTEE
NUMBER OF MEETINGS		4 ORDINARY MEETINGS PLUS 1 AD HOC MEETING	1 STRATEGY MEETING	4 ORDINARY MEETINGS PLUS 1 AD HOC MEETING	6 ORDINARY MEETINGS PLUS 1 AD HOC MEETINGS	3 ORDINARY MEETINGS
MEETINGS ATTENDED BY CURRENT BOARD AND COMMITTEE MEMBERS						
Mr Mpumelelo Zikalala	• Chairperson of the Board Appointed as Chairperson on 1 June 2022	5	1			-
Mr Paulos Ngcobo <sup>a</sup>	• Deputy Chairperson of the Board • Member of Investment Committee	5	1	-	-	3
Mrs Nokhana Moerane <sup>a</sup>	• Board member • Chairperson of the Remuneration and HR Committee	5	1		7	1
Mr Themba Ndhlovu <sup>a</sup>	• Board member • Member of Investment Committee Resigned 1 December 2023					
Mr Richard Vallihu <sup>a</sup>	• Board member • Member of the Remuneration and HR Committee	5	1	-	7	
Mrs Linda Ngcobo	• Member of Board • Member of Audit and Risk Committee Appointed 1 June 2022	5	1	5	-	1

**SCHEDULE OF ATTENDANCE AT BOARD AND COMMITTEE MEETINGS (INCLUDING AD HOC MEETINGS) (CONTINUED)**

BOARD/ COMMITTEE MEMBERS	BOARD/ COMMITTEE MEMBERSHIP	BOARD		AUDIT AND RISK COMMITTEE	REMUNERATION AND HR COMMITTEE	INVESTMENT COMMITTEE
NUMBER OF MEETINGS		4 ORDINARY MEETINGS PLUS 1 AD HOC MEETING	1 STRATEGY MEETING	4 ORDINARY MEETINGS PLUS 1 AD HOC MEETING	6 ORDINARY MEETINGS PLUS 1 AD HOC MEETINGS	3 ORDINARY MEETINGS
Mr Lucky Gabela	<ul style="list-style-type: none"> <li>Member of Board</li> <li>Member of Remuneration and HR Committee</li> <li>Member of Audit and Risk Committee</li> </ul> Appointed 1 June 2022	5	1	5	7	-
Mr Yunus Hoosen <sup>b</sup>	Dtic representative to the Board Appointed 1 November 2023	1	-	-		
Mr Zahid Fakey	<ul style="list-style-type: none"> <li>Independent Chairperson of the Audit and Risk Committee</li> </ul>	-	1	5		
<b>ATTENDANCE AT BOARD AND COMMITTEE MEETINGS BY MEMBERS OF THE EXECUTIVE MANAGEMENT TEAM</b>						
Mr Hamish Erskine	<ul style="list-style-type: none"> <li>Chief Executive Officer</li> <li>Member of Board (ex officio)</li> <li>Member of Remuneration and Human Resources Committee</li> </ul>	5	1	5	7	3
Ms Ayesha Swalah	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	5 <sup>i</sup>	1 <sup>i</sup>	5 <sup>i</sup>		3 <sup>i</sup>
Mr Andile Mnguni	<ul style="list-style-type: none"> <li>Acting Investments Executive</li> </ul>	-	1 <sup>i</sup>			3 <sup>i</sup>
Mr Owen Mungwe	<ul style="list-style-type: none"> <li>DPI Executive</li> </ul>	-	1 <sup>i</sup>			3 <sup>i</sup>
Mr Mlibo Bantwini	<ul style="list-style-type: none"> <li>Cargo and AgriZone Executive</li> </ul>	-	1 <sup>i</sup>			1 <sup>i</sup>
Mr Buhle Shandu	<ul style="list-style-type: none"> <li>Assets and Operations Executive</li> </ul> Appointed on 1 December 2023	-	1 <sup>i</sup>		-	1 <sup>i</sup>
Ms Nolufefe Ali	<ul style="list-style-type: none"> <li>Corporate Services Executive</li> </ul>	-	1 <sup>i</sup>		7 <sup>i</sup>	

a = resigned on 1 December 2023 to the current board  
 b = appointed on 1 November 2023  
 i = attended meeting by invitation

**INTERNAL CONTROL**

Dube TradePort Corporation’s Board is accountable for the organisation’s system of internal control and has delegated the implementation and management of this responsibility appropriately.

The organisation’s system of internal control ensures that significant risks are appropriately managed and provides reasonable assurance that:

- Policies (including financial policies) have been developed and are reviewed annually/biannually to ensure that the system of internal controls (including internal financial controls) are seamlessly integrated into the processes at Dube TradePort Corporation;
- Business objectives will be achieved;
- Operations are efficient and effective;
- Management of financial information is reliable;
- Dube TradePort Corporation’s assets and information are appropriately safe guarded; and
- There is compliance with applicable laws and regulations.

Based on feedback received from the Committees of the Board, external independent assurance providers and management, the Board considers the system of internal controls and internal financial controls to be effective.

**EXTERNAL AUDIT**

In terms of the PFMA, the Auditor-General audits the Annual Financial Statements of Dube TradePort Corporation.

The Audit and Risk Committee is satisfied that the Auditor-General is independent of Dube TradePort Corporation.

**INTERNAL AUDIT**

Dube TradePort Corporation’s internal audit function provides independent assurance in terms of the adequacy and effectiveness of the system of internal control, in order to manage the significant risks faced by the organisation.

The organisation’s internal audit function is conducted by an external service provider, considered to be both objective and independent. This status is further maintained through its reporting functionally to the Audit and Risk Committee.

Dube TradePort Corporation's Internal Audit Charter does not allow a service provider to undertake the internal audit function for more than two consecutive three-year terms, following which the service provider is required to take a mandatory three-year cooling-off period before again becoming eligible to provide such a service to Dube TradePort Corporation. In addition, the firm selected to provide the internal audit function to Dube TradePort Corporation is not permitted to provide any other services to the entity.

Dube TradePort Corporation has not appointed a Chief Audit Executive. However, the partner in charge of the internal audit function assumes many of the duties associated with a Chief Audit Executive.

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

The Audit and Risk Committee is satisfied with the effectiveness of both the internal audit and those functions the partner in charge carries out, which might otherwise be undertaken by a Chief Audit Executive.

SNG Grant Thornton was appointed as the service provider for one year. An annual audit coverage plan is developed through the application of a risk-based approach and is reviewed and approved by the Audit and Risk Committee on an annual basis. The plan includes non-financial reviews in operational areas across the organisation.

The quality of the internal audit services is assured, given that SNG Grant Thornton conducts internal audit peer file reviews on a regular basis, which are independently conducted by internal and external quality teams. The firm is recognised by relevant associations, inclusive of the South African Institute of Chartered Accountants, the Institute of Internal Auditors of South Africa and the Information Systems Audit and Control Association.

KPMG has in place a Global Code of Conduct which provides an ethical framework and contains guidelines for decision-making and behaviour.

## **RISK MANAGEMENT**

Dube TradePort Corporation's Board is held responsible and accountable for the governance of risk.

In this regard, it has delegated the implementation and day-to-day management of this responsibility appropriately.

Risk management is seen to be a key business discipline which:

- Protects the organisation against uncertainties and hazards which could prevent the achievement of business objectives;
- Considers the exploitation of opportunities which may improve the performance of the organisation; and
- Focuses on strategic, financial, compliance and operational risks.

The Board annually reviews strategic risks, together with executive management, as part of the organisation's annual strategic session. For further information about the critical strategic risks faced by Dube TradePort Corporation, please refer to:

[www.dubetradeport.co.za/Annual\\_Reports](http://www.dubetradeport.co.za/Annual_Reports)

The Board also undertakes periodic reviews of the risk appetite that it is prepared to accept for the organisation, whilst also providing guidance on risk tolerance. During the financial year under review, management did not exceed the Board's risk appetite or risk tolerance in any of its activities.

Dube TradePort Corporation has in place a number of Board-approved interventions. These include:

- A Risk Management Framework (including a Risk Policy Statement) based on the Committee of Sponsoring Organisations framework;
- A Fraud Prevention Plan; and
- A Fraud Prevention Policy and Response Plan.

All members of the organisation's staff receive training regarding these policies during their induction into the organisation.

Both Dube TradePort Corporation's Board and management regard risk management to be a maturing process. Accordingly, management focuses keenly on the ongoing implementation and bedding-in of its risk management and internal controls system. There exists a risk reporting system and, on a quarterly basis, the Audit and Risk Committee reviews the risks of different operational areas. The Committee monitors the strategic risks on a continuous basis.

The Board, through the Audit and Risk Committee, receives reports on risk profile changes across the entity and are, thus, able to gain assurance of the effectiveness of risk management. The Audit and Risk Committee is also responsible for the review of all legal matters, high-risk contracts and insurance matters.

The current focus area is the updating of risks and controls to take account of operating in a slow recovering economy and recent local and global events are also being considered when reviewing the strategic risks.

The Audit and Risk Committee receives information on operational risks and details of action plans where the difference between current and desired residual risk is rated moderate or higher.

## **FINANCIAL STATEMENTS**

The Audit and Risk Committee reviews the financial statements and the appropriate application of significant accounting policies.

## COMBINED ASSURANCE

The Audit and Risk Committee receives assurance that reviews are undertaken by independent, external assurance providers in such operational areas as environmental reviews, health and safety reviews, South African Civil Aviation Authority (SACAA) audits and client and tenant satisfaction surveys.

The final results of reviews, which are conducted by independent, external assurance providers, are shared on at least an annual basis with the Audit and Risk Committee.

The Committee is satisfied that the overall assurance received by the entity is effective.

## COMPLIANCE

The Board of Dube TradePort Corporation is charged with responsibility for overseeing the entity's compliance with laws, regulations and standards. It has delegated to management responsibility for the implementation of an effective legislative compliance process.

A number of reviews, conducted by independent, external assurance providers, are necessitated by legislation and include:

- Reviews by internal and external auditors;
- Audits by the Independent Communications Authority of South Africa (ICASA);
- Environmental compliance reviews; and
- Audits by SACAA.

The Board, through the Audit and Risk Committee, is afforded the peace of mind that Dube TradePort Corporation is compliant with all statutory and legislative requirements.

Dube TradePort Corporation has not breached any material regulatory requirements and has not failed in meeting any statutory obligations of which it is aware.

## INFORMATION AND TECHNOLOGY GOVERNANCE

In view of the importance Dube TradePort Corporation attaches to information and technology, the Audit and Risk Committee considers, with management, matters relating to information and technology, when relevant.

The ICTG Steering Committee operates in line with comprehensive Terms of Reference. This Committee comprises senior managers from divisions across the entity. The Committee meets at least quarterly. During the 2023/2024 financial year the Committee met four times.

Dube TradePort Corporation continues to focus on the development and implementation of its Enterprise Architecture capability. The Enterprise Architecture capability under development will consider and address the following key attributes:

Alignment to the existing Business and Information Communication and Technology Strategy;

- Alignment to proven industry best practice frameworks (including King IV, TOGAF and CoBIT);
- Support for technology growth;
- Addressing skills and competency challenges;
- Consideration of speed of change inherent in the technology environment; and
- Alignment to the Information Communication Technology Risk Management Framework and Security Framework, which are being developed.

## REMUNERATION AND HUMAN RESOURCES COMMITTEE

The organisation's Remuneration and Human Resources Committee meets at least quarterly and is convened in line with formal Terms of Reference, which are reviewed biennially and approved by the Board. Mrs Moerane serves as Chairperson of this Committee and Mr Vallihu and Mr Gabela were appointed to the Committee with effect from 1 June 2022.

For further information about the Committee's specific responsibilities, please refer to: [www.dubetradeport.co.za/Corp\\_Gov](http://www.dubetradeport.co.za/Corp_Gov)

During the 2023/2024 financial year, the organisation's Remuneration and Human Resources Committee held six ordinary meetings and one ad hoc meetings.

Although King IV recommends that the Chief Executive Officer should not be a member of the Remuneration and Human Resources Committee, the Board feels that the inclusion of Mr Erskine as a member of the Committee ensures that relevant institutional knowledge is available and enhances their deliberations.

The Corporate Services Executive attends meetings by invitation. Both the Chief Executive Officer and the Corporate Services Executive recuse themselves during any discussion pertaining to their own performance or remuneration.

During the year under review, the Committee undertook the following activities:

Approved the performance scores of the non-executive employees;

- Approved 2023/2024 salary adjustments;
- Received quarterly reports on human resources performance and corporate social activities;
- Reviewed and approved various human resources policies and reviewed and recommended new policies to the Board;
- Received feedback on the results of the employee engagement survey and initiatives to improve employee engagement;

- Received feedback on management's interactions with the National Education Health and Allied Workers' Union (NEHAWU);
- Received feedback on matters referred to the CCMA and Labour Court;
- Monitored the entity's progress on Black-Broad Based Economic Empowerment initiatives and challenges;
- Received feedback on human resources operational risks;
- Received feedback on the strategic risks relating to human resources; and
- Monitored the progress of Evolution 2020 and Beyond, an organisational design project.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its Terms of Reference for the year to date.

The focus for the forthcoming year will be to review the performance management policy and ensure implementation of the same.

## REMUNERATION PHILOSOPHY

### Remuneration of Staff and Executives:

Dube TradePort Corporation strives always to achieve fair, responsible and transparent remuneration, so as to realise its strategic outcomes, as per the King IV Report on Corporate Governance recommendations. The organisation is of the opinion that its current remuneration practises make certain that it is materially aligned to the principles contained in King IV.

During the 2023/2024 financial year, Dube TradePort Corporation finalised a review of the organisation's remuneration philosophy, in line with best practice guidelines. The revised pay-scale was anchored to the national market medians. Currently, the organisation benchmarks to the mid-point of the range of each pay scale at the relevant market 50th percentile of the market. Dube TradePort Corporation has utilised the services of independent consultants to conduct benchmarking.

As part of Evolution 2020 and Beyond project, all job descriptions were reviewed, updated and graded by specialist consultants to ensure the grading of each position was relevant, consistent and in line with the Paterson grading system. Grading for each position was benchmarked, to ensure comparable positioning and remuneration with the marketplace. The organisation employs the skills of an independent service provider on an annual basis to develop a better understanding of the remuneration trends and practises.

Performance bonuses and annual salary increases are not guaranteed and are subject to organisational performance, market trends and the individual performance of employees and the availability of budget.

Performance bonuses are only paid if the organisation achieves in excess of 80% of the targets contained in its Annual Performance Plan. Such bonus payments are calculated in accordance with the scores achieved by individuals on their annual performance assessments. The Board reviews and moderates the bonuses of the Chief Executive Officer, the Executives and the Company Secretary.

In 2023/24 a performance bonus was not paid because, as in the prior three financial years Dube TradePort Corporation did not achieve the required threshold of targets.

Salary increases comprise two components, namely; a cost-of-living component and a performance-linked component. During the 2023/2024 financial year, an increase aligned to CPI was provided. Employees also received a non-pensionable monthly allowance, which did not affect the baseline of the employees' compensation. In 2024/2025 this allowance would be included in the baseline remuneration of employees within the bargaining unit.

During the year under review, the Remuneration Policy did not change with regard to managers within the Patterson Grading System bands D and E. These employees are paid a total cost to company package within the pay-scales of the D and E job grades. There is no corporate contribution to provident funds or medical aid schemes at this level. Dube TradePort Corporation contributes to employees' medical aid and employees' provident fund for non-managerial staff within the job grades A, B and C.

The organisation's Remuneration Policy may be found at [www.dubetradeport.co.za/Corp\\_Gov](http://www.dubetradeport.co.za/Corp_Gov).

## REMUNERATION OF BOARD MEMBERS

Fees for members of the Board are set by the KwaZulu-Natal Member of the Executive Council for Economic Development, Tourism and Environmental Affairs.

Remuneration for Board and Board Committee members is not dependent on the performance of Dube TradePort Corporation. Full disclosure of amounts paid to staff, Executives and Board members may be found in note xx in the Annual Financial Statements.

## INVESTMENT COMMITTEE

The Investment Committee is convened in terms of formal Terms of Reference, which are subject to review on an annual basis, and which are approved by the Board. This Committee is a sub-Committee of the Board.

The Committee met three times during the year under review.

During the current year the Committee revised its Terms of Reference. The Committee comprises two non-executive board members. Mr. Ngcobo acted as the Chairperson of this Committee and he and Mr. Ndhlovu continued as members of this Committee until Mr Ndhlovu resigned from the Board and Committee of Dube TradePort Corporation on 1 December 2023. Ms. Ngcobo was appointed to this Committee in his place.

Chief Executive Officer, the Chief Financial Officer and Development Planning, Infrastructure Executive Investment Executive and Assets and Operations Executive attend such meetings by invitation.

During the review period, the Committee undertook the following activities:

- Monitored the investment pipeline;
- Monitored the progress of construction of infrastructure assets;
- Provided oversight of the assets and the revenue obtained therefrom;
- Reviewed and recommended a number of applications from investors to become Special Economic Zone Enterprises for approval by the Board; and
- Reviewed a number of inward investment proposals and made recommendations to the Board accordingly.

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its Terms of Reference for the year to date.

The focus for the ensuing financial year will be to review inward proposals.

## COMPANY SECRETARY

The Company Secretary plays a key role in the governance of the entity and executes duties relating to the Board and the rest of the entity in such a manner as to ensure comprehensive adherence to Board procedures and relevant regulations. All corporate governance services are provided by the Company Secretary. However, should the need arise, the advice of other corporate governance professionals may be procured on behalf of the Board. The Board believes the arrangements for accessing corporate governance services to be effective.

The Company Secretary attends all Board and Board Committee meetings. Members of the Board have unlimited access to the services of the Company Secretary.

The performance of the Company Secretary is currently reviewed quarterly by the Chief Executive Officer and, on an annual basis, her performance assessment is reviewed by the Board.

## CODE OF BUSINESS CONDUCT

Dube TradePort Corporation has in place a policy of zero tolerance with regard to unethical activities.

The organisation's Code of Business Conduct governs the behaviour of every member of staff, and all receive training with regard to this Code during their induction. Every member of staff is expected to sign an annual declaration, indicating that they understand the content of the Code and that any contravention of the Code has a consequence, which may include disciplinary action. The organisation's Code of Business Conduct includes the following areas:

- Values of Dube TradePort Corporation;
- General behaviour at work and tolerance and respect for all;
- Declaration and conflicts of interest;
- Acceptance of gifts and gratuities;
- Zero tolerance of fraud and corruption, sexual harassment and intimidation;
- Politics in the workplace;
- Due care and attention to work undertaken;
- Care and attention of assets; and
- Electronic communication and protection of confidential information.

## SUPPLIERS' CODE OF CONDUCT

Dube TradePort Corporation also has in place a Suppliers' Code of Conduct.

All the organisation's suppliers are invited to sign the Suppliers' Code of Conduct and certain key suppliers are required to attend an induction course upon the commencement of their contract period, thus ensuring that Dube TradePort Corporation's standards, both ethical and operational, are fully understood and met.

## GENERAL DECLARATIONS OF INTEREST

As previously indicated, members of Dube TradePort Corporation's staff are obligated to declare their interests. This is in line with the requirements of the PFMA.

In addition, all members of staff involved in the scoping, evaluation or adjudication of the organisation's procurement process are required to declare any interests prior to each engagement in such process. As an additional control, designed specifically to mitigate against any influence by suppliers, Dube TradePort Corporation has in place a Gift Policy to which all staff members are required to adhere.

## ACCESS TO INFORMATION

Access to information is regarded by the Board as being the cornerstone of good governance.

In this regard, the Board ensures access - collectively and individually - to entity information, records, documents and property, so enabling it to effectively carry-out its responsibilities. Provision is made to ensure that access to information is applicable to both the Board and the Committees of the Board.

Board members are, whenever appropriate, able to access external professional service providers at the cost of Dube TradePort Corporation. The provisions of the Supply Chain Management Policy would be followed in order to procure such services.

## RESPONSIBLE CORPORATE CITIZENSHIP AND ETHICAL LEADERSHIP

### Organisational ethics

As already indicated, Dube TradePort Corporation's Board is responsible for strong ethical leadership and receives reports on social and ethical initiatives.

The organisation's ethics framework comprises the continuous review of policies, the induction of all new staff members, the annual renewal of adherence to the Code of Business Conduct and the Suppliers' Code of Conduct, declarations of interest, the reporting on an anti-fraud tip-offs hotline and the reporting of the number of disciplinary actions to the Remuneration and Human Resources Committee.

The organisation has in place an approved Disciplinary Policy. Breaches of the Code of Business Conduct, or any other ethical standards, are dealt with in terms of this policy.

The organisation makes available all its policies by way of the Dube TradePort Corporation intranet, known as DubeWorld. Training interventions dealing with policies are provided at staff induction sessions and also during the year, as and when significant changes are made, or when management deems such refreshers appropriate.

During the year under review all managers attended contract management training to ensure that sustainable practices were put in place to manage service providers and to reduce the incidence of irregular expenditure through poor administration of contracts.

Dube TradePort Corporation has not appointed a Social and Ethics Committee. Currently, however, the Board considers that issues which would otherwise be overseen by such a Committee be dealt with by its existing Committees. However, should the workload of its existing Committees so demand, the Board will appoint a separate Social and Ethics Committee.

To date the entity has not undertaken an independent assessment to monitor adherence to organisational ethical standards. Ethical processes are monitored as follows:

The Audit and Risk Committee receives reports on calls made to the Anti-Fraud Hotline. All responses to incidents reported are monitored by this Committee. Since the volume of such calls received is very low, management will conduct an awareness campaign to ensure that best value is obtained from this service.

The Remuneration and Human Resources Committee receives feedback on disciplinary incidents and any health and safety incidents.

During the year under review, the entity did not experience any significant breaches of ethics of which it is aware. Dube TradePort Corporation will, therefore, continue to implement and monitor the current ethics practises.

The focus for the next year remains on ensuring that robust and ethical Supply Chain Management processes are practised by Dube TradePort Corporation.

## CORPORATE CITIZENSHIP

Many of the targets included in the Annual Performance Plan measure the corporate citizenship initiatives implemented by the entity. The Annual Performance Report found on page 44 records the entity's achievement of targets. Corporate citizenship achievements are also found in the Chief Executive Officer's Report on page XX of this report.

Each quarter, the Board reviews the progress made towards achieving all targets in the Annual Performance Plan. Each target is considered to be a key area of organisational focus. The quarterly report is submitted to both the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs and the KwaZulu Natal Provincial Treasury as part of required reporting.

The Audit and Risk Committee also receives reports detailing compliance with environmental and other operational audits. This process will receive greater attention in the forthcoming financial year.

## PUBLIC ACCESS TO INFORMATION ACT (PAIA)

Dube TradePort Corporation has in place the necessary Section 14 PAIA manual. This document is available via the organisation's website. For further information about said manual, please refer to: [www.dubetradeport.co.za/Annual\\_Reports](http://www.dubetradeport.co.za/Annual_Reports)

Between 01 April 2023 and 31 March 2024, Dube TradePort Corporation received one request for information requiring a specific response. All other requests related to information which was automatically available on the organisation's website or was contained in marketing and promotional materials.

## STAKEHOLDER ENGAGEMENT

A wide range of stakeholder groups were engaged by Dube TradePort Corporation during the year under review. The Board receives reports on significant stakeholder engagements.

During the year under review, the Board received regular feedback regarding the progress of the Automotive Supplier Park, interacted with the Department of Trade, Industry and Competition on allocations received from the Special Economic Zone Fund and dealt with recommendations from the Durban Direct Route Development Committee, amongst other matters.

The shareholder is represented at Board and Audit and Risk Committee meetings. This provides for a two-way exchange of information.

The organisation places great store by its structured engagements and endeavours to promote and cultivate sound relationships through professional, transparent and effective communication.

Stakeholder groups with which Dube TradePort Corporation interacts include:

- Department of Economic Development, Tourism and Environmental Affairs;
- Regulators;
- Business partners;
- Local communities;
- Media;
- Clients;
- Agricultural community;
- Investors, tenants and developers;
- Airlines and the cargo and logistics community; and
- Members of staff.

Dube TradePort Corporation meets with stakeholders via a range of forums.

The relationship with the shareholder is governed by the Shareholder Compact, which is signed annually. Furthermore, representatives of the Department of Economic Development, Tourism and Environmental Affairs attend meetings of the Board and the Audit and Risk Committee.

## CORPORATE CITIZENSHIP

The Board ensures that Dube TradePort Corporation is - and is seen to be - a responsible corporate citizen. Examples of the achievements of targets set in this regard may be found in the Annual Performance Report, located on page XX of this document.

## WORKPLACE

The organisation's annual Employment Equity Plan, which is reviewed and approved by the Remuneration and Human Resources Committee, aims to ensure that any barriers to equal employment at Dube TradePort Corporation are removed. Further information in this regard may be found in the Corporate Services Report available at: [www.dubetradeport.co.za/Annual\\_Reports](http://www.dubetradeport.co.za/Annual_Reports)

All positions are formally graded and remunerated at the 50th percentile level.

## ECONOMY

The Board approved a Broad-Based Black Economic Empowerment Strategy in 2016, which strategy now guides Dube TradePort Corporation's endeavours to ensure that economic transformation is achieved through its operational activities. This strategy will be revised in 2023/24.

Dube TradePort Corporation is measured on a generic specialised scorecard. The scorecard issued in October 2023 measures Dube TradePort Corporation as a Level 2 contributor.

B-BBEE SCORE PER ELEMENT	
Ownership	Not applicable
Management control	16.06
Skills development	20.28
Enterprise and supplier development	54.00
Socio-economic development	5.00
<b>Total score</b>	<b>95.34</b>

An initiative which supports the organisation's Fraud Prevention Plan is the operation of an Anti-Fraud Hotline, through which both internal or external parties are invited to anonymously report fraudulent or corrupt behaviour pertaining to the organisation. The Audit and Risk Committee is informed of any and all activities so reported and is briefed on steps taken to resolve such issues.

All such reports, whether made via the Anti-Fraud Hotline or in person, are treated in absolute confidence, with individuals protected by the organisation's Whistle Blowing Policy, which is itself underpinned by relevant legislation.

## SOCIETY

The various types of initiatives supported by Dube TradePort Corporation are more fully described in the Corporate Services Report, which may be found on page XX.

## ENVIRONMENT

Dube TradePort Corporation is cognisant of the need to prevent environmental degradation.

Accordingly, all activities within the Dube TradePort precinct are closely monitored to ensure that neither the entity nor developers or tenants harm the environment through pollution or the inappropriate disposal of waste.

The organisation consciously works to rehabilitate land in the precinct and labours to maintain land already rehabilitated. This stance is in compliance with the Environmental Authorisation and is reported in the Annual Performance Report, which may be found on page **XX** of this document.

The majority of the organisation's greenhouse gas emissions are associated with indirect emissions of Scope 2 (from purchased electricity), Dube TradePort Corporation has developed an appropriate monitoring, reporting and verification framework for data collection throughout the entity's operations, inclusive of Dube AgriZone, Dube TradeZone and its Support Zone for the past ten years, in spite of the Carbon Tax Act only becoming effective from 2019.

In addition, the organisation's proactive expansion of solar panels and scaling-up of recycling programmes are also assisting in emissions reduction. This includes tenants and third-party developers.

The same proactive approach to water resource and water quality monitoring has also been implemented. Dube TradePort Corporation actively undertakes a comprehensive water quality monitoring programme involving no fewer than 21 sample locations within the Dube TradePort precinct. This is undertaken to:

- Characterise surface water quality in terms of a list of specified determinants;
- Identify trends over time; and
- Identify potential emerging problems.





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# ANNUAL PERFORMANCE REPORT



# 12 ANNUAL PERFORMANCE REPORT

PROGRAMME	PROGRAMME	PROGRAMME	PROGRAMME	PROGRAMME	PROGRAMME
1	2	3	4	5	6
ADMINISTRATION	CARGO DEVELOPMENT	PROPERTY & SEZ ADMINISTRATION	DUBE AGRIZONE	DUBE iCONNECT	DEVELOPMENT, PLANNING & INFRASTRUCTURE
<b>Sub-programmes</b> <ul style="list-style-type: none"> <li>Office of the Chief Executive Officer</li> <li>Finance</li> <li>Corporate Services</li> <li>Marketing</li> </ul>	<b>Sub-programmes</b> <ul style="list-style-type: none"> <li>Cargo Operations</li> <li>Cargo Compliance</li> <li>Air Cargo Business Development</li> </ul>	<b>Sub-programmes</b> <ul style="list-style-type: none"> <li>Business Development</li> <li>Property and SEZ Commercial</li> <li>Property Operations</li> <li>SEZ Compliance</li> </ul>	<b>Sub-programmes</b> <ul style="list-style-type: none"> <li>AgriZone Services</li> <li>Tissue Culture Facility (Dube AgriLab)</li> <li>Landscaping and Rehabilitation</li> </ul>	<b>Sub-programmes</b> <ul style="list-style-type: none"> <li>Commercial and Operations</li> </ul>	<b>Sub-programmes</b> <ul style="list-style-type: none"> <li>Planning</li> <li>Environment</li> <li>Infrastructure and Development</li> </ul>

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# PROGRAMME 1- ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	PERFORMANCE INDICATOR 2021/22	
<b>PROGRAMME 1: ADMINISTRATION</b>				
<b>SUB-PROGRAMME 1.1: OFFICE OF THE CHIEF EXECUTIVE OFFICER</b>				
Increased active participation by black people in the economy	Inclusion of all targeted groups in DTPC's operations, development and learning activities	DTPC's B-BBEE level	Level 3	
Sustainable development and operation of the Dube TradePort	Effective ICT governance and IT performance	% of ICT objectives achieved	85.4%	
	Own revenue growing at a faster rate than growth in operational costs	% of operational costs covered by own revenue earned	26.2%	
<b>SUB-PROGRAMME 1.2: FINANCE</b>				
Sustainable development and operation of the Dube TradePort	Reliable financial information, resulting in stakeholder confidence	External audit opinion	Clean audit	
	Efficient utilization of funds received	% MTEF allocation utilized	100%	
<b>SUB-PROGRAMME 1.3: CORPORATE SERVICES</b>				
Sustainable development and operation of the Dube TradePort	Effective management of talent and employee engagement, to build a high performance culture	Increase in employee engagement survey score	- 5.97% (decrease)	
	DTPC adequately capacitated through the timeous filling of approved vacancies	Average time taken to fill vacancies from receipt of approval to acceptance of offer	5.7 months	
<b>SUB-PROGRAMME 1.4: MARKETING</b>				
Increased investment and export potential	Marketing and communication activities that have a targeted reach	Cumulative reach of marketing and communication activities	6.6 million people	

The purpose of the Administration programme is to provide an enabling support environment to the organisation, which is categorised by integrated, solution-focused and agile practices.

Due to the transversal nature of this programme, effective and efficient operation thereof is critical to ensure that Dube TradePort Corporation's strategic plans remain relevant, are well-implemented and effectively monitored.

	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	REASONS FOR DEVIATIONS
	Level 2	Level 2	Level 2	Dube TradePort Corporation's B-BBEE scorecard was issued on 15 September 2023 and shows Level 2 compliance based on the 2022/23 financial year.
	96.1%	90%	93.5%	All ICT objectives set for the year were achieved, with the exception of the implementation of the onboarding and document and records management processes.
	35.5%	29.3%	45.4%	Dube TradePort Corporation's own revenue increased by approximately 44%, as compared to the previous year, which was significantly higher than the increase in operating costs over the same period. This was due to the Air Cargo industry continuing to improve at a quicker rate than anticipated, and interest rates continuing to rise. In addition, recoveries of municipal charges from tenants also increased.
	Clean audit	Clean audit	Clean audit	A clean audit was received on the 2022/23 financial results. This was the eleventh consecutive year in which this was achieved.
	100%	100%	100%	91.9% of the funds available in the 2023/24 year were utilised by 31 March 2024. The remaining funds were earmarked for accruals raised at year-end.
	1.6%	1%	7.2%	96.6% of employees completed the Employee Engagement Survey. The results of this survey indicated that 71.2% of Dube TradePort Corporation's employees are engaged, as compared to only 64% in the previous year, following the implementation of action plans to address issues that were highlighted in the previous year's survey.
	6.9 months	5 months	4.5 months	Approval was obtained in June 2023 to fill 29 vacant posts, while approval for a further 5 posts was obtained in August. 30 of these posts were filled within the year, while 2 posts were filled shortly after year end and filling of the remaining 2 posts are in progress.
	41.2 million people	7 million people	23.8 million people	Higher than expected reach was due to a story that received wide coverage across all media platforms.



# PROGRAMME 2- CARGO DEVELOPMENT

OUTCOME	OUTPUT	OUTPUT INDICATOR	PERFORMANCE INDICATOR 2021/22
<b>PROGRAMME 2: CARGO</b>			
<b>SUB-PROGRAMME 2.1: CARGO OPERATIONS</b>			
Increased investment and export potential	Effective and efficient cargo handling services	% of SLA conditions met	100%
<b>SUB-PROGRAMME 2.2: CARGO COMPLIANCE</b>			
Increased investment and export potential	Compliance with national and international air cargo standards	Valid Regulated Agent certificate	SACAA license in place
<b>SUB-PROGRAMME 2.3: AIR CARGO BUSINESS DEVELOPMENT</b>			
Sustainable development and operation of the Dube TradePort	Increased revenue from cargo handling and AiRoad operations	Total revenue generated from cargo terminal services	R7.2 million



The Cargo programme supports the provision of services for import and export industries for high value and time sensitive air cargo. This service is provided through a state-of-the-art cargo handling facility with automated handling, digital tracking and secure cargo flow. The Dube Cargo Terminal provides cargo handling and logistics services across the air cargo value chain and is supported by trained and experienced personnel and on-site statutory bodies, providing a key advantage to manufacturers and logistics companies seeking efficiency and speed to the market.

	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	REASONS FOR DEVIATIONS
	99.9%	95%	99.7%	Operations at the Dube Cargo Terminal are carefully planned and scheduled to ensure that all airline carriers' requirements are met.
	SACAA license in place	SACAA license in place	SACAA license in place	All required compliance standards were met, enabling the Dube Cargo Terminal to maintain its Regulated Agent license.
	R18.6 million	R13.2 million	R24 million	The air cargo industry continued to recover from the effects of COVID-19 quicker than anticipated. This resulted in a 29% increase in revenue from cargo terminal services, as compared to 2023/24.



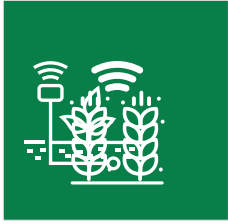


# PROGRAMME 3 - PROPERTY AND SEZ ADMINISTRATION

OUTCOME	OUTPUT	OUTPUT INDICATOR	PERFORMANCE INDICATOR 2021/22	
<b>PROGRAMME 3: PROPERTY AND SEZ ADMINISTRATION</b>				
<b>SUB-PROGRAMME 3.1: BUSINESS DEVELOPMENT</b>				
Increased investment and export potential	Increased up-take of DTPC serviced land for private sector investment	Number of new square metres of serviced land and bulk leased in Dube TradePort property zones	10 973.8 m <sup>2</sup>	
	New leases signed with targeted investors for private sector investment	Total value of new investment (capital equipment) by black-owned companies	R3.7 million	
		Total value of new investment (buildings) by black-owned companies	R93.8 million	
<b>SUB-PROGRAMME 3.2: PROPERTY AND SEZ COMMERCIAL</b>				
Increased investment and export potential	Occupancy levels maximised by signing new leases and retaining existing tenants	% Occupancy of DTPC owned buildings	70.8%	
Sustainable development and operation of the Dube TradePort	Increased revenue from rental of DTPC's land and buildings	Total revenue from all DTPC properties	R52.6 million	
<b>SUB-PROGRAMME 3.3: PROPERTY OPERATIONS</b>				
Sustainable development and operation of the Dube TradePort	Operating efficiencies optimized Number of cost optimization initiatives implemented	Number of utility cost reduction measures implemented	New indicator	
		New indicator	3	

The purpose of the Property and SEZ Administration programme is to attract both foreign and domestic long-term investment to KwaZulu-Natal, by providing an attractive platform for companies to establish manufacturing and value-addition operations. Its main aim is to enhance manufacturing by leveraging investment in export-oriented industries and to promote competitiveness of South African enterprises through export and value-added manufacturing products.

	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	REASONS FOR DEVIATIONS
	20 750 m <sup>2</sup>	60 000 m <sup>2</sup>	65 353.2 m <sup>2</sup>	Land leases for sites in TradeZone 2 were signed during the year with Yangtze Optics Africa Cable (Pty) Ltd, HR Matters Properties (Pty) Ltd, AIH Logistics (Pty) Ltd and Image Packers and Distributors (Pty) Ltd. In addition, the full site that was leased to Futurelife Health Products (Pty) Ltd in the previous year was released for their use.
	R70.9 million	R5 million	R61.2 million	New tenants with more than 51% black-ownership, such as AIH Logistics (Pty) Ltd, Image Packers and Distributors (Pty) Ltd and Siyakha Imperial Printing, invested in new capital equipment.
	R44.6 million	R75 million	R82.3 million	New investment in buildings at TradeZone 2 was signed with black-owned investors, AIH Logistics (Pty) Ltd, Image Packers and Distributors (Pty) Ltd and HR Matters Properties (Pty) Ltd.
	73.4%	75%	89.0%	Most of the Mini-factory units and TradeHouse building are occupied. A vacant warehouse at the Cargo terminal is no longer available for lease as Dube TradePort Corporation had earmarked this area for phase 1 of the planned bonded warehouse. In addition, less office space is now available for lease at 29° South as Dube TradePort Corporation is utilising a larger portion of the building for its own operations.
	R59.7 million	R50 million	R68.6 million	Higher than targeted occupancy levels in buildings owned by Dube TradePort Corporation contributed to higher-than-expected revenue from rentals. In addition, levies charged to developers in TradeZone 1 were increased quarterly to move these closer to a representative rate, and sugarcane rentals earned were higher than expected.
	2	2	2	The following measures were implemented: (1) Reduction of notified demand charges at the Cargo Terminal; and (2) Change of light fittings to energy savers at 29° South fleet parking area.
	3	3		The following cost optimisation initiatives were implemented: (1) Optimised furniture specification resulting in a significant cost reduction; (2) Security savings emanating from various initiatives involving the restructuring of the security contract; and (3) Cost reduction emanating from optimizing the HVAC maintenance contract.



# PROGRAMME 4 - AGRIZONE

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2022/23	
<b>PROGRAMME 4: AGRIZONE</b>				
<b>SUB-PROGRAMME 4.1: AGRIZONE SERVICES</b>				
Increased investment and export potential	Reliable, effective and efficient AgriZone services provided to customers and tenants	% Effectiveness of service level standards	80.1%	
	Occupancy levels maximised by signing new leases and retaining existing tenants	% Occupancy of AgriZone facilities	100%	
<b>SUB-PROGRAMME 4.2: TISSUE CULTURE FACILITY</b>				
Sustainable development and operation of the Dube TradePort	Production capabilities of the Tissue Culture Facility increased through research and development activities	Number of R&D projects / protocols developed	3	
		% Increase in number of plants delivered to clients	New indicator 15%	
	Increased revenue from tissue culture plant sales	Total revenue generated from tissue culture plant sales	R253 051	
<b>SUB-PROGRAMME 4.3: LANDSCAPING AND REHABILITATION</b>				
Sustainable development and operation of the Dube TradePort	Land rehabilitated in compliance with ROD requirements	Number of hectares rehabilitated and maintained	255.2 ha	

The purpose of the AgriZone programme is to develop and operate a cluster of facilities to support the stimulation of the agribusiness sector in KwaZulu-Natal. These facilities include greenhouses and packhouses that are leased to the private sector, a tissue culture lab, and an indigenous plant nursery, used to support on-site rehabilitation at Dube TradePort. The AgriZone is a potential catalyst for the development of a perishables sector in the province, which serves to boost air cargo exports and contributes to the development of a more efficient supply chain for perishables.

	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	REASONS FOR DEVIATIONS
	79.5%	80%	74.6%	Continued support has been given to Dube AgriZone tenants (Farmers), including provision of irrigation water, removal of waste and maintenance of facilities. Tenants were unhappy with interruptions to municipal water during the year, as well as delays in the commencement of some maintenance work.
	100%	85%	96.3%	All lettable facilities at the AgriZone were occupied throughout the year, with the exception of one facility where the lease expired on 31 January 2024. A Call for Proposals document is being prepared to source new tenants for two vacant facilities.
	2	2	2	A successful attempt was made to develop a tissue culture protocol for mass propagation of <i>Huernia schneideriana</i> (Red Dragon Flower) and <i>Portulacaria afra</i> (Spekboom) plants. This adds to the AgriLab products on offer.
	New indicator 15%	15%	90.2%	A total of 163 540 plants were successfully produced and delivered to growers, farmers, tenants and private clients during the year. Plant types supplied included sugarcane, bamboo, sweet pepper, sweet potato, other vegetable seedlings and succulents.
	R96 622	R339 000	R205 896	While revenue from tissue culture plant sales more than doubled in 2023/24, as compared to 2022/23, not all orders were able to be fulfilled due to various production challenges. These included temperature control problems which resulted in sugarcane production being put on hold, reduced number of sweet potato plants produced and compromised quality of Ecoflora product due to clone maturity.
	200.2 ha	200 ha	229.3 ha	Most areas that required clearing were dominated by broad-leafy material on land parcels around Dube West. Clearing was mostly done through the use of chemicals, which enabled a larger area to be covered.

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# PROGRAMME 5 - DUBE iCONNECT

OUTCOME	OUTPUT	OUTPUT INDICATOR	PERFORMANCE INDICATOR 2021/22
<b>PROGRAMME 5: DUBE iCONNECT</b>			
<b>SUB-PROGRAMME 5.1: COMMERCIAL AND OPERATIONS</b>			
Sustainable development and operation of the Dube TradePort	Increased revenue from Dube iConnect services	Total revenue generated from Dube iConnect services	R9.49 million
	Fibre network implemented in new Dube TradePort precincts	% Uptime of core network environment	99.98%



The Dube iConnect programme focuses on providing sustainable, high quality commercial ICT services in line with DTPC's property and business growth, ensuring ongoing capacity planning and technological advancement. The programme develops and provisions commercial ICT services to Dube TradePort Corporation customers including on-site tenants, developers, investors, off-site resellers and related government institutions, and within the framework of the broader Aerotropolis Master Plan. Dube iConnect's main focus is on offering ICT services in the cloud, in addition to supporting telecommunications services and hardware infrastructure rentals.

	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	REASONS FOR DEVIATIONS
	R8.2 million	R11.62 million	R9.2 million	Revenue from new clients escalated, with an overall increase of 12.2%, as compared to 2022/23. Off-site revenue continued to climb at an accelerated rate, but onsite revenues grew by less than anticipated due to delayed tenant uptake and tenant loss.
	100%	99%	99.6%	Despite challenges with maintenance for core switches and water for cooling in the data centres, the Dube iConnect operations team were able to maintain uptime levels above the target.





# PROGRAMME 6 - DEVELOPMENT PLANNING AND INFRASTRUCTURE

OUTCOME	OUTPUT	OUTPUT INDICATOR	PERFORMANCE INDICATOR 2021/22	
<b>PROGRAMME 6: DEVELOPMENT PLANNING AND INFRASTRUCTURE</b>				
<b>SUB-PROGRAMME 6.1: PLANNING</b>				
Increased investment and export potential	Statutory authorisations and permits received, increasing the area of land available for development	Number of statutory authorisations, permits or approvals secured	2	
<b>SUB-PROGRAMME 6.2: ENVIRONMENT</b>				
Sustainable development and operation of the Dube TradePort	Carbon emissions reduced	% Carbon reduction annually	121% increase	
<b>SUB-PROGRAMME 6.3: INFRASTRUCTURE AND DEVELOPMENT</b>				
Increased investment and export potential	Increased serviced land and buildings available for investment	Number of completed projects delivered	2	
		Total capital expenditure on infrastructure projects	R167.5 million	
Increased active participation by black people in the economy	Increased construction work done by EMEs and QSEs	Construction expenditure on EMEs and QSEs	R46.1 million	

The Development Planning and Infrastructure programme is pivotal to Dube TradePort Corporation's ability to deliver on its mandate as it provides for the infrastructure and development needs of the Dube TradePort. The overarching objective of this programme is to deliver and improve infrastructural facilities, to create a durable public asset and quality-oriented service through the roll-out of the Dube TradePort development, as guided by Dube TradePort Corporation's 10-year Infrastructure Plan, which is based on the 2060 Master Plan, and influenced by various studies undertaken relating to Dube TradePort's establishment. As the implementing agent for the KwaZulu-Natal Aerotropolis Strategy, Dube TradePort Corporation, through this programme, is also responsible for planning for and creating an enabling environment for the vision of the aerotropolis region.

	AUDITED ACTUAL PERFORMANCE 2022/23	PLANNED ANNUAL TARGET 2023/24	ACTUAL ACHIEVEMENT 2023/24	REASONS FOR DEVIATIONS
	2	2	2	The site-wide Water Use License Application was approved by the Department of Water and Sanitation and an amendment to the AgriZone 2 Environmental Authorisation was approved by the Department of Forestry, Fisheries and the Environment.
	23% increase	3.5% reduction from baseline	1.2% reduction from baseline	Dube TradePort Corporation's Scope 1 and 2 carbon footprint for the 2023 calendar year was estimated at 6 031 t CO <sub>2</sub> e, less avoided emissions of 128 t CO <sub>2</sub> e as a result of solar installations. 94% of total scope 1 and 2 emissions emanate from purchased electricity.
	2	2	5	The following construction projects were completed: (1) Cargo Terminal canopy and fencing; (2) AgriZone 2 bulk earthworks and infrastructure; (3) Landholding fencing at Illovo and La Mercy; (4) AgriZone 1 flushline; and (5) AgriZone 1 perimeter fence lighting.
	R240.1 million	R320 million	R242.6 million	Capital projects in progress during the year included the construction of a building on block D at Dube City, provision of bulk infrastructure for AgriZone 2 and various smaller projects. The procurement processes for projects to construct warehouses on Erf 769, 770 and 771 in TradeZone 2 were completed during the year. However, while designs and preliminary work has started on one of these warehouses, the main construction spend will only commence in 2024/25.
	R61.5 million	R64 million	R72.8 million	All major construction projects include CPG partners, who are EMEs and QSEs.

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## 1. IRREGULAR EXPENDITURE

## A. RECONCILIATION OF IRREGULAR EXPENDITURE

DESCRIPTION	2024	2023
	R	R
Opening balances	-	-
Add: Irregular expenditure confirmed	163 065	2 453
Less: Irregular expenditure condoned	(8 050)	(2 453)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure written off	-	-
<b>CLOSING BALANCE</b>	<b>155 015</b>	<b>-</b>

In the current year there are six cases of irregular expenditure confirmed.

- In two transactions, the provisional sum was used without the correct delegation process being followed;
- In one transaction services not specified in the contract were paid for;
- In two transactions, contract services in excess of the contract amount were paid for and;
- In one contract, services were obtained after the termination of the contract.

In the prior year there was one case of irregular expenditure confirmed. In each case an assessment and determination were concluded in accordance with the Irregular Expenditure Framework.

## RECONCILING NOTES

DESCRIPTION	2024	2023
	R	R
Irregular expenditure that was under assessment in prior year (amounts corrected during determination)	78 827	-
Irregular expenditure that relates to 2022/2023 and identified in 2023/2024	-	-
Irregular expenditure incurred during the year	84 237	2 453
<b>TOTAL</b>	<b>163 065</b>	<b>2 453</b>

In the prior year there were three transactions under assessment which have been concluded in the current year. During the determination phase, one of these transactions was found not to be irregular, while the value of another transaction was reduced.

## B. DETAILS OF IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2024	2023
	R	R
Irregular expenditure condoned	8 050	2 453
<b>TOTAL</b>	<b>8 050</b>	<b>2 453</b>

## C. DETAILS OF IRREGULAR EXPENDITURE CURRENTLY UNCONFIRMED

DESCRIPTION	2024	2023
	R	R
Irregular expenditure under assessment	52 338	179 099
Irregular expenditure under determination	12 123 080	10 275 666
Irregular expenditure under investigation	-	-
<b>TOTAL</b>	<b>12 175 418</b>	<b>10 454 765</b>

In the prior year, an amount of R10 275 666 was under determination to determine whether an official exceeded their delegated authority. No fraudulent activity has been identified. This amount will be finalised when the final invoice for the construction project is received. At the date of reporting, the balance currently stands at R12 123 080.

A further transaction of R52 338 is also under assessment. In the prior year, at the date of reporting, three transactions amounting to R179 099 were being assessed to ascertain if these transactions meet the definition of irregular expenditure. During the determination phase, one transaction was found not to meet the definition of irregular expenditure and the total amount of the remaining two transactions was confirmed as R78 828. No fraudulent activity has been incurred. The nature of these transactions was:

- Services undertaken in excess of the contract value; and
- Services not undertaken in accordance with the terms of the contract.

## 2. FRUITLESS AND WASTEFUL EXPENDITURE

### A. RECONCILIATION OF FRUITLESS AND WASTEFUL EXPENDITURE

DESCRIPTION	2024	2023
	R	R
Opening balances	-	2 109 637
Add: Fruitless and wasteful expenditure confirmed	23 575	-
Less: Fruitless and wasteful expenditure recoverable	(17 976)	(1 414 179)
Less: Fruitless and wasteful expenditure written off	-	(695 458)
<b>CLOSING BALANCE</b>	<b>5 599</b>	<b>-</b>

In 2021/22, Dube TradePort Corporation incurred and expensed fruitless and wasteful expenditure as a result of penalties and interest on Value Added Tax payments made on the last day of the month. The South African Revenue Service (SARS), following an Alternate Dispute Resolution process, refunded R1 414 179 and R695 458 was written off as irrecoverable. No further transactions were confirmed in the prior year as resulting in fruitless and wasteful expenditure.

In the prior year, three items equal to R107 488 were under assessment. During the determination phase, the value of two of these transactions was subsequently confirmed to equal R15 661. The remaining transaction of R12 472, confirmed during the current year, was recovered following the disciplinary process. In addition, a further R5 503 was also recovered.

### D. DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY STEPS OR CRIMINAL STEPS TAKEN AS A RESULT OF IRREGULAR EXPENDITURE.

In all cases the determination concluded that value for money had been obtained and no official was considered liable in law. For matters discovered in the current year the disciplinary processes are in progress. Where weaknesses in internal control were identified, the appropriate control measures have been implemented. Where officials had already left the employ of Dube TradePort Corporation prior to the discovery of irregular expenditure their line managers were required to ensure that all control weaknesses were mitigated.

### E. REMOVAL, RECOVERY OR WRITE OFF OF IRREGULAR EXPENDITURE

There was no irregular expenditure in either the current or previous financial year which was removed. There was no recovery of irregular expenditure relating to the current or previous financial year. There was no write-off of irregular expenditure relating to the current or previous financial year.

## RECONCILING NOTES

DESCRIPTION	2024	2023
	R	R
Fruitless and wasteful expenditure that was under assessment	11 104	-
Fruitless and wasteful expenditure that relates to 2022/2023 and identified in 2023/2024	-	-
Fruitless and wasteful expenditure incurred during the year	12 471	-
<b>TOTAL</b>	<b>23 575</b>	<b>-</b>

In the prior year three items equal to R107 488 were under assessment. In the determination phase, the amounts were confirmed to equal R11 104. In the current year a transaction, equal to R12 471, where services were duplicated on invoices, was identified and confirmed as fruitless and wasteful.

## B. DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2024	2023
	R	R
Fruitless and wasteful expenditure under assessment DTPC	415 566	107 488
Fruitless and wasteful expenditure under assessment (subsidiary)	-	972
Fruitless and wasteful expenditure under determination	31 115	-
Fruitless and wasteful expenditure under investigation	-	-
<b>TOTAL</b>	<b>446 681</b>	<b>108 460</b>

In the current year one transaction amounting to R415 566 is under assessment. Transactions equal to R31 115 relating to interest charged by eThekweni Municipality are under determination.

In the prior year, there were three cases of potential fruitless and wasteful expenditure which were under assessment, however, during the determination phase, these amounts were confirmed to equal R15 661. One case of potential fruitless and wasteful expenditure of R972 was under assessment in La Mercy JV Property Investments Pty Limited in the prior year. This was found not to be fruitless and wasteful expenditure.

## C. DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED.

DESCRIPTION	2024	2023
	R	R
Fruitless and wasteful expenditure recovered	17 976	1 414 176
<b>TOTAL</b>	<b>17 976</b>	<b>1 414 176</b>

An amount of R17 457 has been recovered relating to the current year. There was no fruitless and wasteful expenditure in the previous year, however, an amount of R1 414 179 was recovered, relating to 2021/2022.

## D. DETAILS OF FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2024	2023
	R	R
Fruitless and wasteful expenditure written off	-	695 458
<b>TOTAL</b>	<b>-</b>	<b>695 458</b>

In the current year, no fruitless and wasteful expenditure was written off. In the previous year, an amount of R695 458 was written off as it was deemed to be irrecoverable.

## E. DETAILS OF DISCIPLINARY STEPS OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE.

In the current year, the officials responsible for the fruitless and wasteful expenditure incurred were subject to internal disciplinary procedures. In one case, the employee was dismissed and the amount was recovered from his final salary. In the second case, the official resigned and the amount was recovered from his final salary.

In the previous year, the official responsible for the fruitless and wasteful expenditure was subject to internal disciplinary procedures. The official concerned was subject to a written warning which will remain on the employee's file for twelve months. Where weaknesses in internal control were identified, the appropriate control measures have been implemented.

### 3. OTHER MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I)

There were no material losses incurred through criminal conduct in the current or prior year. Accordingly, no material losses have been recovered or written off.

### 4. INFORMATION ON PAYMENT OF SUPPLIER'S INVOICES

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE R
Valid invoices received	3 835	522 031 806
Invoices paid within 30 days or agreed period	2 881	293 001 399
Invoices paid after 30 days or agreed period	854	220 324 447
Invoices older than 30 days or agreed period (unpaid and without dispute)	53	1 994 149
<b>INVOICES OLDER THAN 30 DAYS OR AGREED PERIOD (UNPAID AND IN DISPUTE)</b>	<b>47</b>	<b>6 711 811</b>

Reasons for late and/or non-payment of invoices, including reasons that invoices are in dispute, where applicable:

- Incorrect contract rates used;
- Pre-billing;
- Work not completed accurately/not executed at all/services not rendered;
- Necessary approvals not obtained ahead of requesting work from the service provider, and
- Invalid invoices issued.

### 5. INFORMATION ON SUPPLY CHAIN MANAGEMENT

#### PROCUREMENT BY OTHER MEANS:

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	PURCHASE ORDER / CONTRACT NUMBER	VALUE OF CONTRACT (R)
<b>TRAINING</b>				
Coaching and supervision workshops	Sugreen Consulting	Single Source	P042896	124 775
APT Professional Competence Programme	Accounting Professional Training	Single Source	P042406	5 750
UCT Project Management Foundations Short Course	2U GetSmarter (US) LLC	Single Source	P041630	14 900
Programme in maintenance management online short course	Enterprises University of Pretoria	Single Source	P042042	45 540
Business Etiquette & Professional conduct in the workplace training	Imsimbi Training (Pty) Ltd	Single Source	P041629	34 776
Laboratory systems & internal auditing course	South Africa National Accreditation System (SANAS)	Single Source	P043633	17 286
Post Graduate Diploma (PGDIP) with Manufacturing Focus	Gordan Institute of Business Science (GIBS)	Single Source	P041631	56 565

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	PURCHASE ORDER / CONTRACT NUMBER	VALUE OF CONTRACT (R)
<b>TRAINING</b>				
Management Development Programme	USB Executive Development Ltd	Single Source	P042316	81 880
Monitoring and Evaluation (M & E) Masterclass	Knowledge for Africa International	Single Source	P042332	17 000
The Reward Award Workshop	Remchannel	Single Source	P041610	6 900
Masters in Business Administration	Regent Business School	Single Source	P042041	44 500
Negotiation Skills training course	Enterprises University of Pretoria	Single Source	P041988	11 130
UCT Construction management online short course	2U GetSmarter (US) LLC	Single Source	P042071	12 500
Mastering Engineering & Construction Contracts short course	“South African Association of Consulting Engineers of SA (CESA)”	Single Source	P042276	6 785
Post Graduate Diploma in Business Administration	Gordan Institute of Business Science University (GIBS)	Single Source	P043995	129 267
Higher Certificate in Business Management	Mancosa (Pty) Ltd	Single Source	P042315	23 067
UCT Data Analysis online short course	2U GetSmarter (US) LLC	Single Source	P042317	24 650
Customs Documentation (SAD500) Compliance Program	Clearline Consulting (Pty) Ltd	Single Source	P042782	19 950
Transport management and fleet operations short course	Holistic Business Connection	Single Source	P042426	14 499
Microsoft Power BI Training	Leading Edge Business Solutions	Single Source	P044068 P044522	66 970
Certified International Privacy Manager (CIPM) Training course	Velisa Africa (Pty) Ltd	Single Source	P042811	26 450
Short course in Environmental Law	North-West University	Single Source	P042750	19 820
Fundamentals of Project Management	Alusani Skills & Training Network (Pty) Ltd	Single Source	P042751	8 624
Financial Insight for Non-Financial Directors	The Institute of Directors in SA (IODSA)	Single Source	P042743	5 954
Being a Director (Part 1 to 4)	The Institute of Directors in SA (IODSA)	Single Source	P042698	21 437
Being a Director (Part 5)	The Institute of Directors in SA (IODSA)	Single Source	P042895	5 004
Governance of Ethics online course	The Institute of Directors in SA (IODSA)	Single Source	P046669	3 562
“Maintenance Plan Development & Fundamentals of Maintenance Management Training”	Pragma Africa (Pty) Ltd	Single Source	P043336	24 150
Compliance Essentials online training	2U GetSmarter (US) LLC	Single Source	P042878	10 900
Diploma in Operations Management	UNISA	Single Source	P043563	5 735
Executive Development Programme (EDP)	University of Cape Town Graduate School of Business	Single Source	P043331	91 500
Final exam fee to complete Diploma: HR Management & Practices	CTU Training Solutions Consulting (Pty) Ltd	Single Source	P043979	1 552
Safety training - Introduction to SAMTRAC Webinar	NOSA	Single Source	P044950	112 861
Minute Taking made simple training course	Kumalo Green (Pty) Ltd	Single Source	P044124	21 735
Post Graduate Diploma in Project Management	Mancosa (Pty) Ltd	Single Source	P044670	50 765
Degree: Bachelor of Commerce in Project Management	Mancosa (Pty) Ltd	Single Source	P045434	94 462
Strategic transport management and fleet operations training	Prospen Africa	Single Source	tbc	31 048

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	PURCHASE ORDER / CONTRACT NUMBER	VALUE OF CONTRACT (R)
<b>TRAINING</b>				
Sage Intelligence On-line Training	Sage Pastel South Africa (Pty) Ltd	Single Source	P045674	19 740
CIPS Diploma in Procurement and Supply	Commerce Edge South Africa	Single Source	P045837	26 034
Advanced Diploma in Accounting Sciences	University of South Africa (UNISA)	Single Source	P046258	19 945
Bachelor of Commerce in Information and Technology Management	Mancosa (Pty) Ltd	Single Source	P045909	26 240
Advanced Diploma in Management Sciences (Human Resources)	Durban University of Technology (DUT)	Single Source	P046098	35 126
Master's in Business Administration (MBA) Level 1	University of South Africa (UNISA)	Single Source	P045793	266 438
Chartered Secretaries and Chartered Governance Professionals study programme	Chartered Governance Institution of Southern Africa	Single Source	P045856	20 865
<b>EVENTS, CONFERENCES AND MEDIA SPACE</b>				
Business in Society Conference 2023	Dialogue (Pty) Ltd	Single Source	P041883	7 820
Ports & Customs week - Conference pass	KGG Events (Pty) Ltd	Single Source	P042210	11 489
IT WEB Security Summit 2023 - Conference and half day workshop	IT Web	Single Source	P042092	19 468
5th Annual POPIA Conference	Intelligence Transfer Centre CC	Single Source	P042700	16 098
SAIBPP Annual Convention Conference 2023 - session sponsorship and delegate tickets	South African Institute of Black Property Practitioners (SAIBPP)	Sole Source	P042893	107 100
SASTA Conference Event 2023 - sponsorship and delegate passes	Turner Conference and Conventions (Pty) Ltd	Single Source	P043154	79 012
GovTech Conference 2023	State Information Technology Agency (SITA)	Single Source	P043722	67 200
SAPOA Convention 2023 stand and delegate tickets	South African Property Owners Association (SAPOA)	Sole Source	P043360	117 530
Manufacturing Indaba 2023	Manufacturing Indaba Pty Ltd	Single Source	P043996	106 893
Transport Evolution Africa Forum and Expo	DMG Exhibition Management Services	Single Source	P043685	175 928
The Road Safety Summit and Expo 2023	Intelligence Transfer Centre CC	Single Source	P044477	18 398
<b>MEMBERSHIPS / SUBSCRIPTIONS</b>				
Subscription to Rode Report on the South African Property Market for 3 years	Rode & Associates (Pty) Ltd t/a Rode Publications	Single Source	P042000	22 649
SACAP annual membership fees	South African Council for the Architectural Profession (SACAP)	Sole Source	P043155	2 783
GBCSA Membership fees renewal for 5 months	Green Building Council of South Africa (GBCSA)	Sole Source	P042892	17 233
SACPCMP membership fees for 3 years	South African Council for the Project and Construction Management Professions	Sole Source	tbc	77 400
Chambers of Commerce membership fees for 3 years	"Durban Chamber of Commerce and Industry; Australian Business Chamber of Commerce (Southern Africa); and Sabrita the British Chamber of Business in Southern Africa Limited"	Sole Source	P046110 P045835 P045411	205 634
Afrinic membership fee renewal for three years	Afrinic	Sole Source	P044625	90 000
Gartner subscription	State Information Technology Agency SOC Ltd (SITA)	Single Source	DTP01497	3 472 166

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	PURCHASE ORDER / CONTRACT NUMBER	VALUE OF CONTRACT (R)
<b>MEMBERSHIPS / SUBSCRIPTIONS</b>				
Institute of Directors South Africa membership for 3 years	Institute of Directors South Africa	Sole Source	tbc	173 775
KZN Growth Coalition annual membership fee	KZN Growth Coalition	Sole Source	P045048	51 304
SAICA AGA (SA) subscription fees for 3 years	South African Institute of Chartered Accountants (SAICA)	Sole Source	P045834	15 212
SAICA Professional membership fees for 3 years	South African Institute of Chartered Accountants (SAICA)	Sole source	n/a	63 394
SAAMA membership fees for 3 years	“South African Asset Management Association (SAAMA)”	Sole Source	P046214	7 672
<b>SOFTWARE LICENSES AND SUPPORT</b>				
Airline messaging system for 3 years	SITA Switzerland Sarl	Sole Source	DTP01441	1 214 055
MDA Property Systems Software licenses for 3 years	MDA Property Systems (Pty) Ltd	Sole Source	P041632	314 310
VEEAM VCSP Licenses	Axiz (Pty) Ltd	Single Source	DTP01468	1 900 887
Renewal of SSL Certificates for 3 years	Altron TMT (Pty) Ltd	Single Source	P043651	113 364
Digital signatures for 75 users for 3 years	Altron Security	Single Source	DTP01511	787 001
VMWare Cloud Provider Program Licenses for 3 years	Axiz (Pty) Ltd	Single Source	DTP01506	4 987 440
“Annual licensing, consulting support and training support for SAGE 300 People HR and Payroll system for 3 years”	Sage South Africa (Pty) Ltd	Sole Source	P046205	1 435 000
Data and information protection plan for 12 months	John Stanley Giles t/a Michalsons	Single Source	P046697	52 559
<b>LEGISLATED PAYMENTS</b>				
Motor Vehicle license disc renewal	KZN Transport Revenue	Sole Source	P042015 P042910	238 708
Annual PDP license renewal	KZN Transport Revenue	Sole Source	P042001	6 600
Certificate of fitness roadworthiness tests	Ken's One Stop Repairs	Single Source	P042361	12 470
Best practice construction project assessment scheme fees	Construction Industry Development Board (CIDB)	Sole Source	P046625	478 579
<b>OTHER</b>				
Public transport study for the Dube TradePort regional area	Zutari (Pty) Ltd	Single Source	DTP01508	102 925
X-ray maintenance and services	HAB Fire & Security	Single Source	DTP01453	1 850 000
IWULA Summary report	SRK Consulting	Single Source	DTP01437	68 977
Maintenance and repairs of coffee machines	LFC Coffee Machine Solution (Pty) Ltd t/a König Coffee	Single Source	P043627	9 378
Roller door spares for 3 years	Stab-a-load	Single Source	DTP01501	343 000
Forklift maintenance	Goscor Lift Truck Company	Sole Source	DTP01488	333 408
Voice and broadband services for DTPC clients	Liquid Telecommunications South Africa	Single Source	DTP01502	7 606 102
Voice and broadband services for DTPC clients	Vox Telecommunications (Pty) Ltd	Single Source	P046397	117 265
300Mbps IPT Broadband Service for 12 months	Telkom/Openserve (Pty) Ltd	Single Source	P043780	248 776

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	PURCHASE ORDER / CONTRACT NUMBER	VALUE OF CONTRACT (R)
<b>TRAINING</b>				
Security Services at the Dube Cargo Terminal for 1 month	Bidvest Protea Coin	Single Source	DTP01485	881 345
Review and update of the financial feasibility study for Weve/Kings Estate mixed use development in support of the proposed land acquisition by DTPC	Demacon Research and Projects	Single Source	DTP01510	322 144
Bursaries for DTPC staff's dependents	University of Stellenbosch	Single Source	P046335	79 857
Momentum Health Assessments for Non-members at DTPC Wellness Day	Momentum	Single Source	P046251	15 040
Social development initiative - Small business economic empowerment	Ithala Development Finance Corporation Ltd	Sole Source	P046305	300 000
<b>TOTAL</b>				<b>30 548 723</b>

Contract variations and expansions:

There were no contract variations or expansions during the year that met the requirements for disclosure.

**6. COST CONTAINMENT INFORMATION**

**THE FOLLOWING COSTS WERE INCURRED DURING THE YEAR ON CONFERENCES AND EVENTS, INCLUDING INTERNATIONAL TRAVEL AND SPORTS DAYS:**

<b>CONFERENCES AND EVENTS HOSTED</b>			
Event name	Purpose	Date	Total cost (incl. VAT)
DTPC Client Networking Event	To provide updates on property projects to stakeholders and plans for the new year and to cross- sell other DTPC products and services to tenants.	25 November 2024	279 451
Employee Sports and Wellness Day, including Employee Recognition Awards	To recognise and reward good performance, improved employee wellness and team culture.	08 December 2023	266 904
Cargo Tenant Event	To provide business updates and plans for the new year to the Dube Cargo Terminal customers and stakeholders and to cross-sell other DTPC products and services to cargo customers.	23 February 2023	127 024

<b>INTERNATIONAL TRAVEL</b>			
Destination	Purpose	Date	Total cost (incl. VAT)
Kenya	Attendance of AVIA Dev 2023 Conference	14 - 16 June 2023	32 763
Turkey	World Routes Conference	15 - 17 October 2023	130 742
	Turkey In-Country Activation	18 - 20 October 2023	



# ANNUAL FINANCIAL STATEMENTS





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# ANNUAL FINANCIAL STATEMENTS

## GENERAL INFORMATION

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Strategic planning, design, construction and operation of the Dube TradePort Project as well as other related projects
<b>Members</b>	<p>Mr M Zikalala (Chairperson)</p> <p>Mr P Ngcobo</p> <p>Mrs N Moerane</p> <p>Mr T Ndlovu (Resigned 01 December 2023)</p> <p>Mr R Vallihu</p> <p>Ms L Ngcobo</p> <p>Mr L Gabela</p> <p>Mr Y Hoosen (Appointed in February 2024)</p> <p>Mr H Erskine - CEO</p>
<b>Registered office</b>	<p>29 Degrees South</p> <p>7 Umsinsi Junction</p> <p>La Mercy</p> <p>4399</p>
<b>Postal address</b>	<p>P.O. Box 57757</p> <p>King Shaka Airport</p> <p>4407</p>
<b>Bankers</b>	ABSA Business Banking : Public Sector KZN
<b>Auditors</b>	Office of the Auditor General
<b>Secretary</b>	Ms A Easton

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# ANNUAL FINANCIAL STATEMENTS

DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

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# ACCOUNTING AUTHORITY'S (BOARD'S) RESPONSIBILITIES AND APPROVAL

## DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Board in its role as the Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is the responsibility of the Board to ensure that the annual financial statements fairly present the state of affairs of the economic entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The consolidated and separate annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the economic entity and places considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or deficit 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 economic entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the economic entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. The Board maintained a reporting system that enabled it to monitor changes in the entity's risk profile and gain assurance that risk management was effective.

While operating risk cannot be fully eliminated, the economic entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Board has reviewed the entity's cash flow forecast for the year ending 31 March 2025 and, in the light of this review and the current financial position, it is satisfied that the economic entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The economic entity is primarily dependent on the Department of Economic Development, Tourism and Environmental Affairs for continued funding of operations. The consolidated and separate annual financial statements are prepared on the basis that the economic entity is a going concern and that the Department of Economic Development, Tourism and Environmental Affairs has neither the intention nor the need to liquidate or curtail materially the scale of the economic entity.

The external auditors are responsible for independently reviewing and reporting on the entity's consolidated and separate annual financial statements. The annual financial statements have been examined by the economic entity's external auditors and their report is presented on pages xx to xx.

The consolidated and separate annual financial statements set out on page 9 to 87, which have been prepared on the going concern basis, were approved by the Board on 30 May 2024 and were signed on its behalf by:

Mr M Zikalala - Chairperson

Mr H Erskine - CEO

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# AUDIT AND RISK COMMITTEE REPORT

## DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The members of the Audit and Risk Committee are appointed by the Dube TradePort Board. In terms of Treasury Regulations and the King IV Report on Corporate Governance, the Chairperson of the Audit and Risk Committee is independent. During the financial year ended 31 March 2024, the Audit and Risk Committee held four ordinary meetings and one ad hoc meeting to discharge regulatory and governance responsibilities.

The Board resolved to extend the term of office of the Chairperson, Mr. Zahid Fakey by a further three-year term commencing on 1 September 2023. Ms. Linda Ngcobo and Mr. Lucky Gabela were appointed to the committee effective 1 June 2022 for terms to coincide with their term on the Board of Dube TradePort Corporation.

The primary role of the Audit and Risk Committee is to assist the Board in discharging its responsibilities to safeguard Dube TradePort Corporation's assets, maintain adequate accounting records and develop and maintain effective systems of internal control. In reviewing the findings of internal audit nothing has come to the attention of the Committee to indicate any material breakdown in the internal controls including the internal financial controls of the entity.

As an overview only, and not to be regarded as an exhaustive list, the Committee carried out the following duties:

- Reviewed the Audit and Risk Committee's Term of Reference and the Internal Audit Charter to ensure relevance.
- Internal Audit Function:
  - Approved the Internal Audit Plan and Budget for 2022/23;
  - Reviewed the findings of internal audit as presented at the end of each internal audit review; and
  - Met with internal audit without the presence of management.
- External Audit Function:
  - Reviewed and approved the Annual Report and Audited Financial Statements for the period ended 31 March 2023 for submission to the Dube TradePort Board;
  - Reviewed external audit report tabled for the period ended 31 March 2023;
  - Met with the office of the Auditor-General to ensure that there were no unresolved issues of concern;
  - Reviewed the quality and effectiveness of the external audit process;

- Evaluated and were satisfied with the independence of the Auditor-General; and
- Met with the office of the Auditor-General without the presence of management.
- Risk Management and Fraud Prevention:
  - Various corporate, financial and IT governance policies were reviewed;
  - Received information on assurance of other independent assurance providers as part of the Combined Assurance Plan;
  - Reviewed significant risks in the departmental risk registers and emerging strategic risks;
  - Received reports of calls to Anti-Fraud Hotline;
  - Reviewed certain long outstanding debts;
  - Reviewed the insurance cover; and
  - Reviewed the insurance claims and high risk contracts each quarter.
- Performance Information:
  - Reviewed consolidated and separate interim financial statements for the six months ended 30 September 2023;
  - Reviewed management accounts for the period under review;
  - Reviewed quarterly performance reports for the period under review; and
  - Reviewed progress on transformational initiatives which were measured in the B-BBEE scorecard.

In undertaking the abovementioned activities, the Audit and Risk Committee fulfilled its mandate as set out in the Committee's Terms of Reference in all material aspects. The Audit and Risk Committee consider the Chief Financial Officer to have the required expertise and capability.

The Audit and Risk Committee is satisfied with the effectiveness of the internal audit and those functions that the partner in charge carries out, which otherwise might be undertaken by a Chief Audit Executive.

The Board report on the effectiveness of internal controls is included elsewhere in the Annual Report. The Audit and Risk Committee supports the opinion of the Board in this regard.

The Chairperson of the Audit and Risk Committee of the subsidiary, La Mercy JV Property Investments Limited was invited to provide feedback from the meetings of the subsidiary's Audit and Risk Committee.



# AUDIT AND RISK COMMITTEE REPORT

## DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Chairperson of the Audit and Risk Committee is invited to provide feedback from the Committee meetings at the subsequent meetings of the Board of Dube TradePort Corporation.

I would like to take this opportunity to thank the members of my committee for their commitment, support and dedication which they have demonstrated during the year. I look forward to our continuing journey as we work towards full compliance with the PFMA and related regulatory environment that governs a Schedule 3C public entity and the implementation of the relevant recommendations of King IV Report on Corporate Governance.

The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Zahid Fakey - Chairperson: Audit and Risk Committee

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# REPORT OF THE ACCOUNTING AUTHORITY (BOARD)

## DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Accounting Authority (“Board”) presents its report on the activities of the group for the period ended 31 March 2024.

Dube TradePort Corporation has been created as an implementation vehicle and service delivery company by the Provincial Government of KwaZulu-Natal. It is responsible for the strategic planning, design, construction and operation of the Dube TradePort Project as well as other related projects. Key components of the Dube TradePort are the King Shaka International Airport, a TradeZone, an AgriZone and Dube City.

### 1. LEGAL ENTITY, NATURE OF BUSINESS AND OPERATIONS

Dube TradePort Corporation is a listed Provincial Public Entity (Schedule 3C) as contemplated by the Public Finance Management Act No. 1 of 1999 (PFMA).

The KwaZulu-Natal Dube TradePort Corporation Act No. 2 of 2010 was promulgated on 21 October 2010 and subsequently Dube TradePort Corporation was registered as a Schedule 3C Public Entity (in the government gazette dated 30 September 2011) with an effective date of 1 April 2011. The voluntary winding up and deregistration process of the Dube TradePort Non Profit Company and transition to the public entity was completed on 31 August 2013 when all assets, liabilities, rights, duties and obligations were transferred to, and vested in the Dube TradePort Corporation. Prior to this date Dube TradePort Corporation conducted its operating activities as a Non Profit Company (previously known as a Section 21 Company), registered as such in terms of the Companies Act No. 81 of 2008. The company registration number was 2002/002810/08.

During 2014, the TradeZone and AgriZone were designated Industrial Development Zones (“IDZ’s”), during 2015/2016 the Special Economic Zone Act and regulations were promulgated. The regulations provided for a three-year transition period for the conversion from IDZ to Special Economic Zone (“SEZ”). In the government gazette dated 23 December 2016, the TradeZone and AgriZone of Dube TradePort was officially designated as a Special Economic Zone.

### 2. RELEVANT LEGISLATION GOVERNING DUBE TRADEPORT CORPORATION OPERATIONS

Dube TradePort Corporation abides by the obligations of the PFMA and Treasury Regulations as contained within the Grant Funding Agreement with the Department of Economic Development, Tourism and Environmental Affairs.

### 3. APPOINTMENTS AND TERMS OF OFFICE

During the prior year, on 1 June 2022, the following appointments were made to the Board: Mr. Zikalala was appointed Chairperson, Mr. Ngcobo was re-appointed Deputy Chairperson. Mrs. Moerane, Mr. Ndhlovu, Mr. Vallihu and Mr. Nene were reappointed to serve as Board members and Mrs. Ngcobo and Mr. Gabela were appointed as new Board members. All appointments were made for a five-year term. Mr. Nene subsequently resigned from the Board in January 2023. In the current year, Mr. Ndhlovu resigned for the Board on 1 December 2023, and Mr. Hoosen was appointed to serve as the DTIC representative on the Board.

### 4. STATEMENT OF RESPONSIBILITY

The Board members (in their role as Accounting Authority) acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment.

Dube TradePort Corporation and its subsidiary have maintained satisfactory accounting records and an effective system of internal controls (including internal financial controls) to ensure the integrity of the underlying information. Appropriate accounting policies, supported by sound material judgements and estimates, have been consistently applied. Nothing has come to the attention of the Board to indicate that any material breakdown in the functioning of the controls, procedures and systems has occurred during the year under review.

As part of Dube TradePort Corporation’s governance process, Board members are required to disclose all interests in all investments approved and contracts awarded by Dube TradePort Corporation and any investments made by Dube TradePort Corporation. During the year under review, none of the Board members of Dube TradePort Corporation had any interest in contracts awarded by Dube TradePort Corporation.

The Board is also responsible for the maintenance of adequate accounting records, the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements.



# REPORT OF THE ACCOUNTING AUTHORITY (BOARD)

## DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The consolidated and separate annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP). This responsibility includes

- Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the circumstances.

The opinion of the Board in this regard is reflected in the previous section (Accounting Authority's Responsibilities and Approval).

### 5. SUBSIDIARY

In fulfilling one of the requirements of the Co-operation Agreement (signed by Dube TradePort Corporation and the Airports Company of South Africa SOC Limited (ACSA)) Dube TradePort Corporation entered into an agreement with the ACSA, whereby Dube TradePort Corporation owns 60% of La Mercy JV Property Investments Proprietary Limited (the JV Company). The application of GRAP dictates that Dube TradePort Corporation accounts for its interest in the JV Company as a subsidiary. The main object of the JV Company is that of a property holding development and letting company, the intention to develop the joint venture area in accordance with the Development Framework and the master plan.

The financial year end of the La Mercy JV Property Investments Proprietary Limited is 31 March and the results of the operations of the JV Company have been included in the consolidated annual financial statements.

### 6. FINANCIAL RESULTS

The results of operations for the year under review are set out in the annual financial statements which reflect both the consolidated and the entity results.

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that

funds will be available to finance future operations and the realisation of assets and settlements of liabilities, contingent obligations and commitments occur in the ordinary course of business.

At the 31 March 2024, the entity had earned a surplus for the year of R9 394 224 (2023: R135 120 339) and the positive operating cash flow for the financial year is R107 764 739 (2023: R265 366 951).

Dube TradePort Corporation is using the current cost-cutting environment to review all expenditure, (both capital and operational) to ensure that savings are effected wherever possible, without impacting on the quality of service delivery. Dube TradePort Corporation continues to be funded by Provincial Government and remains a going concern.

### 7. PENDING SEZ DESIGNATION

During 2021/2022, The Minister of Trade, Industry and Competition indicated his intention to approve the extension of the Special Economic Zone designation to include TradeZone 3 and 4 and Dube City. The publication in the gazette is still pending.

### 8. CONTINGENCIES

The legal proceedings instituted by the Plaintiff who is disputing DTPC's ownership of a portion of the land is still continuing. Currently, the matter is being opposed by DTPC and we anticipate a set-down for trial will be allocated during the course of this year. Should the Court rule against Dube TradePort Corporation, the Plaintiff must refund DTPC the purchase price and DTPC would have to return the land to the Plaintiff.

During the financial year ended 31 March 2017, Dube TradePort was a victim of fraud and an amount of R1 272 838 was stolen. DTPC has instituted High Court legal proceedings for the recovery of the funds. It is anticipated that a set-down for trial will be allocated during the course of this year. Should the Court find against Dube TradePort Corporation, the costs of the opposing side are estimated at R500 000.

During 2019/2020, Dube TradePort Corporation terminated the contract of an employee. The former employee took the matter to the CCMA for arbitration. The CCMA upheld the termination. The former employee has referred the matter to the Labour Court. Currently,

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# REPORT OF THE ACCOUNTING AUTHORITY (BOARD)

## DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

DTPC is awaiting further action from the employee to set the matter down for hearing at the Labour Court. Should the Labour Court find against Dube TradePort Corporation, the estimated costs would be R1 647 807.

Dube TradePort has referred claims of negligence in a construction project against two service providers to the High Court. Should the Court find against Dube TradePort Corporation, the total costs of the opposing sides in these matters amount to R1 000 000 in total.

Dube TradePort Corporation has pursued an eviction application against illegal occupants on land belonging to Dube TradePort. Currently, pleadings have been exchanged and a set-down date for argument is anticipated during the course of this year. Should the Court find against Dube TradePort Corporation, the costs of opposing are estimated at R500 000.

Dube TradePort has two arbitrations against tenants relating to claims for outstanding municipal rates. Should the ruling be against Dube TradePort Corporation, the costs of opposing are estimated at R1 000 000.

The entity has instituted litigation against a company relating to unpaid amounts due for IT services rendered. Currently the matter is at a pre-hearing phase where pleadings are being exchanged and it is anticipated that the matter will be

set down for trial during the course of this year. Should the ruling be against Dube TradePort Corporation, the costs are estimated at R500 000.

### 9. COMMITMENTS

The economic entity has entered into a number of commitments ranging from infrastructure development and construction of specialised buildings to the procurement of specialised equipment and plant. Details of these commitments are reflected in note 27 of the consolidated and separate annual financial statements.

### 10. EVENTS SUBSEQUENT TO YEAR-END

All events subsequent to the date of the annual financial statements and for which applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The Board is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the entity.

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Mr M Zikalala - Chairperson

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Mr H Erskine - CEO



# STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	ECONOMIC ENTITY		CONTROLLING ENTITY	
		2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Assets</b>					
<b>Current Assets</b>	12	245 978	233 887	-	-
Current tax receivable	3	6 672 178	8 988 761	6 666 347	8 988 761
Operating lease asset	4	90 109 005	58 502 296	89 587 359	58 548 023
Receivables from exchange transactions Statutory receivables	5	17 501 276	11 689 592	17 452 977	11 555 712
Cash and cash equivalents	6	1 004 326 501	1 111 785 979	940 656 589	1 050 320 981
		<b>1 118 854 938</b>	<b>1 191 200 515</b>	<b>1 054 363 272</b>	<b>1 129 413 477</b>
<b>Non-Current Assets</b>					
Investment property	7	3 319 569 736	3 149 200 388	3 372 665 985	3 202 286 296
Property, plant and equipment	8	972 382 689	1 020 640 196	900 242 092	942 196 455
Intangible assets	9	7 154 261	7 538 172	7 154 261	7 538 172
Heritage assets	10	7 654 358	7 654 358	7 654 358	7 654 358
Investments in controlled entities	11	-	-	11 138 893	11 138 893
Deferred tax	15	24 676	56 133	-	-
Operating lease asset	3	6 095 019	9 659 753	6 075 553	9 619 597
		<b>4 312 880 739</b>	<b>4 194 749 000</b>	<b>4 304 931 142</b>	<b>4 180 433 771</b>
<b>Total Assets</b>		<b>5 431 735 677</b>	<b>5 385 949 515</b>	<b>5 359 294 414</b>	<b>5 309 847 248</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Payables from exchange transactions	13	132 139 558	97 921 658	131 720 991	97 467 403
Unspent conditional grants and receipts	14	11 644 061	12 825 022	11 644 061	12 825 022
Provisions*	16	576 659	-	-	-
		<b>144 360 278</b>	<b>110 746 680</b>	<b>143 365 052</b>	<b>110 292 425</b>
<b>Non-Current Liabilities</b>					
Provisions	16	79 413 513	76 635 176	79 413 513	76 073 812
<b>Total Liabilities</b>		<b>223 773 791</b>	<b>187 381 856</b>	<b>222 778 565</b>	<b>186 366 237</b>
<b>Net Assets</b>		<b>5 207 961 886</b>	<b>5 198 567 659</b>	<b>5 136 515 849</b>	<b>5 123 481 011</b>
<b>Reserves</b>					
Owner's Contribution	38	7 425 889	7 425 889	-	-
Accumulated surplus		5 249 610 179	5 241 188 492	5 136 515 849	5 123 481 011
Non-controlling interest		5 257 036 068	5 248 614 381	5 136 515 849	5 123 481 011
<b>Total Net Assets</b>		<b>(49 074 182)</b>	<b>(50 046 722)</b>	<b>-</b>	<b>-</b>
		<b>5 207 961 886</b>	<b>5 198 567 659</b>	<b>5 136 515 849</b>	<b>5 123 481 011</b>

\* See Note 32

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# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2024

	Note(s)	ECONOMIC ENTITY		CONTROLLING ENTITY	
		2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Rendering of services	20	32 658 244	25 951 212	32 658 244	25 951 212
Property rental	17	102 621 656	69 007 172	101 437 658	67 771 635
Sundry income	18	9 403 885	6 001 214	8 561 964	5 917 137
Interest received		87 707 577	60 517 229	82 541 295	56 777 943
<b>Total revenue from exchange transactions</b>		<b>232 391 362</b>	<b>161 476 827</b>	<b>225 199 161</b>	<b>156 417 927</b>
<b>Revenue from non-exchange transactions</b>					
<b>Transfer revenue</b>					
Government grants	19	283 381 831	426 817 463	283 381 831	426 817 463
<b>Total revenue</b>	20	<b>515 773 193</b>	<b>588 294 290</b>	<b>508 580 992</b>	<b>583 235 390</b>
<b>Expenditure</b>					
Employee related costs	21	161 359 467	136 355 484	161 359 467	136 355 484
Depreciation, impairments and amortisation		106 439 298	116 975 392	100 136 154	110 700 434
Finance costs	22	9 131 379	1 423 577	9 083 663	1 396 112
Loss on disposal of assets		118 530	2 898 762	118 530	2 898 762
Loss on foreign exchange		38 376	248 906	38 376	248 906
General Expenses	23	228 253 089	194 530 749	224 809 964	191 485 559
<b>Total expenditure</b>		<b>505 340 139</b>	<b>452 432 870</b>	<b>495 546 154</b>	<b>443 085 257</b>
<b>Surplus before taxation</b>		<b>10 433 054</b>	<b>135 861 420</b>	<b>13 034 838</b>	<b>140 150 133</b>
Taxation	25	1 038 830	741 081	-	-
<b>Surplus for the year</b>		<b>9 394 224</b>	<b>135 120 339</b>	<b>13 034 838</b>	<b>140 150 133</b>
<b>Attributable to:</b>					
Owners of the controlling entity		8 421 684	133 572 822	13 034 838	140 150 133
Non-controlling interest		972 540	1 547 517	-	-
		<b>9 394 224</b>	<b>135 120 339</b>	<b>13 034 838</b>	<b>140 150 133</b>

\* See Note 32



# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2024

	CAPITAL CONTRIBUTION RESERVE	ACCUMULATED SURPLUS	TOTAL ATTRIBUTABLE TO OWNERS OF THE ECONOMIC ENTITY / CONTROLLING ENTITY	NON-CONTROLLING INTEREST	TOTAL NET ASSETS
<b>Economic entity</b>					
Balance at 01 April 2022 as previously reported	7 425 889	5 107 615 671	5 115 041 560	(51 594 239)	5 063 447 321
Changes in net assets					
Surplus for the year as previously reported	-	135 879 741	135 879 741	1 547 517	137 427 258
Prior period error (Refer to note 32)	-	(2 306 920)	(2 306 920)	-	(2 306 920)
<b>Total changes</b>	<b>-</b>	<b>133 572 821</b>	<b>133 572 821</b>	<b>1 547 517</b>	<b>135 120 338</b>
Balance at 01 April 2023 as restated*	7 425 889	5 241 188 495	5 248 614 384	(50 046 722)	5 198 567 659
Changes in net assets					
Surplus for the year	-	8 421 684	8 421 684	972 540	9 394 224
<b>Total changes</b>	<b>-</b>	<b>8 421 684</b>	<b>8 421 684</b>	<b>972 540</b>	<b>9 394 224</b>
<b>Balance at 31 March 2024</b>	<b>7 425 889</b>	<b>5 249 610 179</b>	<b>5 257 036 068</b>	<b>(49 074 182)</b>	<b>5 207 961 886</b>
Note(s)	38				
<b>Controlling entity</b>					
Balance at 01 April 2022 as previously reported	-	4 983 330 878	4 983 330 878	-	4 983 330 878
Changes in net assets					
Surplus for the year as previously reported	-	142 457 053	142 457 053	-	142 457 053
Prior period error (refer to note 32)	-	(2 306 920)	(2 306 920)	-	(2 306 920)
<b>Total changes</b>	<b>-</b>	<b>140 150 133</b>	<b>140 150 133</b>	<b>-</b>	<b>140 150 133</b>
Balance at 01 April 2023 as restated*	-	5 123 481 011	5 123 481 011	-	5 123 481 011
Changes in net assets					
Surplus for the year	-	13 034 838	13 034 838	-	13 034 838
<b>Total changes</b>	<b>-</b>	<b>13 034 838</b>	<b>13 034 838</b>	<b>-</b>	<b>13 034 838</b>
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>5 136 515 849</b>	<b>5 136 515 849</b>	<b>-</b>	<b>5 136 515 849</b>
Note(s)	38				

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# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

Note(s)	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Sale of goods and services	94 878 085	104 046 474	92 552 384	101 754 331
Grants	282 200 870	425 209 565	282 200 870	425 209 565
Interest received	87 453 776	56 743 955	82 567 640	52 938 682
Other receipts	8 868 858	5 917 137	8 868 858	5 917 137
	<b>473 401 589</b>	<b>591 917 131</b>	<b>466 189 752</b>	<b>585 819 715</b>
<b>Payments</b>				
Employee costs	(147 850 789)	(141 842 051)	(147 850 789)	(141 842 051)
Suppliers	(216 392 295)	(187 341 336)	(212 384 275)	(182 235 877)
Finance costs	(28 261)	(99 188)	(28 261)	(98 216)
Taxes paid	(998 903)	(713 154)	-	-
	<b>(365 270 248)</b>	<b>(329 995 729)</b>	<b>(360 263 325)</b>	<b>(324 176 144)</b>
<b>Net cash flows from operating activities</b>	<b>108 131 341</b>	<b>261 921 402</b>	<b>105 926 427</b>	<b>261 643 571</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(22 383 059)	(13 698 556)	(22 383 059)	(13 698 556)
Proceeds from sale of property, plant and equipment	39 000	-	39 000	-
Purchase of investment property	(192 610 493)	(240 014 241)	(192 610 493)	(240 014 241)
Purchase of other intangible assets	(636 267)	(999 746)	(636 267)	(999 746)
<b>Net cash flows from investing activities</b>	<b>(215 590 819)</b>	<b>(254 712 543)</b>	<b>(215 590 819)</b>	<b>(254 712 543)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(107 459 478)</b>	<b>7 208 859</b>	<b>(109 664 392)</b>	<b>6 931 028</b>
Cash and cash equivalents at the beginning of the year	1 111 785 979	1 104 577 120	1 050 320 981	1 043 389 953
Cash and cash equivalents at the end of the year	1 004 326 501	1 111 785 979	940 656 589	1 050 320 981

\* See Note 32



# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
Economic entity						
Statement of Financial Performance						
Revenue						
Rendering of services	173 874 747	54 950 000	228 824 747	214 881 799	(13 942 948)	(a)
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	504 531 000	(80 000 000)	424 531 000	424 531 000	-	(b)
Roll-over	-	151 143 682	151 143 682	151 143 682	-	(c)
Total revenue from non-exchange transactions	504 531 000	71 143 682	575 674 682	575 674 682	-	
<b>Total revenue</b>	<b>678 405 747</b>	<b>126 093 682</b>	<b>804 499 429</b>	<b>790 556 481</b>	<b>(13 942 948)</b>	
Expenditure						
Compensation of employees	173 753 682	(4 797 219)	168 956 463	143 247 804	(25 708 659)	1
Communication	1 274 828	66 131	1 340 959	627 486	(713 473)	2
Computer services	17 579 566	(779 197)	16 800 369	19 176 286	2 375 917	3
Consultants, contractors and special services	56 590 666	(7 180 611)	49 410 055	41 755 756	(7 654 299)	4
Training	5 291 653	715 169	6 006 822	4 623 410	(1 383 412)	5
Maintenance, repairs and running costs	200 416 833	6 682 255	207 099 088	189 183 148	(17 915 940)	
Operating leases	2 579 530	(1 741 107)	838 423	738 342	(100 081)	6
Travel and subsistence	3 310 566	(17 247)	3 293 319	1 337 453	(1 955 866)	7
Advertising	10 437 603	(4 460 206)	5 977 397	3 054 996	(2 922 401)	8
Buildings and structures (capital)	130 273 130	186 808 340	317 081 470	320 321 841	3 240 371	
Machinery and equipment (capital)	70 989 538	(44 202 627)	26 786 911	15 710 670	(11 076 241)	9
Software and other intangible assets (capital)	5 908 151	(5 000 000)	908 151	3 941 582	3 033 431	10
<b>Total expenditure</b>	<b>678 405 746</b>	<b>126 093 681</b>	<b>804 499 427</b>	<b>743 718 774</b>	<b>(60 780 653)</b>	
La Mercy JV Property	-	-	-	-	-	
Investments Proprietary Limited						
Total Revenue	8 892 214	(1 719 591)	7 172 623	7 211 837	39 214	11
Total Expenditure	21 193 676	(16 207 892)	4 985 784	5 006 923	21 139	12
<b>Net Surplus</b>	<b>(12 301 462)</b>	<b>(14 488 301)</b>	<b>2 186 839</b>	<b>49 042 621</b>	<b>46 855 780</b>	

\* See Note 32

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# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNTS ON COMPARABLE BASIS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	REFERENCE
Controlling entity						
Statement of Financial Performance						
Revenue						
Rendering of services	173 874 747	54 950 000	228 824 747	214 881 799	(13 942 948)	(a)
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	504 531 000	(80 000 000)	424 531 000	424 531 000	-	(b)
Roll-over	-	151 143 682	151 143 682	151 143 682	-	(c)
Total revenue from non-exchange transactions	504 531 000	71 143 682	575 674 682	575 674 682	-	
<b>Total revenue</b>	<b>678 405 747</b>	<b>126 093 682</b>	<b>804 499 429</b>	<b>790 556 481</b>	<b>(13 942 948)</b>	
Expenditure						
Compensation of employees	173 753 682	(4 797 219)	168 956 463	143 247 804	(25 708 659)	1
Communication	1 274 828	66 131	1 340 959	627 486	(713 473)	2
Computer services	17 579 566	(779 197)	16 800 369	19 176 286	2 375 917	3
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Maintenance, repairs and running costs	200 416 833	6 682 255	207 099 088	189 183 148	(17 915 940)	
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<b>Total expenditure</b>	<b>678 405 746</b>	<b>126 093 681</b>	<b>804 499 427</b>	<b>743 718 774</b>	<b>(60 780 653)</b>	
<b>Net Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46 837 707</b>	<b>46 837 707</b>	

\* See Note 32



# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

## Material variances (greater than 10%) between budget and actual amounts

### Dube TradePort Corporation - Controlling entity

**1. Compensation of employees:** Budget included provision for year end performance bonuses which will only be paid after year end, if applicable. Some new posts took longer to fill than planned, with 4 of the 34 posts approved during the year not filled by year end.

**2. Communication:** Invoices were outstanding from some suppliers, and telephone and broadband costs incurred over the year were lower than expected.

**3. Computer services:** Licenses for IT security services were paid for 3 years up-front as this resulted in a lower overall cost as compared to paying annually.

**4. Consultants, contractors and special services:** Invoices were outstanding from some suppliers at year end, and the planned culture realignment project had not yet started.

**5. Training:** While essential training interventions were completed, not all training planned for the year was undertaken before year end.

**6. Travel and subsistence:** Only essential travel was undertaken during the year. Fewer international trips were required than expected.

**7. Advertising:** Not all marketing activities planned for the year took place within the year, with fewer investment promotion events being held or attended.

**8. Machinery and equipment:** Invoices were outstanding for new laptops and furniture purchased and delivered close to year end. New trucks for Airoad were ordered but not delivered in time for payment to be made within the financial year. Budget for the KZN Horticultural project was not fully utilised as procurements for the infrastructure required were still in progress. Warrantees on Dube iConnect computer equipment was budgeted under equipment (hardware), while the actual expense was correctly captured as an intangible asset.

**9. Software and other intangible assets:** Warrantees on Dube iConnect computer equipment was budgeted under equipment (hardware), while the actual expense was correctly captured as an intangible asset.

### La Mercy JV Property Investment Proprietary Limited

## 10. The material difference between actual revenue and final budgeted amount was due to the following:

- Higher interest income and lower tax-deductible expenditure incurred in the current year resulted in higher taxes payable than initially anticipated in the current year.

## 11. The material difference between actual expenditure and budgeted amounts arose due to the following:

- Further investigations via a separate procurement was undertaken to expedite the Natural Capital Business Model with an intent in identifying clear revenue generating opportunities within the open spaces of the JV company. The service provider was appointed on a 6 month contract commencing 1 February 2024, however no spend has taken place in the current year. The Annual Operational Environmental Audit was not completed in the current financial year.

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# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2024

## Material variances (greater than 10%) between approved budget and final budget

### Dube TradePort Corporation - Controlling entity

#### REVENUE

- (a) The budget for interest income was increased to take into account the increase in interest rates earned on surplus funds held, and the budget for cargo handling revenue was increased in response to the faster than anticipated increase in cargo volumes processed through the Dube Cargo Terminal.
- (b) During the year, Dube TradePort Corporation's grant income receivable from the Department of Economic Development, Tourism and Environmental Affairs was reduced from R504.531 million to R433.281 million, as R70 million was returned to enable the Department to fund a planned project aimed at creating jobs for unemployed youth and a further R1.25 million was returned in contribution towards fighting crime in the province. As the total amount to be contributed by each entity for crime fighting, as announced by the Honourable Premier in the 2023 State of the Province Address, was R10 million, an additional R8.75 million was returned during the year, bringing the total contributed by Dube TradePort Corporation to the required amount. The net grant received during the year was therefore R424.531 million.
- (c) The revenue budget was increased to take into account the funds approved for roll-over / retention from the 2022/23 financial year. The surplus funds held by Dube TradePort Corporation at the end of 2022/23 was R251 143 682, however, only R151 143 682 was approved for roll-over / retention and consequently, R100 million was repaid during the year.

#### EXPENDITURE

Adjustments were made to the budget to take into account accruals from the previous year that were paid in 2023/24, while further adjustments were made in response to the reduction of grant income received. These adjustments included the removal of funding for projects where procurement was unlikely to be completed within the year, such as small works construction projects, IT consultants to analyse applications and develop integration tools, replacement of greenhouse screens and replacement of

forklifts for cargo operations and the planned bonded warehouse, as well as the reduction of budgets that were unlikely to be fully utilised by year end, such as budget for marketing campaigns, maintenance of equipment and salaries budget for new posts where approval was received later than anticipated.

### La Mercy JV Property Investment Proprietary Limited

#### Changes from the approved budget to the final budget

Budget adjustments approved by the Board for the current period in respect of the income budget arose from the following:

- i. The electronic billboard lease was revised and the 4th billboard was removed. The new advertising billboards were deferred due to low demand. Demand for on-airport advertising has been reduced due to cheaper alternatives offering greater exposure. In addition, the industry has seen a shift towards digital and social media campaigns with higher reach and better returns.
- ii. The interest rate has increased and reduced spending has resulted in more surplus funds being available for investment in short term deposit accounts.
- iii. Alien clearing costs incurred in respect of the delineated conservation area that was not originally budgeted for is recovered from ACSA.
- iv. Levies for the 2023 calendar year and the recovery of management association costs were approved excluding maintenance costs for the repair of wooden decks and damaged paving in Dube City.
- v. Delays in spending and deferring of CAPEX projects resulted in reduced vat refund claims.
- vi. The delays in procurements resulted in no tender income received.

Budget adjustments approved by the Board for the current period in respect of the expenditure budget arose from the following:

- vii All Capital Expenditure projects have been deferred. Currently there are delays in obtaining statutory approvals for SZ2, therefore the JV company is not able to proceed into the infrastructure phase. Detailed engineering design can only commence once statutory approvals have been

obtained and once key issues have been settled with relevant traffic authorities. The road rehabilitation project was expected to commence in Quarter 3 of 2024, however the addendum for the project is not finalised.

- viii. The recovery of management association costs were approved excluding maintenance costs for the repair of wooden decks and damaged paving in Dube City.
- ix. The procurement of professional services for SZ1b and SZ2 planning applications and the development of a JV brand identity and brand manual was postponed pending approval of business cases to be prepared and

submitted to the Board. The payment plan for the review of the masterplan and Development framework plan has been revised due to the alignment of the masterplan to the completion of the ten year business plan. No complex tax or accounting transactions requiring expert opinions took place during the year. The SZ2 offset detailed rehabilitation plan has been deferred due to the delay in identifying and purchasing offset land. There were fewer Design Review Panel application submissions for the current year. The procurement of waste and storm water management plans is currently in progress. The budget for the alien clearing contract was reduced as services commenced in September 2023.

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# SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2024

## 1. PRESENTATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The consolidated and separate annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

Accounting policies apply to both the consolidated and separate financial statements, unless otherwise stated. These accounting policies are consistent with the previous period except as indicated in note 2.1.

A summary of significant accounting policies, which have been consistently applied in the preparation of these consolidated and separate financial statements, are disclosed below.

### Accrual basis

These consolidated and separate annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

### Offsetting

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

### Adoption of IFRS

In the absence of a standard of GRAP, the accounting policies for taxation and deferred tax were developed in accordance with IAS 12.

### 1.1 GOING CONCERN ASSUMPTION

These consolidated and separate annual financial statements have been prepared based on the expectation that the economic entity will continue to operate as a going concern for at least the next 12 months.

### 1.2 CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### Consolidated financial statements

Consolidated financial statements are the financial statements of an economic entity in which the assets, liabilities, net assets, revenue, expenses and cash flows of the controlling entity and its controlled entities are presented as those of a single economic entity.

#### Separate financial statements

Separate financial statements are those presented by an entity, in which the entity could elect, subject to the requirements in this Standard, to account for its investments in controlled entities, joint ventures and associates either at cost, in accordance with the Standard of GRAP on Financial Instruments (GRAP 104), or using the equity method as described in the Standard of GRAP on Investment in Associates and Joint Ventures (GRAP 36). The entity has adopted the cost model.

#### Basis of consolidation

The basis of consolidation stems from, one entity (the controlling entity) in the group having control over one or more other entities.

Control exists when the controlling entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities.

Consolidation of a controlled entity shall begin from the date the entity obtains control of the other entity and cease when the entity loses control of the other entity.

The consolidated and separate annual financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated consolidated and separate annual financial statements are prepared as of the same date.

Adjustments are made when necessary to the consolidated and separate annual financial statements of the controlled entities to bring their accounting policies in line with those of the controlling entity.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Non-controlling interest in the net assets of the economic entity are identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets.

Changes in a controlling entity's ownership interest in a controlled entity that do not result in a loss of control are accounted for as transactions that affect net assets.

### 1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the consolidated and separate annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated and separate annual financial statements and

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated and separate annual financial statements. Significant judgements include:

### Receivables from exchange transactions and other receivables

Management assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management uses observable data indicating a measurable decrease in the estimated future cash flows from a financial asset. When default judgement is received against a debtor or if the cost incurred to pursue the legal process to recover the debt outweighs the benefit, the entity will then follow the necessary process to write-off the debt.

Management reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Where there is evidence of an impairment loss, the loss is recognised in the surplus or deficit for the year.

The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at the time of initial recognition.

### Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

### Impairment testing

Management reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

The economic entity recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The economic entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the economic entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the economic entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

### Review of residual values and useful lives

Management reviews the useful lives and residual values of all assets on a yearly basis. Management applies judgement in determining if these remain reasonable or need to be reassessed. If reassessment is required, this change is accounted for in the current and future periods and treated as a change in estimate. Refer to note 33.

### Living and Non-living resources

Judgements made and assumptions applied regarding the recognition of an asset of living and non-living resource:

The living resources do not meet the recognition criteria of an asset as the company cannot demonstrate that future economic benefits or service potential will flow to the company and the cost or fair value cannot be measured reliably. Furthermore the company cannot demonstrate control over the living resources as the company does not manage the movement and use of the resources are not restricted.

## 1.4 INVESTMENT PROPERTY

Investment property is cash generating property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or
- services; or administrative purposes; or
- sale in the ordinary course of operations.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Initial recognition

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the economic entity, and the cost of the investment property can be measured reliably.

### Initial measurement

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

### Environmental rehabilitation costs

Estimated costs related to environmental rehabilitation are capitalised to the cost of the asset.

### Subsequent measurement

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

### Work-in-progress

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use. For construction programmes exceeding six months in duration, delays of 20% of the program of works is considered significant and will be disclosed.

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Investment property is depreciated on a straight-line basis. Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property. The useful lives of Investment property are as follows:

ITEM	USEFUL LIFE
Property - land	indefinite
Property - buildings	5 - 60 years

### Derecognition

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are the differences between the net disposal proceeds and the carrying amounts of the assets and are recognised in surplus or deficit in the period of retirement or disposal.

Management reviews the useful lives and residual values of investment property on an annual basis to determine if any of the following indicators exist (not exhaustive):

- a change in significant components of the asset;
- a change in the use of the asset;
- an intention changed to dispose in the future;
- technological, environmental, commercial or any other changes that may change the use of the asset;
- legal or similar limits placed on the asset;
- the asset being idle or retired from use;
- the useful life of the asset expiring;
- planned repairs, maintenance or refurbishment;
- environmental factors; or
- conditional assessment of the asset.

Any change resulting from the above assessment is accounted for as a change in estimate.

## 1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tangible non-current and non-cash generating assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used for more than one year.

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

- it is probable that future economic benefits or service potential associated with the item will flow to the economic entity; and
- the cost of the item can be measured reliably.

### Initial recognition

Property, plant and equipment is initially measured at cost.

### Initial measurement

The cost of an item of property, plant and equipment is equal to the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to operate in the manner intended by management. Trade discounts and rebates are deducted in calculating the cost.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) exchanged.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

### Subsequent measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or service potential associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently, all property plant and equipment, is measured at cost (which includes deemed cost for previously unrecognised assets), less accumulated depreciation and accumulated impairment losses.

### Work-in-progress

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

For construction programmes exceeding six months in duration, delays of 20% of the program of works is considered significant and will be disclosed.

### Environmental rehabilitation costs

Estimated costs related to environmental rehabilitation are capitalised to the cost of the asset.

Ongoing operational and maintenance costs post initial rehabilitation are budgeted and expensed as incurred.

### Infrastructure assets

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated

impairment. Infrastructure assets are treated similarly to other items of property, plant and equipment.

### Impairment

The economic entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the asset.

### Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in the surplus or deficit for the year when the item is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the proceeds on sale.

The useful lives of items of property, plant and equipment are as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Land		Indefinite
Buildings	Straight line	5 - 60 years
Plant and machinery	Straight line	5 - 20 years
Furniture and fixtures	Straight line	3 - 30 years
Motor vehicles	Straight line	5 - 10 years
Equipment	Straight line	2 - 50 years
IT equipment	Straight line	3 - 30 years
Infrastructure	Straight line	5 - 60 years
Community assets	Straight line	12 - 20 years

At each reporting date, the residual value and useful lives of each asset are reviewed to assess if expectations have changed since the preceding reporting date. If any such indication exists the expected useful lives and residual values are revised and shall be accounted for as a change in accounting estimate.

Property, plant and equipment is depreciated on a straight line basis.

The depreciation charge for each period is recognised in surplus or deficit.

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## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management reviews the useful lives and residual values of property, plant and equipment on an annual basis to determine if any of the following indicators exist (not exhaustive):

- a change in significant components of the asset;
- the change in use of the asset;
- the intention changed to dispose in the future
- technological, environmental, commercial or any other changes that may change the use of the asset;
- legal or similar limits placed on the asset;
- the asset being idle or retired from use;
- the useful life of the asset expiring;
- planned repairs, maintenance or refurbishment;
- environmental factors; or
- conditional assessment of the asset.

Any change resulting from the above assessment is accounted for as a change in estimate.

### 1.6 INTANGIBLE ASSETS

An intangible asset is identifiable if it:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the economic entity or from other rights and obligations.

#### Initial Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the economic entity; and
- the cost or fair value of the asset can be measured reliably.

#### Initial measurement

Intangible assets are initially measured at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;

- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits or service potential;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

#### Subsequent measurement

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, however they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The useful life of an indefinite intangible asset that is not being amortised shall be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

The amortisation period and the amortisation method for intangible assets are reviewed at financial year end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values. The useful lives of intangible assets are as follows:

ITEM	AMORTISATION METHOD	AVERAGE USEFUL LIFE
Licenses Computer software	Straight line	Indefinite 3 - 10 years

#### Impairment

The economic entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the asset.

Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Derecognition

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and lease-back).

### 1.7 HERITAGE ASSETS

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

#### Initial recognition

The economic entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

#### Initial measurement

Heritage assets are measured at cost.

#### Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

#### Impairment

The economic entity assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the economic entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

### Derecognition

The economic entity derecognises heritage assets on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised.

### 1.8 INVESTMENTS IN CONTROLLED ENTITIES

Controlling entity consolidated and separate financial statements

Investments in controlled entities are carried at cost.

The entity accounts for contributions by the owner as an investment in the controlled entity.

The controlled entity is the La Mercy JV Property Investments (Pty) Limited. The entity owns a 60% shareholding in the investment and has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities and fulfil its mandate.

### 1.9 FINANCIAL INSTRUMENTS

The entity has various types of financial instruments and these can be broadly categorised as either financial assets or financial liabilities.

A financial asset is any asset consisting of cash or a contractual right to receive cash or another financial asset.

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity.

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

CLASS	CATEGORY
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Interest receivable	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes there to:

CLASS	CATEGORY
Trade and other payables	Financial asset measured at amortised cost

Cash and cash equivalents are measured at amortised cost.

Bank balances include transactional accounts as well as short-term investment accounts. These are highly liquid investments held with registered banking institutions with maturities between three to six months or less and are subject to an insignificant risk of change in value. Deposits held on behalf of third parties relate to tenant rental deposits and supplier retentions.

Amounts held in trust accounts reflect contractual obligations relating to capital projects and guarantees Refer to note 6.

Deposit are upfront payments made to municipality for initial connection of services such as electricity and water. deposit are refundable when services are disconnected or applied against any amounts in arrears.

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## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepayment are recorded where an items has been paid in advance and charge to the expense over the usage period. Included in prepayment are software licences.

### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The entity recognises financial assets using trade date accounting.

### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- financial instruments at amortised cost; and
- financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review at financial year end.

### Impairment and uncollectibility of financial assets

At the end of each reporting period the entity assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

### Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

## Derecognition

### Financial assets

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognises the asset; and
  - recognises separately any rights and obligations
  - created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

### Financial liabilities

The entity derecognises a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

## 1.10 STATUTORY RECEIVABLES

### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

### Recognition

The economic entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

### Initial measurement

The economic entity initially measures statutory receivables at their transaction amount.

### Subsequent measurement

The economic entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

## 1.11 TAX

### Current tax assets and liabilities

Although the entity is exempt from income tax, it is still subjected to all other indirect taxes such as value added tax (VAT), customs tax, securities transfer tax (STT) and capital gains tax (CGT). The subsidiary, La Mercy JV Property Investments Proprietary Limited is subject to income tax.

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

(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.

### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable surplus will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Income tax

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, to net assets.

### Value Added Tax

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

## 1.12 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, each element is assessed separately.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Operating leases - lessor

Operating lease revenue is recognised on a straight-line basis over the lease term.

The difference between the amounts recognised as income and the contractual amounts receivable over the lease term are recognised as an operating lease asset or liability. Income for leases is disclosed under revenue in the statement of financial performance.

### Operating leases - lessee

Operating lease payments are recognised on a straight-line basis over the lease term.

The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.13 INVENTORIES

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are equal to their fair value as at the date of acquisition.

Subsequently, inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the specific identification of cost per item. The same cost formula is used for all inventories having a similar nature and use to the economic entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

A new assessment is made of net realisable value in each subsequent period. When the circumstances that previously

caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed (i.e. the reversal is limited to the amount of the original write-down) so that the new carrying amount is the lower of the cost and the revised net realisable value.

### 1.14 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

The main criteria used by the entity to determine cash-generating assets is that the asset should generate rentals and service revenue.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the economic entity; or
- the number of production or similar units expected to be obtained from the asset by the economic entity.

### Identification

At each reporting date the entity assesses whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

### Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life for a maximum of five years.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When estimating the value in use of an asset, the economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the economic entity applies the appropriate pretax discount rate discount rate to those future cash flows.

### Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the economic entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### Reversal of impairment loss

The economic entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

## 1.15 IMPAIRMENT OF NON-CASH GENERATING ASSETS

Non-cash-generating assets are assets other than cash-generating assets.

### Identification

At each reporting date the entity assesses whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired. The recoverable service amount is the higher of an asset's fair value less costs to sell and its value in use.

### Value in use

The value in use of non-cash generating asset is the present value of the non-cash generating asset remaining service potential. The present value of the remaining service potential of a non-cash generating asset is determined using the following approach:

### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

### Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

### Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

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## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### Reversal of an impairment loss

The economic entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised.

The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.16 COMMITMENTS

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Disclosures are required in respect of unrecognised contractual commitments.

Refer to note 27.

### 1.17 EMPLOYEE BENEFITS

#### Short-term employee benefits

Short-term employee benefits are benefits (other than termination benefits) that are settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

### 1.18 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and liabilities are not recognised, however it is disclosed in the notes to the financial statements.

Refer to note 39.

### 1.19 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of value added tax.

The entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the entity and when specific criteria have been met for each of the entity's activities as described below.

### Rentals

Revenue from the rental of properties classified as operating leases is recognised on a straight-line basis or on another systematic basis over the term of the lease agreement, where such lease periods span more than one financial year.

### Rendering of revenue generating services

Rendering of revenue generating services include the following:

- supply of IT services(include the rental of telephone handsets) within the Dube TradePort precinct; and
- Cargo handling services.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognised when the services are performed. 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 or service potential associated with the transaction will flow to the entity; and
- (c) 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 is recognised only to the extent of the expenses incurred that are recoverable.

Service revenue is recognised only once the service is rendered.

### Sale of plants

Sale of plants includes the following:

- sale of propagated plants at the Tissue Culture facility in Agrizone.

Revenue from the sale of plants is recognised when all the following conditions have been satisfied:

- The economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Finance income

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

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

## 1.20 REVENUE FROM NON-EXCHANGE TRANSACTIONS

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

### Government grant

Income received from conditional grants and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the funding agreement. A liability (unspent conditional grants and receipts) is recognised to the extent that the criteria, conditions or obligations have not been met.

### Recognition

An inflow of resources, from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability (unspent conditional grants and receipts) is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability (unspent conditional grants and receipts), in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability (unspent conditional grants and receipts) recognised and recognises an amount of revenue equal to that reduction.

### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability (unspent conditional grants and receipts). Where a liability (unspent conditional grants and receipts) is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability (unspent conditional grants and receipts) is subsequently reduced, because a condition is satisfied, the reduction in the liability (unspent conditional grants and receipts) is recognised as revenue.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.21 COST OF SALES

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

### 1.22 TRANSLATION OF FOREIGN CURRENCIES

#### Foreign currency transactions

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is also recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying the exchange rate between the Rand and the foreign currency at the date of the cash flow.

### 1.23 COMPARATIVE FIGURES

Comparative information represents the results of the twelve months ended 31 March 2023 which were presented on the same basis as the previous year.

### 1.24 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Refer to note 30.

### 1.25 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) the PFMA; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial period and which was condoned before period end and/or before finalisation of the financial statements is reflected in the notes to the financial statements.

Irregular expenditure that was incurred and identified during the current financial period and for which condonement is being awaited at year end is recorded in the irregular expenditure register and the occurrence is reflected in the notes to the financial statements.

If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements.

The accounting officer or accounting authority may, under specified conditions remove irregular expenditure that was not condoned by the relevant authority.

Where irregular expenditure was incurred in the previous financial period and is only condoned in the following financial period, the occurrence is reflected in the notes to the financial statements.

Refer to note 30.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.26 SEGMENT INFORMATION

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met

#### Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management.

Information relating to segmental assets and liabilities have not been disclosed as this is not regularly provided to management for review.

Refer to note 35.

### 1.27 BUDGET INFORMATION

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The budget information prepared in the consolidated and separate financial statements relates to Dube TradePort Corporation and the La Mercy JV Property Investments Proprietary Limited.

The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

The consolidated and separate annual financial statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Variances between budget and actual amounts greater than 10% is considered to be material and explanations provided for disclosure purposes.

Comparative information is not required.

### 1.28 RELATED PARTIES

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Management are those persons responsible for planning, directing and controlling the activities of the economic entity, including those charged with the governance of the economic entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that entity's management in their dealings with the economic entity.

The economic entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the economic entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the economic entity is exempt from the disclosures in accordance with the above, the economic entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its consolidated and separate annual financial statements.

Refer to note 28.

### 1.29 EVENTS AFTER REPORTING DATE

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The economic entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The economic entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.30 LIVING AND NON-LIVING RESOURCES

Living resources are those resources that undergo biological transformation.

Non-living resources are those resources, other than living resources, that occur naturally and have not been extracted.

Agricultural activity is the management by an economic entity of the biological transformation and harvest of biological assets for:

- (a) sale;
- (b) distribution at no charge or for a nominal charge; or
- (c) conversion into agriculture produce or into additional biological assets for sale or distribution at no charge or for a nominal charge.

A bearer plant is a living plant that:

- (a) is used in the production or supply of agricultural produce;
- (b) is expected to bear produce for more than one period; and
- (c) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Biological transformation comprises the processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a living resource.

Carrying amount is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or development and, where applicable, the amount attributed to the asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Group of resources means a grouping of living or non-living resources of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the consolidated and separate annual financial statements.

The residual value of an asset is the estimated amount that an economic entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Useful life is the period over which an asset is expected to be available for use by an economic entity, or the number of production or similar units expected to be obtained from the asset by an economic entity.

### Recognition

Non-living resources, other than land, are not recognised as assets. Required information are disclosed in the notes to the consolidated and separate annual financial statements.

A living resource is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the economic entity, and the cost or fair value of the asset can be measured reliably.

Where the economic entity is required in terms of legislation or similar means to manage a living resource, but it does not meet the definition of an asset because control of the resource cannot be demonstrated, relevant information are disclosed in the notes to the consolidated and separate annual financial statements.

Where the economic entity holds a living resource that meets the definition of an asset, but which does not meet the recognition criteria, relevant information are disclosed in the notes to the consolidated and separate annual financial statements. When the information about the cost or fair value of the living resource becomes available, the economic entity recognise, from that date, the living resource and apply the measurement principles.

### Measurement at recognition

A living resource that qualifies for recognition as an asset is measured at its cost.

Where a living resource is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

The cost of a living resource comprises its purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the living resource to the location and condition necessary for it to be capable of operating in the manner intended by management.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.31 GENERAL EXPENSES

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

## 2. NEW STANDARDS AND INTERPRETATIONS

### 2.1 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

Only Standards and Interpretations applicable or relevant to the entity are disclosed below:

#### **GRAP 104 - Financial Instruments (revised 2019)**

The effective date is 01 April 2025.

The entity expects to adopt the standard for the first time when the standard becomes effective.

It is likely that the standard will have an impact on the entity's financial statements relating to the expected credit losses over the expected life of the financial instrument.

### 2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE OR RELEVANT

Only Standards and Interpretations applicable or relevant to the entity are disclosed below:

#### **GRAP 1 - Presentation of Financial Statements (Amendments on going concern approved December 2022)**

The effective date of the standard has not yet been set by the Minister of Finance.

The entity expects to adopt this standard for the first time when the Minister sets the effective date.

An assessment will be performed to determine the impact on the entity's financial statements once the effective date is set by the Minister.

#### **GRAP 103 - Heritage Assets (revised).**

The effective date of the standard has not yet been set by the Minister of Finance.

The entity expects to adopt this standard for the first time when the Minister sets the effective date.

An assessment will be performed to determine the impact on the entity's financial statements once the effective date is set by the Minister.

#### **Improvements to the Standards of GRAP 2023**

The effective date of the standard has not yet been set by the Minister of Finance.

The entity expects to adopt this standard for the first time when the Minister sets the effective date.

An assessment will be performed to determine the impact on the entity's financial statements once the effective date is set by the Minister



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## 3. OPERATING LEASE ASSET

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Non-current assets</b>	6 095 019	9 659 753	6 075 553	9 619 597
Current assets	6 672 178	8 988 761	6 666 347	8 988 761
	12 767 197	18 648 514	12 741 900	18 608 358
<b>Straight Lining</b>				
Opening balance	18 648 514	26 148 816	18 608 358	26 122 555
Straight-line for the year	(5 881 317)	(7 500 302)	(5 866 458)	(7 514 197)
	12 767 197	18 648 514	12 741 900	18 608 358

Dube TradePort Corporation has entered into numerous operating lease agreements with tenants to generate rental income. The nature of the assets subject to the operating leases are land and buildings disclosed as Investment Property. The leasing of land includes development leases, sugar cane farming leases and buildings leased out to tenants. (Refer to note 7 for details of land and buildings).

Included in the above lease smoothing calculation are 49 year development leases which were straight-lined over a lesser period. The leases have not been straight-lined over the entire lease term due to the review of rentals and escalations occurring at ten year intervals. An estimate of the rentals was made over the remaining lease period and is disclosed under contingent rentals. (Refer to note 27).

## 4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Trade debtors	36 253 826	14 764 888	36 154 057	14 979 991
Deposits	4 409 449	4 393 129	4 409 449	4 393 129
Interest receivable	7 015 753	6 744 046	6 593 876	6 620 221
Deposit guarantees held by third parties	11 787 441	10 302 734	11 787 441	10 302 734
Prepaid expenses	30 642 536	22 222 600	30 642 536	22 222 600
Payroll recoveries	-	74 899	-	29 348
<b>Total receivables from exchange transactions</b>	<b>90 109 005</b>	<b>58 502 296</b>	<b>89 587 359</b>	<b>58 548 023</b>

\* See Note 32

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	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Trade and other receivables</b>				
Trade and other receivables	59 494 908	32 151 068	59 395 139	32 366 171
Less: Allowance for doubtful debts	(23 241 082)	(17 386 180)	(23 241 082)	(17 386 180)
	36 253 826	14 764 888	36 154 057	14 979 991

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Analysis for allowance of doubtful debts</b>				
Opening balance	17 386 180	11 508 952	17 386 180	11 508 952
Add: Allowance increased during the year	5 854 902	5 877 228	5 854 902	5 877 228
	23 241 082	17 386 180	23 241 082	17 386 180

## Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2024, R36 253 826 (2023: R14 764 888 ) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
1 month past due	21 876 579	5 469 099	21 541 464	5 684 202
2 months past due	5 906 101	2 519 640	5 906 101	2 519 640
3 months past due	8 471 146	6 776 149	8 706 492	6 776 149

## Trade and other receivables impaired

As of 31 March 2024, trade and other receivables of R23 241 082 (2023: R17 386 180 ) were impaired and provided for.

The ageing of these loans is as follows:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
3 to 6 months	2 426 958	2 976 982	2 426 958	2 976 982
Over 6 months	20 814 124	14 409 198	20 814 124	14 409 198

The factors used to determine the impairment of trade and other receivables is based on the individual assessment of debtors who have long outstanding debt and have indicated financial difficulties in settling their debt.

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENT

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## 5. STATUTORY RECEIVABLES

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Statutory receivable - VAT	17 501 276	11 689 592	17 452 977	11 555 712

The increase in the VAT receivable is as a result of an increase in the accrued expenses in the current year.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Cash on hand	25 000	12 473	25 000	12 473
Bank balances	110 501 540	312 615 431	46 831 628	251 150 433
Deposits held on behalf of third parties	13 823 969	12 470 882	13 823 969	12 470 882
Amounts held in trust accounts	879 975 992	786 687 193	879 975 992	786 687 193
	<b>1 004 326 501</b>	<b>1 111 785 979</b>	<b>940 656 589</b>	<b>1 050 320 981</b>

The bank balance figure includes the amount relating to the unspent conditional grants (refer to note 14).

The amounts held in trust accounts reflect contractual obligations relating mainly to the infrastructure and construction projects. These amounts are ringfenced and are committed towards specific projects. Included in the trust accounts is an amount of R3 600 000, which is held as a SARS guarantee for

Dube Cargo Terminal. Deposits held on behalf of third parties relate to tenant deposits and retentions.

Funds in excess of the company's short term requirements are invested in short term deposits with maturity dates of six months or less with the ability to withdraw funds with a notice period of one day. The effective interest rate on investments range from 8.05% to 9.01% (March 2023: 3% to 7.8%).

## 7. INVESTMENT PROPERTY

Economic entity	2024			2023		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Investment property	3 629 151 183	(309 581 447)	3 319 569 736	3 425 069 720	(275 869 332)	3 149 200 388
<b>Controlling entity</b>						
Investment property	3 682 247 432	(309 581 447)	3 372 665 985	3 478 155 628	(275 869 332)	3 202 286 296

\* See Note 32

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## 7. INVESTMENT PROPERTY (CONTINUED)

Reconciliation of investment property - Controlling entity - 2024	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	MOVEMENT RESULTING FROM THE REHABILITATION PROVISION	DISPOSALS	CHANGES IN ESTIMATE (REFER TO NOTE 33)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R	R
Investment property	3 149 200 388	10 789 006	196 799 764	(3 091 742)	(415 566)	3 852 791	(37 564 905)	3 319 569 736

Reconciliation of investment property - Economic entity - 2023	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	MOVEMENT RESULTING FROM THE REHABILITATION PROVISION	TRANSFERS BETWEEN CLASSES	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R
Investment property	3 029 853 165	4 133 898	232 443 447	41 537 084	(119 443 737)	(39 323 469)	3 149 200 388

Reconciliation of investment property - Controlling entity - 2024	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	MOVEMENT RESULTING FROM THE REHABILITATION PROVISION	DISPOSALS	CHANGES IN ESTIMATE (REFER TO NOTE 33)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R	R
Investment property	3 202 286 296	10 789 006	196 799 764	(3 081 401)	(415 566)	3 852 791	(37 564 905)	3 372 665 985

Reconciliation of investment property - Controlling entity - 2023	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	MOVEMENT RESULTING FROM THE REHABILITATION PROVISION	TRANSFERS BETWEEN CLASSES	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R
Investment property	3 082 817 844	4 133 898	232 443 447	41 658 313	(119 443 737)	(39 323 469)	3 202 286 296

### Pledged as security

There were no property, plant and equipment that were pledged as security.

### Investment property in the process of being constructed or developed

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Opening balance	312 720 581	105 451 759	312 514 650	105 245 828
Additions	196 799 764	232 443 447	196 799 764	232 443 447
Transferred to completed items	(141 078 397)	(25 174 625)	(141 078 397)	(25 174 625)
	368 441 948	312 720 581	368 236 017	312 514 650

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 7. INVESTMENT PROPERTY (CONTINUED)

### Details of property

#### La Mercy Land (Portions 5 & 9)

This comprises the purchase of subdivisions 5 and 9 in the extent of 302.9605 hectares, held under Title Deed No. T3842/2010 of the Farm La Mercy Airport No. 15124

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Purchase price	975 235 545	904 761 397	975 235 545	904 761 397
Subsequent expenditure	2 918 876	70 474 148	2 918 876	70 474 148
Movement in provision for rehabilitation	(3 081 401)	-	(3 081 401)	-
	<b>975 073 020</b>	<b>975 235 545</b>	<b>975 073 020</b>	<b>975 235 545</b>

#### Klipfontein Farm

Remainder of portion 77 of the Farm Klipfontein formerly known as portion 11 (of 3) of the Farm Klipfontein No. 922 in the extent of approximately 56.42 hectares held under Title Deed No. T3464/2010.

Purchase price	123 733 875	123 733 875	123 733 875	123 733 875
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#### Mount Moreland

Erf 1000 Mt Moreland in the extent of 408.6977 hectares held under Title Deed No. T348/2014.

Purchase price	360 416 772	360 416 772	360 416 772	360 416 772
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#### Illovo Farm

Remainder of Farm Illovo 16946 in the extent of 825.96 hectares held under Title Deed No. T012751/2016

Purchase price	178 376 484	178 376 484	178 376 484	178 376 484
Additions since purchase or valuation	258 824	-	258 824	-
	<b>178 635 308</b>	<b>178 376 484</b>	<b>178 635 308</b>	<b>178 376 484</b>

#### Cottonlands Farm

Portion 139 of the Farm Cottonlands No 1575, in extent 40,9745 hectares held under Title Deed No. T30476/2019

Purchase price	11 472 860	11 472 860	11 472 860	11 472 860
Subsequent expenditure	17 344	-	17 344	-
	<b>11 490 204</b>	<b>11 472 860</b>	<b>11 472 860</b>	<b>11 472 860</b>

#### Cottonlands Farm

Portion 1239 (of 1220) of the Farm Cottonlands No. 1575 under Title Deed No. T25701/2020

Purchase price	18 591 7472	18 591 747	18 591 747	18 591 747
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#### Cottonlands Farm

Remainder of Portion 141 of Farm Cottonlands No. 1575

Purchase price	11 454 365	11 454 365	11 454 365	11 454 365
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\* See Note 32

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# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENT

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## 7. INVESTMENT PROPERTY (CONTINUED)

### Cottonlands Farm

Portion 2026 (of 1240) of the Farm Cottonlands No. 1575 held under Title Deed No. T26176/2020

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Purchase price	12 114 205	12 114 205	12 114 205	12 114 205

### Cottonlands Farm

Remainder of Portion 267, 314 (of 272) and 1219 (of 321) of the Farm Cottonlands No. 1575 in extent of 150.419 hectares held under Title Deed No. T38380/2002.

Purchase price	104 746 158	104 746 158	104 746 158	104 746 158
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### Dube City

Erven 594, 595, 597, 600, 601, 602, 603 and 608, La Mercy, Registration Division FU, KZN

Purchase price	2 955	2 955	58 294 105	58 294 105
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### Cottonlands Farm (Canelands 3)

Remainder of Portion 1240 of 1220 and Portion 1970 of 1220 of the Farm Cottonlands, in the extent of 156.0474 hectares, held under Title Deed No. T18280/2015

Purchase price	135 295 560	135 295 560	135 295 560	135 295 560
Subsequent expenditure	14 805	-	14 805	-
	<b>135 310 365</b>	<b>135 295 560</b>	<b>135 310 365</b>	<b>135 295 560</b>

### Cottonlands Farm

Remainder of Portion 1220 of the Farm Cottonlands No. 1575, in the extent of 172.3491 hectares, held under Title Deed No. T16581/2012

Purchase price	90 045 830	90 045 830	90 045 830	90 045 830
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### Cottonlands Farm (Canelands 2)

Remainder of Portions 271, 1181, 114, 450, 430, 854, 617, 1907 and 216 of the Farm Cottonlands No. 1575, in extent of 109.2539 hectares held under Title Deed No. T8966/2013

Purchase price	67 691 763	67 691 763	67 691 763	67 691 763
Subsequent expenditure	4 935	-	4 935	-
	<b>67 696 698</b>	<b>67 691 763</b>	<b>67 696 698</b>	<b>67 691 763</b>

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 7. INVESTMENT PROPERTY (CONTINUED)

### TradeHouse Building

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Construction cost <sup>1</sup>	132 584 003	132 584 003	132 584 003	132 584 003
Canteen	5 351 102	5 351 102	5 351 102	5 351 102
Subsequent expenditure	1 650	-	1 650	-
	137 936 755	137 935 105	137 936 755	137 935 105

### Valuable Cargo Building

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Construction cost	24 213 309	24 213 309	24 213 309	24 213 309

### Dube AgriZone Buildings Construction cost:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Greenhouse C	179 226 188	177 804 830	179 226 188	177 804 830
Greenhouse A	83 585 610	83 585 610	83 585 610	83 585 610
Greenhouse D	109 427 251	109 427 251	109 427 251	109 427 251
Distribution Centre	47 326 788	47 326 788	47 326 788	47 326 788
Packhouse A	6 641 289	6 641 289	6 641 289	6 641 289
Packhouse C	27 415 455	27 415 455	27 415 455	27 415 455
Packhouse D	25 455 057	25 455 057	25 455 057	25 455 057
Canteen	2 623 411	2 623 411	2 623 411	2 623 411
Subsequent Expenditure	8 085	1 421 358	8 085	1 421 358
	481 709 134	481 701 049	481 709 134	481 701 049

\* See Note 32

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## 7. INVESTMENT PROPERTY (CONTINUED)

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Airchefs Building</b>				
Construction cost	30 010 345	29 973 136	30 010 345	29 973 136
Subsequent expenditure	63 700	37 209	63 700	37 209
	30 074 045	30 010 345	30 074 045	30 010 345
<b>Gift of the Givers Building</b>				
Construction cost	14 900 128	14 900 128	14 900 128	14 900 128
<b>TradeZone Guardhouse</b>				
Construction cost	13 233 116	13 233 116	13 233 116	13 233 116
<b>Mini Factories</b>				
Construction cost	101 958 425	101 958 425	101 958 425	101 958 425
<b>Sky Aviation</b>				
Remainder of portion 77 of the Farm Klipfontein formerly known as portion 11 (of 3) of the Farm Klipfontein No. 922 in the extent of approximately 56.42 hectares held under Title Deed No. T3464/2010.				
Purchase price	14 237 818	14 237 818	14 237 818	14 237 818
Subsequent expenditure	2 834 031	89 423	2 834 031	89 423
	17 071 849	14 237 818	17 071 849	14 237 818

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 7. INVESTMENT PROPERTY (CONTINUED)

### Double Basement

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Construction cost	202 630 640	202 264 583	202 630 640	202 264 583
Subsequent expenditure	-	366 057	-	366 057
	202 630 640	202 630 640	202 630 640	202 630 640

### Erf 650 Spec Build Warehouse

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Construction cost	141 587 909	-	141 587 909	-

### La Mercy (Portion 4, 6, 8, 10 and 11)

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Purchase price	340 133	340 133	-	-
Work-in-progress	205 927	205 927	-	-
Capitalised expenditure	4 052 361	4 052 361	-	-
Capitalised expenditure relating to the environmental rehabilitation provision	596 480	606 821	-	-
	5 194 901	5 194 901	-	-

The Board has approved the sale of 807.8 square metres of land in Dube city and a 3 metre servitude of approx. 990.5 square metres in Dube city to DubeTradePort Corporation for R1 260 000 excluding VAT. The properties have been subdivided and consolidated and registration is in progress. There is no revenue nor any material costs in respect of the property.

### The following amounts have been recognised in surplus and deficit for investment properties

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Rental revenue from investment properties	102 007 309	72 702 060	101 685 671	72 312 256
Repairs and maintenance	(255 859)	(656 915)	(255 859)	(656 915)
Direct operating expenses	(56 590 629)	(45 091 368)	(55 915 111)	(44 370 016)
	45 160 821	26 953 777	45 514 701	27 285 325

Included in the above figures are expenditure for direct operating costs incurred for the year of R176 which relates to property that did not generate revenue relating to La Mercy JV Property Investments Proprietary Limited.

The total contractual obligations relating to investment properties for general operating expenses amounts to R92 732 676 (2023: R51 890 516).

\* See Note 32

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## 8. PROPERTY, PLANT AND EQUIPMENT

Economic entity	2024			2023		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Land	111 253 522	-	111 253 522	111 253 522	-	111 253 522
Buildings	694 549 018	(353 544 281)	341 004 737	691 545 397	(335 882 678)	355 662 719
Plant and machinery	20 834 227	(18 425 246)	2 408 981	23 143 821	(19 905 148)	3 238 673
Furniture and fixtures	31 758 630	(23 331 118)	8 427 512	28 943 648	(21 241 728)	7 701 920
Motor vehicles	16 694 405	(15 460 291)	1 234 114	17 007 253	(15 231 539)	1 775 714
Equipment	382 723 859	(316 482 556)	66 241 303	381 809 625	(308 683 665)	73 125 960
IT equipment	117 814 561	(77 405 430)	40 409 131	103 508 482	(69 312 766)	34 195 716
Infrastructure	883 154 152	(482 451 810)	400 702 342	880 983 178	(448 043 814)	432 939 364
Community	1 106 280	(405 233)	701 047	1 106 280	(359 672)	746 608
<b>Total</b>	<b>2 259 888 654</b>	<b>(1 287 505 965)</b>	<b>972 382 689</b>	<b>2 239 301 206</b>	<b>(1 218 661 010)</b>	<b>1 020 640 196</b>

Controlling entity	2024			2023		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Land	111 250 987	-	111 250 987	111 250 987	-	111 250 987
Buildings	694 549 018	(353 544 281)	341 004 737	691 545 397	(335 882 678)	355 662 719
Plant and machinery	20 834 227	(18 425 246)	2 408 981	23 143 821	(19 905 148)	3 238 673
Furniture and fixtures	31 758 630	(23 331 118)	8 427 512	28 943 648	(21 241 728)	7 701 920
Motor vehicles	16 694 405	(15 460 291)	1 234 114	17 007 253	(15 231 539)	1 775 714
Equipment	382 723 859	(316 482 556)	66 241 303	381 809 625	(308 683 665)	73 125 960
IT equipment	117 814 561	(77 405 430)	40 409 131	103 508 482	(69 312 766)	34 195 716
Infrastructure	741 200 276	(412 093 177)	329 107 099	738 867 282	(383 812 714)	355 054 568
Community	412 506	(254 278)	158 228	412 506	(222 308)	190 198
<b>Total</b>	<b>2 117 238 469</b>	<b>(1 216 996 377)</b>	<b>900 242 092</b>	<b>2 096 489 001</b>	<b>(1 154 292 546)</b>	<b>942 196 455</b>



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment - Economic entity - 2024

	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	DISPOSALS	CHANGES IN ESTIMATE (REFER TO NOTE 33)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R
Land	111 253 522	-	-	-	-	-	111 253 522
Buildings	355 662 719	3 003 621	-	-	433 577	(950 325)	341 004 737
Plant and machinery	3 238 673	-	-	-	120 633	(2 572 862)	2 408 981
Furniture and fixtures	7 701 920	2 814 982	-	-	483 472	(2 572 862)	8 427 512
Motor vehicles	1 775 714	-	-	(48 858)	202 755	(695 497)	1 234 114
Equipment	73 125 960	1 040 680	-	-	7 725 844	(15 651 181)	66 241 303
IT equipment	34 195 716	14 306 079	-	-	6 702 931	(14 795 565)	40 409 131
Infrastructure	432 939 364	1 560 391	772 604	-	588 723	(35 158 740)	400 702 342
Community	746 608	-	-	-	-	(45 561)	701 047
	1 020 640 196	22 725 753	772 604	(48 858)	16 257 935	(87 964 941)	972 382 689

Reconciliation of property, plant and equipment - Economic entity - 2023 restated\*

	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	DISPOSALS	TRANSFERS BETWEEN CLASS	CHANGES IN ESTIMATE	DEPRECIATION	IMPAIRMENT	PRIOR PERIOD ERROR (REFER TO NOTE 32)	TOTAL
	R	R	R	R	R	R	R	R	R	R
Land	111 253 522	-	-	-	-	-	-	-	-	111 253 522
Buildings	248 464 392	2 421 994	-	-	119 443 737	670 821	(15 338 225)	-	-	355 662 719
Plant and machinery	4 180 534	-	-	-	-	1 154 000	(2 047 595)	(48 266)	-	3 238 673
Furniture and fixtures	6 104 444	384 186	-	-	-	3 617 740	(2 404 450)	-	-	7 701 920
Motor vehicles	2 161 244	-	-	-	-	379 742	(765 272)	-	-	1 775 714
Equipment	89 374 872	790 011	-	(2 893 121)	-	11 027 121	(25 172 923)	-	-	73 125 960
IT equipment	39 801 100	10 270 027	-	(5 641)	(2 806 831)	1 908 504	(13 167 162)	-	(1 804 281)	34 195 716
Infrastructure	464 686 092	669 453	510 208	-	912 536	6 062 344	(39 901 269)	-	-	432 939 364
Community	792 146	-	-	-	-	-	(45 538)	-	-	746 608
	966 818 346	14 535 671	510 208	(2 898 762)	117 549 442	24 820 272	(98 842 434)	(48 266)	(1 804 281)	1 020 640 196

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment - Controlling entity - 2024	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	DISPOSALS	CHANGES IN ESTIMATE (REFER TO NOTE 33)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R
Land	111 250 987	-	-	-	-	-	111 250 987
Buildings	355 662 719	3 003 621	-	-	433 577	(18 095 180)	341 004 737
Plant and machinery	3 238 673	-	-	-	120 633	(950 325)	2 408 981
Furniture and fixtures	7 701 920	2 814 982	-	-	483 472	(2 572 862)	8 427 512
Motor vehicles	1 775 714	-	-	(48 858)	202 755	(695 497)	1 234 114
Equipment	73 125 960	1 040 680	-	-	7 725 844	(15 651 181)	66 241 303
IT equipment	34 195 716	14 306 079	-	-	6 702 931	(14 795 595)	40 409 131
Infrastructure	355 054 568	1 560 391	772 604	-	588 723	(28 869 187)	329 107 099
Community	190 198	-	-	-	-	(31 970)	158 228
	942 196 455	22 725 753	772 604	(48 858)	16 257 935	(81 661 797)	900 242 092

Reconciliation of property, plant and equipment - Controlling entity - 2023 restated*	OPENING BALANCE	ADDITIONS	WORK-IN PROGRESS	DISPOSALS	TRANSFERS BETWEEN CLASS	CHANGES IN ESTIMATE	DEPRECIATION	IMPAIRMENT	PRIOR PERIOD ERROR (REFER TO NOTE 32)	TOTAL
	R	R	R	R	R	R	R	R	R	R
Land	111 250 987	-	-	-	-	-	-	-	-	111 250 987
Buildings	248 464 392	2 421 994	-	-	119 443 737	670 821	(15 338 225)	-	-	355 662 719
Plant and machinery	4 180 534	-	-	-	-	1 154 000	(2 047 595)	(48 266)	-	3 238 673
Furniture and fixtures	6 104 444	384 186	-	-	-	3 617 740	(2 404 450)	-	-	7 701 920
Motor vehicles	2 161 244	-	-	-	-	379 742	(765 272)	-	-	1 775 714
Equipment	89 374 872	790 011	-	(2 893 121)	-	11 027 121	(25 172 923)	-	-	73 125 960
IT equipment	39 801 100	10 270 027	-	(5 641)	(2 806 831)	1 908 504	(13 167 162)	-	(1 804 281)	34 195 716
Infrastructure	380 750 929	458 454	510 208	-	912 536	6 062 344	(33 639 903)	-	-	355 054 568
Community	222 143	-	-	-	-	-	(31 945)	-	-	190 198
	882 310 645	14 324 672	510 208	(2 898 762)	117 549 442	24 820 272	(92 567 475)	(48 266)	(1 804 281)	942 196 455

Compensation received from third parties in the current year relating to impaired assets as a result of damage amounted to R1 035 921 (2023: R565 589).

### Pledged as security

There were no property, plant and equipment that were pledged as security.

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Reconciliation of Work-in-Progress Economic entity 2024

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
			INFRASTRUCTURE	TOTAL
Opening balance			691 953	691 953
Additions/capital expenditure			772 604	772 604
Transferred to completed items			(886 548)	(886 548)
			578 009	578 009

### Reconciliation of Work-in-Progress Economic entity - 2023

	ECONOMIC ENTITY		CONTROLLING ENTITY		
	2024	2023 RESTATED*	2024	2023 RESTATED*	
			INFRASTRUCTURE	IT EQUIPMENT	TOTAL
Opening balance		181 745	1 885 691		2 067 436
Additions/capital expenditure		510 208	-		510 208
Transferred to completed items		-	(1 885 691)		(1 885 691)
		691 953	-		691 953

### Reconciliation of Work-in-Progress Controlling entity - 2024

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
			INFRASTRUCTURE	TOTAL
Opening balance			691 953	691 953
Additions/capital expenditure			772 604	772 604
Transferred to completed items			(886 548)	(886 548)
			578 009	578 009

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of Work-in-Progress  
Controlling entity - 2023

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
		INFRASTRUCTURE	IT EQUIPMENT	TOTAL
Opening balance		181 745	1 885 691	2 067 436
Additions/capital expenditure		510 208	-	510 208
Transferred to completed items		-	(1 885 691)	(1 885 691)
		691 953	-	691 953

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain  
property, plant and equipment included in  
Statement of Financial Performance

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Buildings	4 593 682	3 167 802	4 593 682	3 167 802
Equipment	5 392 325	5 241 836	5 393 325	5 241 836
Motor vehicles	1 675 611	1 001 274	1 675 611	1 012 746
IT Equipment	2 744 581	1 708 703	2 744 581	1 708 703
Landscaping	4 143 170	4 403 124	4 143 170	3 924 440
	18 550 369	15 534 211	18 550 369	15 055 527

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 9. INTANGIBLE ASSETS

Economic entity	2024			2023		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Licenses	718 725	-	718 725	718 725	-	718 725
Computer software	8 661 769	(2 226 233)	6 435 536	8 025 502	(1 206 055)	6 819 447
<b>Total</b>	<b>9 380 494</b>	<b>(2 226 233)</b>	<b>7 154 261</b>	<b>8 744 227</b>	<b>(1 206 055)</b>	<b>7 538 172</b>

Controlling entity	2024			2023		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Licenses	718 725	-	718 725	718 725	-	718 725
Computer software	8 661 769	(2 226 233)	6 435 536	8 025 502	(1 206 055)	6 819 447
<b>Total</b>	<b>9 380 494</b>	<b>(2 226 233)</b>	<b>7 154 261</b>	<b>8 744 227</b>	<b>(1 206 055)</b>	<b>7 538 172</b>

Reconciliation of intangible assets - Economic entity - 2024	OPENING BALANCE	ADDITIONS	CHANGES IN ESTIMATE (REFER TO NOTE 33)	AMORTISATION	TOTAL
		R	R	R	R
Licenses	718 725	-	-	-	718 725
Computer software	6 819 447	636 267	20 382	(1 040 560)	6 435 536
	<b>7 538 172</b>	<b>636 267</b>	<b>20 382</b>	<b>(1 040 560)</b>	<b>7 154 261</b>

Reconciliation of intangible assets - Economic entity - 2023	OPENING BALANCE (REFER TO NOTE 32)	ADDITIONS	TRANSFERS BETWEEN CLASSES	AMORTISATION	IMPAIRMENT	TOTAL
		R	R	R	R	R
Licenses	718 725	-	-	-	-	718 725
Computer software	6 363 964	347 006	1 885 690	(1 435 088)	(342 125)	6 819 447
	<b>7 082 689</b>	<b>347 006</b>	<b>1 885 690</b>	<b>(1 435 088)</b>	<b>(342 125)</b>	<b>7 538 172</b>

\* See Note 32

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04	OPERATION STRUCTURE
05	OPERATION STRUCTURE
06	OPERATION STRUCTURE
07	OPERATION STRUCTURE
08	OPERATION STRUCTURE
09	OPERATION STRUCTURE
10	OPERATION STRUCTURE
11	OPERATION STRUCTURE
12	OPERATION STRUCTURE
13	OPERATION STRUCTURE
14	OPERATION STRUCTURE
15	OPERATION STRUCTURE



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 9. INTANGIBLE ASSETS (CONTINUED)

Reconciliation of intangible assets - Controlling entity - 2024	OPENING BALANCE	ADDITIONS	CHANGES IN ESTIMATE (REFER TO NOTE 33)	AMORTISATION	TOTAL
		R	R	R	R
Licenses	718 725	-	-	-	718 725
Computer software	6 819 447	636 267	20 382	(1 040 560)	6 435 536
	7 538 172	636 267	20 382	(1 040 560)	7 154 261

Reconciliation of intangible assets - Controlling entity - 2023	OPENING BALANCE	ADDITIONS	CHANGES IN ESTIMATE (REFER TO NOTE 33)	AMORTISATION	IMPAIRMENT	TOTAL
		R	R	R	R	R
Licenses	718 725	-	-	-	-	718 725
Computer software	6 363 964	347 006	1 885 690	(1 435 088)	(342 125)	6 819 447
	7 082 689	347 006	1 885 690	(1 435 088)	(342 125)	7 538 172

Assessment of the useful lives of intangible assets with an indefinite useful life was concluded based on the following: The performance of the asset has not reduced beyond what was expected. There was no decrease in the request for a service. The asset can still perform at the level required. There were no changes in technology with an adverse effect on the use of asset. There were no significant changes in the government policy and legal environment.

## 10. HERITAGE ASSETS

Economic entity	2024			2023		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Art Collections, antiquities and exhibits	7 654 358	-	7 654 358	7 654 358	-	7 654 358

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 10. HERITAGE ASSETS (CONTINUED)

Controlling entity	2024			2023		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Art Collections, antiquities and exhibits	7 654 358	-	7 654 358	7 654 358	-	7 654 358

### Reconciliation of heritage assets Economic entity - 2024

Art Collections, antiquities and exhibits

OPENING BALANCE	TOTAL
R	R
7 654 358	7 654 358

### Reconciliation of heritage assets Economic entity - 2023

Art Collections, antiquities and exhibits

OPENING BALANCE	TOTAL
R	R
7 654 358	7 654 358

### Reconciliation of heritage assets Controlling entity - 2024

Art Collections, antiquities and exhibits

OPENING BALANCE	TOTAL
R	R
7 654 358	7 654 358

### Reconciliation of heritage assets Controlling entity - 2023

Art Collections, antiquities and exhibits

OPENING BALANCE	TOTAL
R	R
7 654 358	7 654 358

\* See Note 32

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## 11. INTERESTS IN OTHER ENTITIES

### Investments in controlled entities

La Mercy, JV Property Investments Proprietary Limited - shareholding

La Mercy, JV Property Investments Proprietary Limited - contributed capital

Art Collections, antiquities and exhibits

CONTROLLING ENTITY	
CARRYING AMOUNT 2024	CARRYING AMOUNT 2023
R	R
60	60
11 138 833	11 138 833
11 138 898	11 138 898

Dube TradePort Corporation entered into an agreement with the ACSA whereby Dube TradePort Corporation owns 60% of La Mercy JV Property Investments Proprietary Limited (the JV Company). The application of GRAP dictates that Dube TradePort Corporation accounts for its interest in the JV Company as a subsidiary.

## 12. CURRENT TAX RECEIVABLE

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
			INFRASTRUCTURE	TOTAL
Opening balance	233 887	254 514	-	-
Tax for the year	(1 007 373)	(750 867)	-	-
Provisional tax paid	998 903	713 154	-	-
Section 89 quat interest on overpayment of provisional tax	20 561	7 086	-	-
	245 978	223 887	-	-

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 13. PAYABLES FROM EXCHANGE TRANSACTIONS

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
			INFRASTRUCTURE	TOTAL
Trade payables	8 991 594	13 243 289	8 972 884	12 965 637
Payents received in advance	1 968 518	1 178 427	1 968 518	1 178 427
Retention creditors	6 345 446	5 263 629	6 345 446	5 263 629
Accrued leave pay	8 098 162	5 963 586	8 098 162	5 963 586
Accrued expenses	73 102 517	54 406 597	72 702 660	54 229 994
Deposits received	22 118 081	17 724 991	22 118 081	17 724 991
Payroll accrual	11 515 240	141 139	11 515 240	141 139
	<b>132 139 558</b>	<b>97 921 658</b>	<b>131 720 991</b>	<b>97 467 403</b>

The increase in accrued expenses relates mainly to invoices for construction projects not paid at year end. The increase in the payroll accrual relates mainly to

## 14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

The funds for the Special Economic Zone were granted by the Department of Trade and Industry to plan, prepare and successfully attract investors to the Special Economic Zone. The funds for Automotive Supplier Park and Cut Flower Project were granted by the Department of Economic Development, Tourism and Environmental Affairs.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Automotive Supplier Park	6 294 264	7 154 692	6 294 264	7 154 692
Cut Flower Project	5 349 797	5 670 330	5 349 797	5 670 330
	<b>11 644 061</b>	<b>12 825 022</b>	<b>11 644 061</b>	<b>12 825 022</b>

### Movement during the year

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Balance at the beginning of the period	12 825 022	14 432 920	12 825 022	14 432 920
Income recognised during the period	(1 180 961)	(1 607 898)	(1 180 961)	(1 607 898)
	<b>11 644 061</b>	<b>12 825 022</b>	<b>11 644 061</b>	<b>12 825 022</b>

\* See Note 32

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## 15. DEFERRED TAX

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Deferred tax asset</b>				
Deferred tax from temporary differences	24 676	56 133	-	-
<b>Reconciliation of deferred tax asset</b>				
Opening balance	56 133	46 346	-	-
Movement - temporary differences arising from accruals and future deductions	(31 457)	9 787	-	-
	24 676	56 133	-	-

The deferred tax asset of R24 676 (Mar 2023: R56 133) has been raised and it is expected that the company will make a taxable profit against which to offset the deferred tax asset.

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Deferred tax asset comprises of:</b>				
Audit fee accrual	44 322	41 699	-	-
Investment property	(161 050)	(163 842)	-	-
Provision for rehabilitation	155 698	191 031	-	-
Lease smoothing	(6 829)	(10 842)	-	-
SARS interest	(7 465)	(1 913)	-	-
	24 676	56 133	-	-

## 16. PROVISIONS

	OPENING BALANCE	CHANGE IN ESTIMATE (REFER TO NOTE 33)	UTILISED DURING THE YEAR	FINANCE COST	TOTAL
<b>Reconciliation of provisions - Economic entity - 2024</b>					
Environmental rehabilitation	76 635 176	(3 175 849)	(22 080)	6 552 925	79 990 172

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	CHANGE IN ESTIMATE	FINANCE COST	TOTAL
<b>Reconciliation of provisions - Economic entity - 2023</b>						
Environmental rehabilitation	34 086 111	4 821 638	(312 408)	36 715 446	1 324 389	76 635 176

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 16. COMMITMENTS (CONTINUED)

	OPENING BALANCE	CHANGE IN ESTIMATE (REFER TO NOTE 33)	FINANCE COST	TOTAL
<b>Reconciliation of provisions - Economic entity - 2024</b>				
Environmental rehabilitation	76 073 812	(3 165 509)	6 505 210	79 413 513

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	CHANGE IN ESTIMATE	FINANCE COST	TOTAL
<b>Reconciliation of provisions - Controlling entity - 2023</b>						
Environmental rehabilitation	33 283 851	4 821 638	(166 248)	36 836 675	1 297 896	76 073 812

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Non-current liabilities	79 413 513	76 635 176	79 413 513	76 073 812
Current liabilities	576 659	-	-	-
	79 990 172	76 635 176	79 413 513	76 073 812

The provision relates to the Environmental Authorisation (EA) formerly known as the Record of Decision for the construction and operation of the airport which included an obligation to create a delineated conservation area within the Dube TradePort precinct, which requires rehabilitation and restoration to mitigate against the habitat and species loss incurred during the initial construction phase for airport precinct. In July 2020, the Department of Environmental Affairs approved the split of the Environmental Authorisation resulting in a direct legal obligation to Dube TradePort Corporation for the restoration and rehabilitation of the affected area.

The three landholders of the precinct are taking a consolidated approach that will result in an increased level of coordination, efficiency and a cost effective invasive plant removal program in the entire precinct.

The decrease in the estimated cashflows for AgriZone 2 is due to management revising its rehabilitation strategy and instead of acquiring additional land for offset mitigation, existing land was identified and assessed as appropriate to be utilised for off- setting.

Also included in the provision is an increase in the unwinding of the discount rate due to the change in the timing of the cashflows.

In determining the present value of the rehabilitation provision, a pre-tax discount rate of 9.25% (2023: 8.50%) was used in the current year. The determination of the provision amount is based on estimates provided by internal environmental specialists and is benchmarked to historical rehabilitation activities. The timing of the estimated cashflows for rehabilitation activities is between 1 and 12 years.

The shareholders of the subsidiary company have built certain infrastructure assets on the company's land holdings and have registered servitudes over these assets. As a result, the cost to rehabilitate will be split using the "user-benefit" approach based on the footprint development benefit that each party i.e. the company and its two shareholders derived from the phase 1 build. Management is in the process of finalising the percentage split for the balance of the provision relating to the area, delineated for conservation, consequently, no additional provision has been created for the delineated area.

\* See Note 32

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## 17. PROPERTY RENTAL

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Operating lease rentals</b>				
Rental	108 522 974	76 535 264	107 304 116	75 285 832
Straight-lining of leases	(5 901 318)	(7 528 092)	(5 866 458)	(7 514 197)
	<b>102 621 656</b>	<b>69 007 172</b>	<b>101 437 658</b>	<b>67 771 635</b>

The increase in property rental is as a result of the recovery of backdated rates following the completion of the revaluation by Ethekwini Municipality.

## 18. INTEREST RECEIVED

### Interest revenue

Bank	85 508 741	59 767 434	80 342 459	56 028 148
Interest on trade receivables	2 198 836	749 795	2 198 836	749 795
	<b>87 707 577</b>	<b>60 517 229</b>	<b>82 541 295</b>	<b>56 777 943</b>

The increase in interest received from the bank is as a result of higher interest rates.

## 19. GOVERNMENT GRANTS

### Operating grants

Department of Economic Development, Tourism and Environmental Affairs	282 200 870	425 209 565	282 200 870	425 209 565
Automotive Supplier Park and Cut Flowers Project	1 180 961	1 607 898	1 180 961	1 607 898
	<b>283 381 831</b>	<b>426 817 463</b>	<b>283 381 831</b>	<b>426 817 463</b>

### Equitable Share

The entity received its statutory receivable in full and there were no amounts outstanding at year end.

During the reporting period, the entity agreed to surrender an amount of R100 million to the Provincial Revenue Reserve Fund to increase the provincial contingency reserve. This was deducted from the retention of surplus for the 2022/23 financial period.

### The amount for government grants received from EDTEA is made up as follows:

Voted MTEF 2023/24	438 722 609	425 209 565	438 722 609	425 209 565
Retention surplus not approved	(86 956 522)	-	(86 956 522)	-
Contribution to the EDTEA job creation fund	(60 869 565)	-	(60 869 565)	-
Security Fund	(8 695 652)	-	(8 695 652)	-
	<b>282 200 870</b>	<b>425 209 565</b>	<b>282 200 870</b>	<b>425 209 565</b>

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 20. REVENUE

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Rendering of services	32 658 244	25 951 212	32 658 244	25 951 212
Property rental	102 621 656	69 007 172	101 437 658	67 771 635
Sundry income	9 403 885	6 001 214	8 561 964	5 917 137
Interest received	87 707 577	60 517 229	82 541 295	56 777 943
Government grants	283 381 831	426 817 463	283 381 831	426 817 463
	<b>515 773 193</b>	<b>588 294 290</b>	<b>508 580 992</b>	<b>583 235 390</b>
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>				
Rendering of services	32 658 244	25 951 212	32 658 244	25 951 212
Rental of facilities and equipment	102 621 656	69 007 172	101 437 658	67 771 635
Sundry income	9 403 885	6 001 214	8 561 964	5 917 137
Interest received	87 707 577	60 517 229	82 541 295	56 777 943
	<b>232 391 362</b>	<b>161 476 827</b>	<b>225 199 161</b>	<b>156 417 927</b>
<b>The amount included in rendering of services is made up as follows:</b>				
Dube iConnect services	9 205 651	8 176 179	9 205 651	8 176 179
Dube Cargo handling services	23 279 543	17 678 411	23 279 543	17 678 411
Dube AgriZone services	173 050	96 622	173 050	96 622
	<b>32 658 244</b>	<b>25 951 212</b>	<b>32 658 244</b>	<b>25 951 212</b>

The increase in revenue from rendering of services is primarily due to increase in tonnages at the cargo terminal.

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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The amount included in revenue arising from non-exchange transactions is as follows:

## Transfer revenue

Government grants

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Government grants	283 381 831	426 817 463	283 381 831	426 817 463

## 21. EMPLOYEE RELATED COSTS

Basic salaries	148 587 613	126 272 359	148 587 613	126 272 359
Medical aid - company contributions	1 095 057	941 955	1 095 057	941 955
Unemployment insurance fund	463 097	468 135	463 097	468 135
Workmen's compensation	321 270	127 053	321 270	127 053
Skills development levy	1 359 254	1 306 774	1 359 254	1 306 774
Cellphone allowances	1 963 239	1 742 362	1 963 239	1 742 362
Relocation allowances	987 715	-	987 715	-
Provident fund - employer contributions	6 582 222	5 496 846	6 582 222	5 496 846
	<b>161 359 467</b>	<b>136 355 484</b>	<b>161 359 467</b>	<b>136 355 484</b>

The increase in employee related costs is as a result of the new positions that were filled during the year as well as the accrual for performance bonuses.

## 22. FINANCE COSTS

Environmental rehabilitation	6 468 819	1 324 389	6 421 103	1 297 896
Payables from exchange transactions	28 260	99 188	28 260	98 216
Discounting of debtors	2 634 300	-	2 634 300	-
	<b>9 131 379</b>	<b>1 423 577</b>	<b>9 083 663</b>	<b>1 396 112</b>

The increase in the finance costs is as a result of the unwinding of the discount rate due to the change in the timing of the cashflows.

Interest on discounting of debtors relates to matters that are in legal dispute.

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 23. GENERAL EXPENSES

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Advertising	2 871 973	1 690 292	2 871 973	1 690 292
Repairs and maintenance	24 030 547	22 734 549	22 831 958	22 578 722
Consulting and professional fees	30 681 588	19 141 666	30 129 036	18 214 939
Debt impairment	7 812 730	5 978 545	7 812 730	5 978 545
Lease rentals on operating leases	-	78 285	-	78 285
Security	19 610 935	21 810 448	19 610 935	21 810 448
Rates and utilities	94 656 967	85 135 637	93 620 516	84 135 247
Third party settlement	2 500 000	-	2 500 000	-
Other operating expenses	38 257 630	32 022 221	37 602 097	31 059 975
Rendering of services	7 830 719	5 939 106	7 830 719	5 939 106
	<b>228 253 089</b>	<b>194 530 749</b>	<b>224 809 964</b>	<b>191 485 559</b>

### Debt impairment is made up as follows

Contribution to bad debt provision	5 854 902	5 877 227	5 854 902	5 877 227
Bad debts written-off	1 957 828	101 318	1 957 828	101 318
	<b>7 812 730</b>	<b>5 978 545</b>	<b>7 812 730</b>	<b>5 978 545</b>

The increase in consulting and professional fees is mainly due to the use of specialist consultants across the organisation.

The increase in rates and utilities is a as a result of the backdated rates following the completion of the revaluation by EtheKwini Municipality.

Included in the third party settlement is an amount of R2.5 million which relates to an arbitration settlement between Dube TradePort Corporation and a former developer.

The significant items resulting in the increase in other operating expenses in the current year relates to the maintenance of the Greenhouses at the AgriZone as well as the training and development costs

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 24. COST OF SALES

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Rendering of services</b>				
Cost of services	6 307 275	5 443 781	6 307 275	5 443 781
Tissue culture	1 523 444	495 325	1 523 444	495 325
	<b>7 830 719</b>	<b>5 939 106</b>	<b>7 830 719</b>	<b>5 939 106</b>

## 25. TAXATION

### Major components of the tax expense

#### Current

Local income tax - current period	1 007 373	750 868	-	-
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#### Deferred

Origination and reversal of temporary differences arising from accruals and future deductions	(8 006)	(9 787)	-	-
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Arising from prior period movement in provisions	39 463	-	-	-
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	<b>31 457</b>	<b>(9 787)</b>	<b>-</b>	<b>-</b>
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	<b>1 038 830</b>	<b>741 081</b>	<b>-</b>	<b>-</b>
--	------------------	----------------	----------	----------

### Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	(27.00)%	(27.00)%	- %	- %
Permanent difference - depreciation	97.37 %	44.15 %	- %	- %
Permanent difference - Non-deductible expenditure*	- %	6.55 %	- %	- %
Prior period movement in provision	2.78 %	- %	- %	- %
	<b>73.15 %</b>	<b>23.70 %</b>	<b>- %</b>	<b>- %</b>

\*These relate to items that are considered capital in nature and therefore non-deductible for tax purposes.

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 26. CASH GENERATED FROM OPERATIONS

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Surplus	9 394 224	135 120 339	13 034 838	140 150 133
<b>Adjustments for:</b>				
Depreciation and amortisation	106 439 298	116 975 392	100 136 154	110 700 434
Loss on disposal of assets	425 424	2 898 762	425 424	2 898 762
Debt impairment	7 812 730	5 877 228	7 812 730	5 877 228
Movements in operating lease assets and accruals	5 881 317	7 500 302	5 866 458	7 514 197
Movements in provisions	6 446 738	1 178 427	6 421 102	1 297 896
Movement in tax receivable and payable	(12 091)	32 541	-	-
Annual charge for deferred tax	31 457	(11 700)	-	-
Discounting of debtors	2 634 300	-	2 634 300	-
Payroll accrual	13 508 677	(5 486 567)	13 508 677	(5 486 567)
Interest accrual	26 345	(3 839 261)	26 345	(3 839 261)
<b>Changes in working capital:</b>				
Inventories	-	360 637	-	360 637
Receivables from exchange transactions	(41 911 576)	(28 281 191)	(41 512 711)	(28 607 501)
Statutory receivables	(5 811 684)	29 199 385	(5 897 265)	29 124 788
Payables from exchange transactions	4 447 143	2 005 006	4 651 336	3 260 723
Unspent conditional grants and receipts	(1 180 961)	(1 607 898)	(1 180 961)	(1 607 898)
	108 131 341	261 921 402	105 926 427	261 643 571

\* See Note 32

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## 27. COMMITMENTS

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Authorised capital expenditure</b>				
<b>Already contracted for but not provided for</b>				
↳ Property, plant and equipment	24 050 650	8 780 615	24 050 650	8 780 615
↳ Investment property	279 947 658	386 847 615	279 947 658	386 847 615
	<b>303 998 308</b>	<b>395 628 230</b>	<b>303 998 308</b>	<b>395 628 230</b>
<b>Not yet contracted for and authorised by Board</b>				
↳ Property, plant and equipment	5 105 194	-	-	-
↳ Investment property	468 311 852	289 481 600	468 311 852	289 481 600
	<b>473 417 046</b>	<b>289 481 600</b>	<b>468 311 852</b>	<b>289 481 600</b>
<b>Total capital commitments</b>				
Already contracted for but not provided for	303 998 308	395 628 230	303 998 308	395 628 230
Not yet contracted for and authorised by Board	473 417 046	289 481 600	468 311 852	289 481 600
	<b>777 415 354</b>	<b>685 109 830</b>	<b>772 310 160</b>	<b>685 109 830</b>

This committed expenditure relates to the acquisition of capital assets, infrastructure and construction projects across the precinct (including Dube AgriZone, Dube TradeZone, Dube City and Dube Cargo Terminal).

### Operating leases - as lessee (expense)

#### Minimum lease payments due

- within one year	487 105	-	714 351	231 574
- in second to fifth year inclusive	487 105	-	727 986	505 665
	<b>974 210</b>	<b>-</b>	<b>1 442 337</b>	<b>737 239</b>

The operating lease payments relate to the leasing of photocopiers and leasing of land on which the billboards are situated.

### Operating leases - as lessor (income)

#### Minimum lease payments due

- within one year	60 284 751	48 863 545	60 284 751	48 863 545
- in second to fifth year inclusive	145 795 397	97 556 966	145 795 397	97 556 966
- later than five years	109 359 976	31 159 810	109 359 976	31 159 810
	<b>315 440 124</b>	<b>177 580 321</b>	<b>315 440 124</b>	<b>177 580 321</b>

\* See Note 32



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## 27. COMMITMENTS (CONTINUED)

Certain properties generate rental income. Lease agreements are cancellable and have terms that range from 1 to 49 years. Rental income is subject to escalation of rates ranging from CPI to 10%.

Contingent rentals are receivable for certain leases and amount to R6 925 198 502 (2023: R5 397 419 977).

### The basis for calculating the contingent rentals is as follows:

Development leases - the last rental and escalation rate before review is carried forward for the remaining period of the lease term.

Rental escalations linked to CPI - the base rental is included in the operating lease commitments and the escalations linked to CPI is included in the contingent rental.

Sugar cane leases- portions of land are leased out for sugar cane farming and the lease rentals are equivalent to a portion of the gross rental proceeds.

## 28. RELATED PARTIES

Relationship

Ultimate controlling entity	Department of Economic Development, Tourism and Environmental Affairs
Controlling entity	Dube TradePort Corporation
Controlled entities	La Mercy JV Property Investments Proprietary Limited
Members of key management	Mr H Erskine Ms A Swalah

All transactions between related parties were at arm's length.

### Related party balances

<b>Amounts included in trade receivables regarding related parties</b>		
La Mercy JV Property Investments Proprietary Limited	254 056	646 503
<b>Amounts included in trade payables regarding related parties</b>		
La Mercy JV Property Investments Proprietary Limited	38 468	-

### Related party transactions

<b>Rent paid to related parties</b>		
La Mercy JV Property Investments Proprietary Limited	214 383	218 466
<b>Financial management services provided to related parties</b>		
La Mercy JV Property Investments Proprietary Limited	883 188	829 284
<b>Levies paid to related parties</b>		
La Mercy JV Property Investments Proprietary Limited	642 811	635 375
<b>Management association costs received from related parties</b>		
La Mercy JV Property Investments Proprietary Limited	558 110	1 071 405
<b>Landscaping costs received from related parties</b>		
La Mercy JV Property Investments Proprietary Limited	1 061 821	582 306
<b>Capital costs paid by related parties</b>		
La Mercy JV Property Investments Proprietary Limited	-	210 999
<b>Recoveries paid to related parties</b>		
La Mercy JV Property Investments Proprietary Limited	33 450	-
<b>Asset given up for no consideration</b>		
La Mercy JV Property Investments Proprietary Limited	210 999	-

\* See Note 32

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## 28. RELATED PARTIES (CONTINUED)

Dube TradePort Corporation perform certain administrative and finance function on behalf of La Mercy JV Property Investment Proprietary Limited including the preparation of Annual Financial Statements, Budgets, Strategic and Annual Performance Plans, submission of income tax and VAT returns, performance of secretarial duties, obtaining environmental authorisations, securing land use rights, acquiring developmental rights and implementing rehabilitation measures amongst other services performed on an ongoing basis. These services in kind are not recognised as it is difficult to measure the fair value of the services rendered.

The following entities are under common control with EDTEA:

- Trade and Investment KZN
- KZN Tourism Authority
- KZN Sharks Board
- Moses Kotane Institute
- Richards Bay IDZ
- Ithala Development Finance Corporation Limited
- KZN Growth Fund
- KZN Liquor Authority
- KZN Film Commission
- KZN Ezemvelo Wildlife
- KZN Gaming and Betting Board

### Nature of transaction and outstanding balances with other related parties at year end include:

- KZN Growth Fund – R340 804.70 relating to the secondment costs for the Executive: Investments
- Richards Bay IDZ – R29 097.49
- KZN Liquor Authority – R7 989.28
- Department of Education – R160 089.24

The above were for IT related services provided by the controlling entity

## Remuneration of management

### Executive Officers

2024

	SALARY	ACTING ALLOWANCE	TOTAL
<b>Name</b>			
Chief Executive Officer - Mr H Erskine	2 656 248	-	2 656 248
Executive Investments - Mr K Ngqaka *	1 994 665	1 361 541	3 356 206
Chief Financial Officer - Ms A Swalsh	2 241 243	-	2 241 243
Development Planning and Infrastructure Executive - Mr O Mungwe	2 188 977	-	2 188 977
AgriZone and Cargo Operations Executive - Mr M Bantwini	1 856 821	-	1 856 821
Corporate Services Executive - Ms N Ali	2 108 524	-	2 108 524
Acting Executive Investments - Mr A Mnguni	1 451 760	289 455	1 741 215
Asset & Operations Executive - Mr B Shandu **	1 510 451	92 000	1 602 451
	<b>16 008 689</b>	<b>1 742 996</b>	<b>17 751 685</b>

\* See Note 32



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## 28. RELATED PARTIES (CONTINUED)

2023

Name	SALARY	ACTIVE ALLOWANCE	TOTAL
Chief Executive Officer - Mr H Erskine	2 451 548	-	2 451 548
Chief Operating Officer - Mr K Ngqaka *	1 840 949	1 005 263	2 846 212
Chief Financial Officer - Ms A Swalah	2 068 526	-	2 068 526
Development Planning and Infrastructure Executive - Mr O Mungwe	2 020 287	-	2 020 287
AgriZone and Cargo Operations Executive - Mr M Bantwini	1 713 728	-	1 713 728
Corporate Services Executive - Ms N Ali	1 985 428	-	1 985 428
Acting Chief Operating Officer - Mr A Mnguni	1 380 000	282 492	1 662 492
	<b>13 460 466</b>	<b>1 287 755</b>	<b>14 748 221</b>

\* Seconded to the KZN Growth Fund as an Acting CEO and is paid an acting allowance which is recovered in full from the KZN Growth Fund.

\*\* Appointed 01 January 2024

## Non-Executive Directors

2024

Name	BOARD FEES	RETAINER	AUDIT AND RISK COMMITTEE FEES	INVESTMENT COMMITTEE FEES	REMUNERATION AND HUMAN RESOURCES COMMITTEE FEES	TOTAL
Chairperson - Mr M Zikalala	252 631	325 660	-	-	-	578 291
Deputy Chairperson - Mr P Ngcobo	189 598	170 085	-	40 645	-	400 328
Member - Mrs N Moerane	108 642	72 675	-	11 512	128 287	321 116
Member - Mr T Ndhlovu	67 484	54 507	-	-	-	121 991
Member - Mr R Vallihu	101 226	72 675	-	-	85 529	259 430
Member - Ms L Ngcobo	101 226	72 675	66 295	11 512	-	251 708
Member - Mr L Gabela	101 226	72 675	66 295	-	85 529	325 725
Chairperson of the Audit and Risk Committee - Mr Z Fakey	-	-	144 048	-	-	144 048
<b>La Mercy JV Property Investments Proprietary Limited</b>						
Chairperson of the Audit and Risk Committee - Mr L Ally	-	-	60 000	-	-	60 000
Member - Mr M Langa	-	-	40 000	-	-	40 000
Member - Mr M MacDonald	-	-	40 000	-	-	40 000
	<b>922 033</b>	<b>840 952</b>	<b>416 638</b>	<b>63 669</b>	<b>299 345</b>	<b>2 542 637</b>

\* See Note 32

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## 28. RELATED PARTIES (CONTINUED)

2023

Name	BOARD FEES	RETAINER	AUDIT AND RISK COMMITTEE FEES	INVESTMENT COMMITTEE FEES	REMUNERATION AND HUMAN RESOURCES COMMITTEE FEES	TOTAL
Chairperson - Mr M Zikalala*	271 974	283 496	16 368	-	-	571 838
Deputy Chairperson - Mr P Ngcobo**	175 590	170 085	-	24 672	-	370 347
Member - Mrs N Moerane**	119 746	72 675	-	-	56 157	248 578
Member - Mr T Ndhlovu**	53 909	72 675	-	11 512	-	138 096
Member - Mr S Nene***	-	59 957	-	-	-	59 957
Member - Mr R Vallihu**	104 522	72 675	-	-	40 304	217 501
Member - Ms L Ngcobo**	104 522	60 563	51 575	-	-	216 660
Member - Mr L Gabela**	104 522	60 563	51 575	-	26 320	242 980
Chairperson of the Investment Committee - Ms H Makhathini****	-	-	-	17 620	-	17 620
Chairperson of the Audit and Risk Committee - Mr Z Fakey	-	-	219 106	-	-	219 106
Member of the Audit and Risk Committee - Mr V Mtshali*****	-	-	16 368	-	-	16 368
<b>La Mercy JV Property Investments Proprietary Limited</b>						
Chairperson of the Audit and Risk Committee - Mr K Schmidt*****	-	-	45 000	-	-	45 000
Chairperson of the Audit and Risk Committee - Mr L Ally*****	-	-	15 000	-	-	15 000
Member - Mr M Langa*****	-	-	30 000	-	-	30 000
Member - Mr M MacDonald*****	-	-	10 000	-	-	10 000
	<b>934 786</b>	<b>852 691</b>	<b>454 993</b>	<b>53 805</b>	<b>122 782</b>	<b>2 419 057</b>

\* Appointed as Chairperson on 01 June 2022

\*\* Appointed as member of the Board on 01 June 2022

\*\*\* Resigned in January 2023

\*\*\*\* Term ended 31 October 2022

\*\*\*\*\* Term ended 31 May 2022

\*\*\*\*\* Term ended 31 November 2022

\*\*\*\*\* Appointed 10 March 2023

No remuneration was paid to Mr Y Hoosen as he is an employee of the state.

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 29. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT

The economic entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The economic entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the economic entity's financial performance. Risk management is carried out by the finance department under policies approved by the Board. The Board provides written principles for overall risk management.

### Liquidity risk

The entity's liquidity risk affects funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

The amounts disclosed below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed below equal the contractual undiscounted cash flows. Amounts due within 12 months equal their carrying balances as the impact of discounting is insignificant.

### Economic entity

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	112 525 838	-	-	-
At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	91 816 934	-	-	-

### Controlling entity

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	112 107 589	-	-	-
At 31 March 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	91 362 679	-	-	-

### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit risk is the risk of financial loss to the entity if a customer or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the entity's receivables from customers and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables comprise a customer base which includes property, information technology and cargo handling customers. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the entity assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

\* See Note 32

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# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## 29. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	ECONOMIC ENTITY - 2024	ECONOMIC ENTITY - 2023	CONTROLLING ENTITY - 2024	CONTROLLING ENTITY - 2023
Trade and other receivables (past due but not impaired)	36 253 826	14 764 888	36 154 057	14 979 991
Trade and other receivables (impaired)	23 241 082	17 386 180	23 241 082	17 386 180
Cash and cash equivalents	1 004 326 501	1 111 785 979	940 656 589	1 050 320 981
Interest receivable	7 015 753	6 744 046	6 593 876	6 620 221

### Market risk

#### Interest rate risk

As the entity has no significant interest-bearing assets other than balances with banks, deposits and call accounts, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Balances with banks, deposits and all call and current accounts attract interest at rates that vary with the South African prime rate. The entity's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on the surplus/deficit.

The sensitivity analysis below has been determined based on financial instruments exposure to interest rates at reporting date.

The basis points increases or decreases, as detailed in the table below, were determined by management and represent management's assessment of the potential change in interest rates.

A positive number below indicates an increase in surplus. A negative number below indicates a decrease in surplus.

The sensitivity analysis shows reasonable expected changes in the interest rate, either an increase or decrease in the interest percentage. At year end, financial instruments exposed to interest rate risk were as follows:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Bank balances	55 501 540	312 615 431	46 831 628	251 150 433
Deposits held on behalf of third parties	68 823 969	12 470 882	13 823 969	12 470 882
Amounts held in trust accounts	879 975 992	786 687 193	879 975 992	786 687 193
	1 004 301 501	1 111 773 506	940 631 589	1 050 308 508

Interest rate risk sensitivity analysis

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## 29. RISK MANAGEMENT FINANCIAL RISK MANAGEMENT (CONTINUED)

The susceptibility of the entity's financial performance to changes in interest rates can be illustrated as follows:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Interest income</b>				
Interest rate increase of 100 basis points	10 043 015	11 117 735	9 406 316	10 503 085
Interest rate decrease 100 basis points	(10 043 015)	(11 117 735)	(9 406 316)	(10 503 085)
	-	-	-	-
<b>Impact on Surplus</b>				
Surplus for the period	9 394 224	135 120 339	13 034 838	140 150 133
Interest rate increase of 100 basis points (%)	107	8	72	7
Interest rate decrease 100 basis points (%)	(107)	(8)	(72)	(7)
	9 394 224	135 120 339	13 034 838	140 150 133

## 30. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

Irregular expenditure incurred in the period	163 065	2 453	163 065	2 453
Fruitless and wasteful expenditure	23 575	-	23 575	-
<b>Closing balance</b>	<b>186 640</b>	<b>2 453</b>	<b>186 640</b>	<b>2 453</b>

Disciplinary steps undertaken in the current year as a result of irregular and fruitless and wasteful expenditure Irregular expenditure During the current year, six transactions were confirmed as irregular. The irregular expenditure arose:

- In three transactions the provisional sum was used without the correct delegation process being followed;
- In two transactions the contract services in excess of the contract amount were paid for; and
- In one transaction services were obtained after the contract ended

The Board condoned one of the transactions equal to R8 050 in accordance with its delegated powers and one transaction was submitted to Provincial Treasury for condonation.

In the prior year, there was one transaction confirmed as irregular amounting to R2 453 in value. This transaction was condoned by Provincial Treasury.

In all cases, the officials responsible for irregular expenditure were disciplined in term of the Disciplinary Code.

### Fruitless and wasteful expenditure

In the current year Dube TradePort Corporation incurred R23 575 of fruitless and wasteful expenditure. An amount of R17 976 was recovered from the relevant officials.

During the prior year there were no transactions confirmed as fruitless and wasteful.

In all cases, the officials responsible for fruitless and wasteful expenditure were disciplined in terms of the Disciplinary Code.

\* See Note 32

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## FIGURES IN RAND

### 31. COMPARATIVE FIGURES

Certain comparative figures have been restated. Refer to note 32.

Figures in Rand

### 32. PRIOR PERIOD ERRORS

#### Dube Tradeport Corporation

##### 1. IT Equipment

During the current financial year it was discovered that depreciation amounting to R1 804 281 was erroneously reversed in the previous financial year. As a result, the depreciation and accumulated depreciation were understated in the previous financial year.

The error was corrected retrospectively and comparative information has been restated.

##### 2. Inventory

Telephone handsets to the value of R502 639 were disclosed as inventory in the previous financial year. In the current year, these items were reclassified to minor assets following management's assessment that the items do not meet the definition of inventory. As a result, inventory was overstated and expenditure was understated in the previous financial year. The error was corrected retrospectively and comparative information has been restated.

##### 3. Intangible Assets

During the current year it was identified that the cost for computer software was incorrectly allocated to the cost for licenses. The impact of this misallocation has resulted in an increase in opening carrying amount of computer software with a corresponding decrease in the opening carrying amount of licenses to the value of R2 239 663. The net financial impact of the error is nil.

##### 4. Cashflow Statement

It was identified that the amount for asset additions included accruals. This error has resulted in the amounts being revised for cashflows from investing and operating activities to reflect cash purchases. The resultant net financial impact on the cashflow statement is nil, however the cashflow disclosure notes 26 and 34 had to be updated.

The correction of the errors result in adjustments as follows:

Economic entity	AS PREVIOUSLY REPORTED	ADJUSTMENTS	RESTATED
<b>Statement of Financial Position</b>			
Property, plant and equipment	1 022 444 477	(1 804 281)	1 020 640 196
Inventories	502 639	(502 639)	-
<b>Statement of Changes in Net Assets</b>			
Accumulated surplus	5 243 495 412	(2 306 920)	5 241 188 492
<b>Statement of Financial Performance</b>			
Depreciation, impairments and amortisation	115 171 111	1 804 281	116 975 392
General expenses	194 028 110	502 639	194 530 749
	<b>6 575 641 749</b>	<b>(2 306 920)</b>	<b>6 573 334 829</b>

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

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## FIGURES IN RAND

### 32. Prior period errors (continued)

Controlling entity	AS PREVIOUSLY REPORTED	ADJUSTMENTS	RESTATED
<b>Statement of Financial Position</b>			
Property, plant and equipment	944 000 736	(1 804 281)	942 196 455
Inventories	502 639	(502 639)	-
<b>Statement of Changes in Net Assets</b>			
Accumulated surplus	5 125 787 931	(2 306 920)	5 123 481 011
<b>Statement of Financial Performance</b>			
Depreciation, impairments and amortisation	108 896 153	1 804 281	110 700 434
General expenses	190 982 920	502 639	191 485 559
	<b>6 370 170 379</b>	<b>(2 306 920)</b>	<b>6 367 863 459</b>
<b>Cash Flow Statement</b>			
<b>Cash flow from operating activities (Economic Entity)</b>			
Suppliers	(190 083 648)	2 742 312	(187 341 336)
<b>Cash flow from investing activities (Economic Entity)</b>			
Purchase of property, plant and equipment	(15 045 879)	1 347 323	(13 698 556)
Purchase of investment property	(236 577 346)	(3 436 895)	(240 014 241)
Purchase of intangible assets	(347 006)	(652 740)	(999 746)
	<b>(251 970 231)</b>	<b>(2 742 312)</b>	<b>(254 712 543)</b>
<b>Cash flow from operating activities (Controlling Entity)</b>			
Suppliers	(185 189 189)	2 953 312	(182 235 877)
<b>Cash flow from investing activities (Controlling Entity)</b>			
Purchase of property, plant and equipment	(14 834 880)	1 136 324	(13 698 556)
Purchase of investment property	(236 577 345)	(3 436 896)	(240 014 241)
Purchase of intangible assets	(347 006)	(652 740)	(999 746)
	<b>(251 759 231)</b>	<b>(2 953 312)</b>	<b>(254 712 543)</b>

\* See Note 32

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FIGURES IN RAND

## 33. CHANGE IN ESTIMATE

### Property, plant and equipment

#### Investment property

In terms of the requirements of GRAP 16, the useful lives of all asset items were reviewed by management on an annual basis. The remaining useful life expectation of some investment property differed from previous estimates. This resulted in a revision of some of the previous estimates which is accounted for as a change in accounting estimate. The effect of this revision has decreased the depreciation charge by R3 852 791. The total impact will increase future depreciation by R3 852 791.

#### Property, plant and equipment

In terms of the requirements of GRAP 17, the useful lives of all asset items were reviewed by management on an annual basis. The remaining useful life expectation of some property, plant and equipment differed from previous estimates. This resulted in a revision of some of the previous estimates which is accounted for as a change in accounting estimate. The effect of this revision has decreased the depreciation charge by R16 257 935 (2023: R24 820 272). The total impact will increase future depreciation by R16 257 935 (2023: R24 820 272).

#### Intangible assets

In terms of the requirements of GRAP 31, the useful lives of all asset items were reviewed by management on an annual basis. In the prior year, the remaining useful life expectation of some intangible assets differed from previous estimates. The effect of this revision has decreased the amortisation charge by R20 382 (2023: R52 319). The total impact will increase future amortisation by R20 382 (2023: R52 319).

#### Provisions

During the year, management revised its wetland mitigation and rehabilitation strategy for the AgriZone 2 development. Instead of acquiring additional land for offset mitigation, land north of the existing platform was identified and assessed as appropriate to be utilised for off-setting. The change in approach is anticipated to yield an estimated reduction in discounted cash flows, decreasing the provision by R2 377 689. Further, the change in discount rates resulted in a decrease in the provision by R798 160. The impact of the change in estimate has reduced the Investment Property by R3 091 742.

## 34. RECONCILIATION BETWEEN BUDGET AND CASH FLOW STATEMENT

Reconciliation of budget surplus/deficit with the net cash generated from operating, investing and financing activities:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
<b>Operating activities</b>				
Actual amount as presented in the budget statement	386 811 801	682 762 537	386 811 801	682 484 706
Basis differences	(278 680 460)	(417 395 586)	(280 885 374)	(417 395 586)
<b>Net cash flows from operating activities</b>	<b>108 131 341</b>	<b>265 366 951</b>	<b>105 926 427</b>	<b>265 089 120</b>
<b>Investing activities</b>				
Actual amount as presented in the budget statement	(339 974 092)	(431 341 024)	(339 974 092)	(431 341 024)
Basis differences	124 383 273	173 182 932	124 383 273	173 182 932
<b>Net cash flows from investing activities</b>	<b>(215 590 819)</b>	<b>(258 158 092)</b>	<b>(215 590 819)</b>	<b>(258 158 092)</b>
<b>Net cash generated from operating, investing and financing activities</b>	<b>(107 459 478)</b>	<b>7 208 859</b>	<b>(109 664 392)</b>	<b>6 931 028</b>

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

FIGURES IN RAND

## 35. SEGMENT INFORMATION

### General information

#### Identification of segments

Management has identified the following four reportable segments based on revenue generating potential:

- Dube AgriZone
- Property
- Dube Cargo Terminal
- Dube iConnect (Information Communication and Technology)

#### Aggregated segments

The entity operates in one geographical area.

#### Types of goods and/or services by segment

Dube AgriZone - operates a cluster of facilities to support the stimulation of the perishables sector in KZN. This includes the greenhouses and packhouses, a tissue culture facility and a nursery. Information presented is aggregated per programme based on zone within which goods and services delivered include provision of facilities, propagation of tissue cultures and growing of indigenous plants.

Property - secures private sector investment, operates and maintains the various property zones within the precinct. Services include provision of facilities and utilities.

Dube Cargo Terminal - operates a cargo terminal and trucking services in line with international standards. In this programme services provided include cargo handling, storage and transportation of goods.

Information Communication and Technology (ICT) - operates and maintains state-of-the art IT infrastructure and provides commercial ICT services. Segment information presented is aggregated. Services include provision of hosting platforms infrastructure and software services, disaster recovery and backup services and the like.

### Segment surplus or deficit

#### Economic entity - 2024

	DUBE AGRIZONE	PROPERTY	DUBE CARGO TERMINAL	DUBE ICONNECT	TOTAL
Revenue from non-exchange transactions	35 216 073	64 255 444	20 857 825	18 139 977	138 469 319
Revenue from exchange transactions	12 502 408	92 916 075	27 835 518	9 219 931	142 473 932
<b>Total segment revenue</b>	<b>47 718 481</b>	<b>157 171 519</b>	<b>48 693 343</b>	<b>27 359 908</b>	<b>280 943 251</b>
Employee costs	(16 652 941)	(27 260 400)	(28 033 981)	(7 839 216)	(79 786 538)
Depreciation and amortisation	(22 789 670)	(47 923 825)	(18 723 083)	(4 574 761)	(94 011 339)
Other expenses	(27 592 788)	(116 834 352)	(22 025 538)	(10 925 394)	(177 378 072)
<b>Total segment expenses</b>	<b>(67 035 399)</b>	<b>(192 018 576)</b>	<b>(68 782 602)</b>	<b>(23 339 372)</b>	<b>(351 175 949)</b>
<b>Total segment surplus/(deficit)</b>	<b>(19 316 918)</b>	<b>(34 847 057)</b>	<b>(20 089 260)</b>	<b>4 020 537</b>	<b>(70 323 697)</b>
<b>Reconciliation</b>					
Interest revenue	-	-	-	-	82 541 295
Other unallocated revenue*	-	-	-	-	146 259 742
Interest expenses*	-	-	(2 226)	-	(28 260)
Unallocated expenses*	-	-	-	-	(148 016 026)
Taxation	-	-	-	-	(1 038 830)
<b>Segment surplus/(deficit) for the period</b>	<b>(19 316 918)</b>	<b>(34 909 581)</b>	<b>(20 091 485)</b>	<b>4 020 537</b>	<b>9 394 224</b>

\* See Note 32



# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

## FIGURES IN RAND

### 35. SEGMENT INFORMATION (CONTINUED)

Economic entity - 2023	DUBE AGRIZONE	PROPERTY	DUBE CARGO	DUBE ICONNECT	TOTAL
Revenue from non-exchange transactions	46 504 829	74 964 343	35 238 714	27 307 925	184 015 811
Revenue from exchange transactions	12 337 882	61 193 460	22 338 751	8 190 459	104 060 552
Total segment revenue	58 842 711	136 157 803	57 577 465	35 498 384	288 076 363
Employee costs	(14 849 352)	(19 559 004)	(24 740 569)	(6 355 915)	(65 504 840)
Depreciation and amortisation	(23 378 984)	(55 884 206)	(21 475 043)	(2 096 828)	(102 835 061)
Other expenses	(19 933 782)	(101 719 675)	(19 556 541)	(7 940 585)	(149 150 583)
Total segment expenses	(58 162 117)	(177 162 885)	(65 772 154)	(16 393 327)	(317 490 483)
Total segment surplus/(deficit)	680 594	(41 005 082)	(8 194 689)	19 105 057	(29 414 120)
<b>Reconciliation</b>					
Interest revenue	-	-	-	-	56 777 943
Other unallocated revenue*	-	-	-	-	239 638 994
Interest expenses*	-	(96 362)	(1 311)	-	(98 216)
Unallocated expenses*	-	-	(1 090)	-	(131 043 181)
Taxation	-	-	-	-	(741 081)
<b>Segment surplus/(deficit) for the period</b>	<b>680 594</b>	<b>(41 101 444)</b>	<b>(8 197 090)</b>	<b>19 105 057</b>	<b>135 120 339</b>

\* Unallocated revenue and expenses relate to segments that are not revenue generating and support the operations of the entity.

### 36. TAX PAID

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
Balance at beginning of the year	233 887	264 514	-	-
Current tax for the year recognised in surplus or deficit	(1 007 373)	(750 868)	-	-
Section 89 quat interest	20 561	7 087	-	-
Balance at end of the year	(245 978)	(233 887)	-	-
	(998 903)	(713 154)	-	-

\* See Note 32



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## 37. LIVING AND NON-LIVING RESOURCES

### Living resources:

The 2020-2030 rehabilitation and restoration plan has to be rolled out in the conservation area as per the Environmental Authorisation condition. The entity has living resources namely blue duiker, pythons, pickersgill's reed frog and indigenous plants in portion 11 and in portion 6 which undergo a biological transformation and are held for conservation and rehabilitation purpose thus meeting the definition of living resource. These resources are not bearer plants and are not for agricultural activities nor are they held for resale, use of distribution in the ordinary course of business.

The living resources do not meet the recognition criteria of an asset as the entity cannot demonstrate that future economic benefits or service potential will flow to the entity and the cost of fair value cannot be measured reliably. Furthermore, the entity cannot demonstrate control over the living resources as the entity does not manage the movement and use of the resources are not restricted therefore the entity is unable to demonstrate control over the living resources.

Furthermore, the entity is unable to demonstrate control over the living resources as the entity does not manage the physical condition of the resources. Alien clearing is not considered intervening in the management of the physical condition, but is part of the entity's ongoing maintenance of rehabilitated areas. The entity does not restrict the movement and use of the resources, the area is largely unfenced. Therefore the entity will not recognise the asset but make the necessary disclosure note in accordance with the Standard of GRAP.

### Non-Living resources:

Water courses are found throughout the entity's landholdings. There are approximately 64 hectares of wetland. The water is not extracted. The entity was issued with an Environmental Authorisation for Support Zone 2 with a condition to maintain wetlands. Condition 31 of the Wetland offset plan is required to be completed once offset land has been acquired.

Undertaking measures to ensure that the wetlands are maintained, will not result in a change in the water's natural state, and the definition of non-living resource is still met.

## 38. OWNER'S CONTRIBUTION

From 01 September 2013, expenditure has been funded via capital contribution in proportion to the shareholding. There were no additional capital contribution for the year under review.

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2024	2023 RESTATED*	2024	2023 RESTATED*
ACSA's capital contribution	7 425 889	7 425 889	-	-

## 39. CONTINGENCIES

The legal proceedings instituted by the Plaintiff who is disputing DTPC's ownership of a portion of the land is still continuing. Currently, the matter is being opposed by DTPC and we anticipate a set-down for trial will be allocated during the course of this year. Should the Court rule against Dube TradePort Corporation, the Plaintiff must refund DTPC the purchase price and DTPC would have to return the land to the Plaintiff.

During the financial year ended 31 March 2017, Dube TradePort was a victim of fraud and an amount of R1 272 838 was stolen. The alleged perpetrator has been charged and the matter will soon be heard in the High Court. Should the Court find against Dube TradePort Corporation, the costs of the opposing side are estimated at R500 000.

During 2019/2020, Dube TradePort Corporation terminated the contract of an employee. The former employee took the matter to the CCMA for arbitration. The CCMA upheld the termination. The former employee has referred the matter to the Labour Court. Should the Labour Court find against Dube TradePort Corporation, the estimated costs would be R1 647 807.

Dube TradePort has referred claims of negligence in a construction project against two service providers to the High Court. Should the Court find against Dube TradePort Corporation, the total costs of the opposing sides in these matters amount to R1 000 000 in total.

The entity has pursued an eviction application against illegal occupants on land belonging to Dube TradePort. Should the Court find against Dube TradePort Corporation, the costs of opposing are estimated at R500 000.

## 40. EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

\* See Note 32





# DUBE TRADEPORT CORPORATION ACCOLADES

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SPECIAL ECONOMIC ZONE



2019



UN Investment Promotion Award for 2019, UN Geneva.

2019



**FEMOZA**

Best Practice in Free & SEZ Award by Femoza, Monaco.

2023



DTPC Designated as an "Sustainable Development Goals Model Zone Partner - UNDP award" by Global Alliance of Special Economic Zones (GASEZ).

2024



Approved as Authorized Economic Operator (AEO) Level 1&2 by SARS, - These mean recognition by other customs authorities globally and streamlined coordination of interventions with various government agencies.

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