



LOCATED 30KMs  
NORTH OF  
THE COASTAL CITY OF  
DURBAN



# NAVIGATING THIS REPORT

## 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 past, current or future prosperity of Dube TradePort Corporation; and
- **Social and Relationship Capital:** The relationships between Dube TradePort Corporation, communities and other stakeholders.

## 6 PROGRAMMES

- Administration
- Cargo Development
- Property and SEZ Administration
- Development Planning and Infrastructure
- Information and Communications Technology (Dube iConnect)
- Dube AgriZone

## 6 CAPITALS

- Manufactured Capital
- Financial Capital
- Human Capital
- Intellectual Capital
- Social and Relationship Capital
- Natural Capital

## KEY

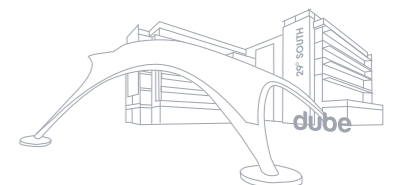
- Dube TradeZone/ Special Economic Zone
- Strategic Goals
- Dube Cargo Terminal
- Code of Conduct
- Dube City
- Values
- Broad-Based Black Economic Empowerment
- COVID-19

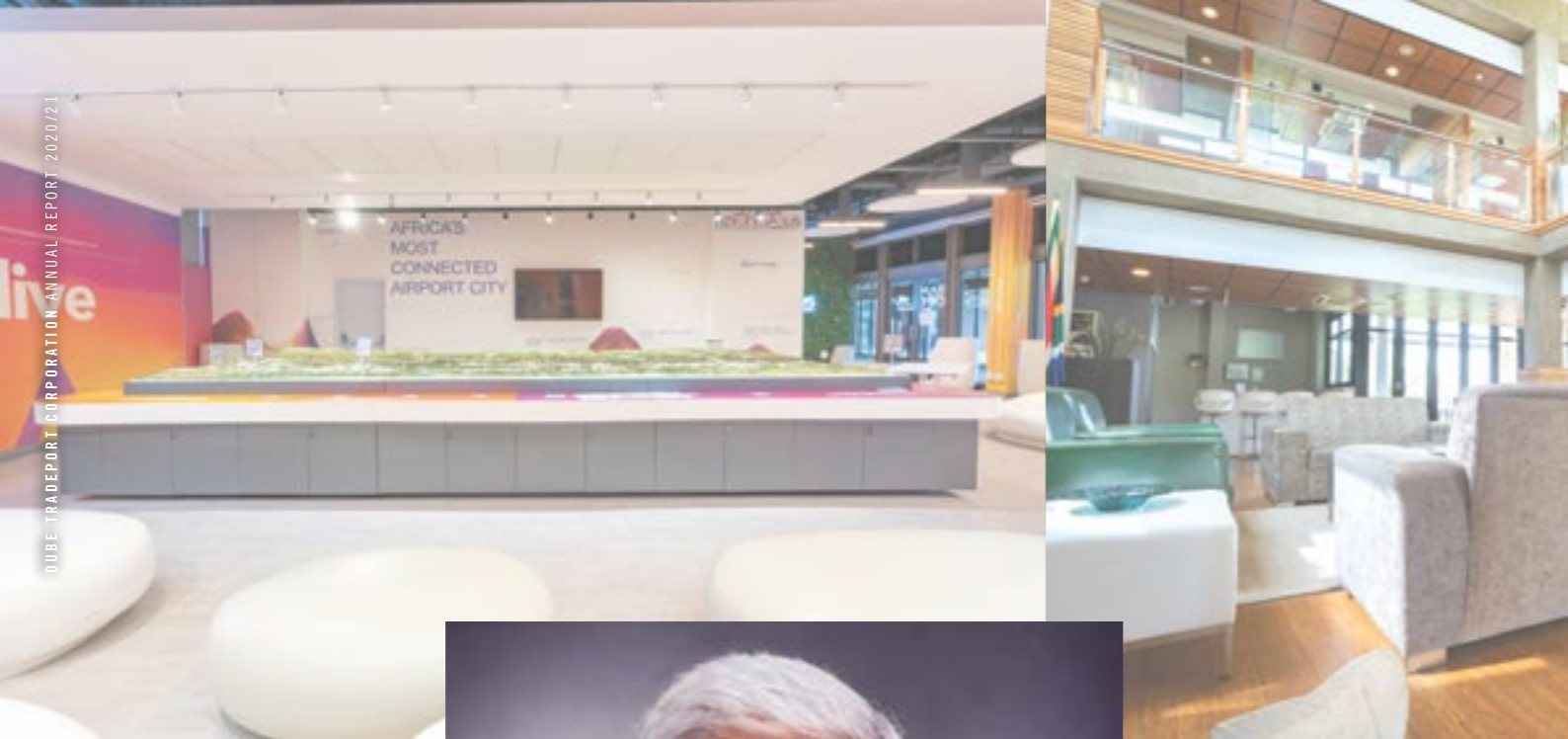
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## Links

- Stakeholder Engagement
- Dube TradePort Corporation Annual Performance Plan 2020/21
- Dube TradePort Corporation Five-year Strategic Plan 2020-2025





Mr Ravi Pillay



# FOREWORD

## MEC: KWAZULU-NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

As Provincial Government, our first and immediate priority is to work towards containing the spread of COVID-19. To achieve this, we have reprioritised budgets to fund our health response in order to address healthcare issues.

Secondly, as the Provincial Government Executive, we have begun working on contingency plans aimed at mobilising resources for a provincial economic recovery, in line with South Africa's reconstruction and recovery plan, which seeks to stimulate equitable and inclusive growth.

Industrialisation is one of the key pillars which will be instrumental in achieving such economic recovery and it is our responsibility to create a conducive environment for greater localisation by investing in infrastructure and supporting the development of industries that foster innovation. This will afford us a competitive advantage in the long-term, especially in the Small, Medium and Micro Enterprise (SMME) business sector.

Dube TradePort Special Economic Zone is poised to play a major role in our economic recovery plans, as one of South Africa's key commercial development and investment centres. Having established an industrial precinct, Dube TradePort Corporation is now ready to expand into its second phase by unlocking an additional 38ha for light manufacturing and assembly, designed to cater for the local manufacturing of electronics, as well as medical and pharmaceutical products.

The Dube TradePort Special Economic Zone aims to attract industries into the precinct that will introduce new technologies into the market and create efficiencies in local production, as well as expanding South Africa's exports. These industries should also enhance local supply chains, which will foster the development of SMMEs which will feed into their value chains.

Exploring exports as an avenue for growth is particularly pertinent, given the fact that the implementation of the African Continental Free Trade Area Agreement has come into effect, thus enabling enterprises within the province to readily access markets in the 55 member countries, which have a combined Gross Domestic Product of in excess of US\$3.3 trillion and a population of more than 1 billion people.

The seamless air access provided by Dube TradePort Corporation's Cargo Terminal and King Shaka International Airport will be critical in opening such markets to locally-produced goods and services. Prior to the commencement of the pandemic, local and multi-national firms had started setting up operations within Dube TradePort precinct, with an eye to servicing the rest of the African continent in the future.

This further highlights the importance of the work being undertaken by the

province's route development committee, which seeks to re-establish and build new domestic and international airline routes to service KwaZulu-Natal, through Durban's King Shaka International Airport.

The expansion of air services into the rest of sub-Saharan Africa will continue to play a critical role in the development of the region, as such services will provide access to these markets, whilst stimulating intra-African trade, as well as directly contributing to the socio-economic prosperity of our communities.

Whilst we understand that increased air access has a role to play in driving economic growth, through the potential investment it brings in manufacturing and tourism, it also allows local enterprises to enter into profitable partnerships throughout the region, which, in turn, encourages technology and skills transfer, enabling local enterprises to gain a competitive advantage in the global marketplace.

So, while the past financial year has proved challenging, we may take pride in noting that a great deal of work has been undertaken in that time; work which will provide a solid foundation for future developments. National Government has stated that Special Economic Zones will be utilised to maintain the investment pipeline momentum, while Provincial Government and its entities work with various stakeholders and, especially, our partners in the private sector, to improve the localisation of their supply chains in an effort to grow our economy and create new employment opportunities.

Dube TradePort Special Economic Zone clearly stands at the centre of movements which will usher us into a far more economically sound future.

I, accordingly, take this opportunity to formally acknowledge the organisation and its management team, especially the Board, whose members have provided good governance during their term of office.

Mr Ravi Pillay, MPL  
MEC: KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs

# PROFILE



## VISION

To be the leading global manufacturing and air logistics platform in Southern Africa, seamlessly integrated with inter-modal road, rail and sea infrastructure.

## MISSION

**TO ENABLE THE DEVELOPMENT** of an aerotropolis by providing leading-edge spatial planning and infrastructure.

### TO ATTRACT AND SUSTAIN

investment through the creation and operation of a Special Economic Zone and related commercial zones.

### TO GROW BUSINESS AND TRADE

through enabling new regional and international air services.



## VALUES



PROFESSIONAL EXCELLENCE



UBUNTU



EMPOWERMENT



INNOVATION AND CREATIVITY



SERVICE EXCELLENCE

# DUBE TRADEPORT CORPORATION

## Africa's Global Manufacturing and Air Logistics Platform

### 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 aerotropolis 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; and
- Embracing a culture of tolerance regarding diversity, especially as it applies to culture, religion and sexual orientation.



# CORPORATION

## STRUCTURE



	<b>PROGRAMME 1: ADMINISTRATION</b>	<ul style="list-style-type: none"> <li>Hamish Erskine</li> <li>Barbara Bates</li> <li>Ayesha Swalah</li> </ul>	<ul style="list-style-type: none"> <li>Executive, CEO</li> <li>Acting Executive, Corporate Services</li> <li>Executive, CFO Finance</li> </ul>
	<b>PROGRAMME 2: CARGO DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>Mlibo Bantwini</li> </ul>	<ul style="list-style-type: none"> <li>Executive</li> </ul>
	<b>PROGRAMME 3: PROPERTY AND SEZ ADMINISTRATION</b>	<ul style="list-style-type: none"> <li>Kayaletu Ngqaka</li> </ul>	<ul style="list-style-type: none"> <li>Executive, COO</li> </ul>
	<b>PROGRAMME 4: DUBE AGRIZONE</b>	<ul style="list-style-type: none"> <li>Mlibo Bantwini</li> </ul>	<ul style="list-style-type: none"> <li>Executive</li> </ul>
	<b>PROGRAMME 5: DUBE ICONNECT</b>	<ul style="list-style-type: none"> <li>Hamish Erskine</li> </ul>	<ul style="list-style-type: none"> <li>Executive, CEO</li> </ul>
	<b>DEVELOPMENT PLANNING AND INFRASTRUCTURE</b>	<ul style="list-style-type: none"> <li>Owen Mungwe</li> </ul>	<ul style="list-style-type: none"> <li>Executive</li> </ul>

# OVERVIEW

## DUBE TRADEPORT SPECIAL ECONOMIC ZONE

### DUBE TRADEPORT SPECIAL ECONOMIC ZONE

Dube TradePort Corporation is a business entity of the KwaZulu-Natal Provincial Government. It is responsible for the development of Dube TradePort Special Economic Zone, a highly competitive business operating environment and home to King Shaka International Airport. Located 30 kilometres north of the coastal city of Durban, Dube TradePort Special Economic Zone is a 'Greenfield' development comprising in excess of 3 800 hectares and is strategically located between the key seaports of Durban and Richards Bay, on South Africa's eastern seaboard. It incorporates:

### 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. Its 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 that 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 16ha 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. 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 TradePort 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.

### 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 2020, the Board of Dube TradePort Corporation consisted of six non-executive members and one executive member, namely the Chief Executive Officer.

### BOARD RESPONSIBILITIES AS PER THE BOARD CHARTER

In line with the Dube TradePort 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 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.

# BOARD STRUCTURE & RESPONSIBILITIES

## INTRODUCTION

Dube TradePort Corporation's Board is structured in such a manner as to provide for 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 2021, the Board of Dube TradePort Corporation comprised seven non-executive members and one executive member, namely the Chief Executive Officer.

## BOARD RESPONSIBILITIES AS PER THE BOARD CHARTER

In line with Dube TradePort 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 Special Economic Zone is effectively performed by management;

- Implementing and activating the master plan for the economic growth of Dube TradePort Special Economic Zone and KwaZulu-Natal;
- Managing and utilising resources in accordance with the objectives 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 is an effective risk-based internal audit 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	GENDER AND RACE	DESIGNATION	AGE	QUALIFICATIONS	OTHER MEMBERSHIPS/DIRECTORSHIPS
Prof Zanele Bridgette Gasa-Toboti	African Female	Board Chairperson	44	<ul style="list-style-type: none"> <li>B. Building Arts in Architecture</li> <li>M. Comm (Project Management)</li> <li>PhD in Construction Management</li> <li>Adjunct Professorship of the Built Environment and the Construction Industry</li> </ul>	<ul style="list-style-type: none"> <li>Elilox Group Pty Ltd</li> <li>Allan Gray Orbis Foundation</li> <li>Nelson Mandela University Investment Company</li> <li>Meridian Foundation NPC</li> </ul>
Paulos Ngcobo	African Male	Board Deputy Chairperson Investment Committee member	58	<ul style="list-style-type: none"> <li>Dip. Special Human Resources</li> <li>Dip. Labour Economics</li> </ul>	<ul style="list-style-type: none"> <li>BEIER Group of companies</li> <li>Abandoawonye Trading CC</li> <li>Transman SA Pty Ltd</li> <li>Cornubia Square Pty Ltd</li> <li>Uniplate Pty Ltd</li> <li>Liberty Lane Trading 379 Pty Ltd</li> <li>Use It Waste Beneficiation</li> <li>E-Vend Pty Ltd</li> <li>Aldabri 29 Pty Ltd</li> <li>Owen Adendorff and Associates Pty Ltd</li> <li>Westmead Oil Pty Ltd</li> <li>Upper Highway Investments Pty Ltd</li> <li>Gap Plastics Pty Ltd</li> <li>Dormatorque Pty Ltd</li> <li>Aktiv Property Development Pty Ltd</li> <li>Etapicname Pty Ltd</li> <li>Fulele Investments Pty Ltd</li> <li>Isibaya Strategic Investments Pty Ltd</li> </ul>

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

NAME	GENDER AND RACE	DESIGNATION	AGE	QUALIFICATIONS	OTHER MEMBERSHIPS/DIRECTORSHIPS
Mpumelelo Gift Mahlase Zikalala	African Male	Board member	35	<ul style="list-style-type: none"> <li>Bachelor of Law (LLB)</li> </ul>	<ul style="list-style-type: none"> <li>Zikalala Attorneys</li> <li>Zikalala Corporation Pty Ltd</li> <li>Ezimoti Agricultural Primary Co-Op Ltd</li> <li>Wakili Pty Ltd</li> <li>Zikalala Pty Ltd</li> </ul>
Nokhana Moerane	African Female	Board member	61	<ul style="list-style-type: none"> <li>B. Comm</li> <li>B. Law</li> <li>B. Laws</li> </ul>	<ul style="list-style-type: none"> <li>MTK Moerane Investments Pty Ltd</li> <li>Nestlife Assurance Corporation RF</li> <li>Endla Ecumenical Development Services of Africa</li> <li>CBD Biotechnologies Pty Ltd</li> </ul>
Themba David Ndlovu	African Male	Board Member	61	<ul style="list-style-type: none"> <li>M. Ed. IEDP</li> </ul>	<ul style="list-style-type: none"> <li>Mfundi Project and Development cc</li> <li>SBD Group of companies</li> <li>Cubana Maritzburg Pty Ltd</li> <li>Genius Management Solutions Pty Ltd</li> <li>Isibuko Holdings Pty Ltd</li> <li>Arfralink Trading Pty Ltd</li> <li>Chairperson: Board CATHSSETA</li> </ul>
Richard Vallihu	Indian Male	Board Member	55	<ul style="list-style-type: none"> <li>MBA</li> <li>Fin Man (Diploma)</li> <li>B.Sc (Hons)</li> </ul>	
Siyabonga Goodfrieda Nene	African Male	Board member	40	<ul style="list-style-type: none"> <li>B.Soc. Sci (Hons)</li> <li>B.Sc (Agric)</li> </ul>	<ul style="list-style-type: none"> <li>PQ Insights Technologies Pty Ltd</li> <li>LAAA Holdings Pty Ltd</li> <li>Sthengwa Agricultural Solutions Pty Ltd</li> </ul>
Velenkosini Lindokuhle Mtshali	African Male	Audit and Risk Committee member (Independent)	43	<ul style="list-style-type: none"> <li>CA (SA)</li> <li>Registered Auditor</li> <li>B. Comm (Hons) (Accounting)</li> </ul>	<ul style="list-style-type: none"> <li>Bonakude Consulting Pty Ltd</li> <li>Bonakude Investments KZN Pty Ltd</li> <li>Bonakude Gauteng Pty Ltd</li> <li>Foresight Innovation Pty Ltd</li> <li>Bonakude Assurance Pty Ltd</li> </ul>
Hlengiwe Makhathini	African Female	Investment Committee Chairperson (Independent)	41	<ul style="list-style-type: none"> <li>CA (SA)</li> <li>B. Comm (Hons) (Accounting)</li> <li>B. Comm (Accounting)</li> </ul>	<ul style="list-style-type: none"> <li>Karsten Group Holdings Pty Ltd</li> </ul>
Zahid Fakey	Indian Male	Audit and Risk Committee Chairperson (Independent)	46	<ul style="list-style-type: none"> <li>CA (SA)</li> <li>Registered Auditor</li> <li>B. Comm (Hons) (Accounting)</li> <li>CISA</li> </ul>	<ul style="list-style-type: none"> <li>National Bioproducts Pty Ltd</li> <li>Albaraka Bank Limited</li> <li>Unplugged Enterprises Pty Ltd</li> </ul>



**Prof Zanele Bridgette Gasa-Toboti**



# CHAIRPERSON'S STATEMENT

As the world continues grappling with the socio-economic implications of the COVID-19 pandemic, the members of the Board of Dube TradePort Corporation, recognise just how important it is that the organisation be regarded as a sustainable, responsible and judicious entity of Provincial Government, and one above reproach.

If the organisation is to inspire investor confidence, this is an absolutely crucial factor in terms of delivering against our investment attraction and economic development mandate. Exercising good governance throughout the organisation will maintain our standing as a reputable partner with whom the private and public sectors may be comfortable conducting business. Whilst the pandemic has not fundamentally changed the organisation's strategic direction, it has made the Board aware of operational areas which will require careful scrutiny, such as investor retention and expansion, as well as efforts to achieve meaningful transformation in a climate of slow economic growth.

In light of the prevailing economic conditions, the Board supports the decision by management to swiftly adapt and focus on the implementation of a prudent investment retention strategy, where Dube TradePort Corporation has ensured that struggling tenants and investors have been afforded appropriate support, through rental deferrals and rental concessions for Small, Medium and Micro Enterprises (SMMEs).

Dube TradePort Corporation has also successfully identified avenues through which to add value to investor operations, providing marketing support and intra-governmental facilitation, where necessary. The mandate of driving investment attraction hinges on the ability of Dube TradePort Corporation to retain and grow the current portfolio of investors and expand development zones. Collectively these measures have contributed to Dube TradePort Special Economic Zone being able to retain almost all its investors through the review period.

In line with the transformation goals as enshrined in our Broad-Based Black Economic Empowerment Policy, Dube TradePort Corporation successfully managed to maintain a level of 30% where construction expenditure is being spent with qualifying entities and transformed enterprises.

As Dube TradePort Corporation continues to invest in new projects, especially the development of two major infrastructure projects, namely Dube AgriZone 2 bulk earthworks and Dube TradeZone 2 bulk infrastructure installation, the organisation aims to further contribute towards economic growth and the stimulation of employment creation in the province. Furthermore, in recognising the important role small businesses play in creating new employment opportunities and driving economic growth, Dube TradePort Special Economic Zone now also boasts a highly valuable light manufacturing

space, within the special Economic Zone, for SMMEs, the R90 million mini-factory complex.

This complex occupies a prime location just 500 metres from Dube Cargo Terminal, within Durban's King Shaka International Airport, affording SMMEs the same access to facilities, infrastructure and services as multi-national investors who opt to locate their operations within Dube TradePort Special Economic Zone.

As we continue pursuing our strategy with purpose, we are confident that the work we have completed during the 2020/21 financial year will lay a solid foundation for Dube TradePort Corporation's continued prosperity in the years ahead and, particularly - as we begin to emerge from the prevailing down-cycle - as an altogether more efficient and effective organisation.

I would like to express my appreciation to our Chief Executive Officer, Mr Hamish Erskine, the members of his executive team and the staff of Dube TradePort Corporation for demonstrating such resilience and adaptability in one of the most trying times this organisation has had to face since its inception.

Your clear and quick decisions ensured that the organisation was able to continue delivering, whilst simultaneously protecting its people's health and livelihoods. Equally, I take this opportunity to express my gratitude to the Provincial Government of KwaZulu-Natal for the continued support and guidance our organisation has received throughout this exceptionally difficult period.

In conclusion, I would like to pay tribute to the members of the Dube TradePort Corporation Board whose support, commitment and leadership over the years have contributed to the growth, development and success of this flagship project.




The Board has acquitted its roles and responsibilities well over its term of office and, equally, has been able to take bold decisions as necessitated. As it reaches the end of its tenure, I remain encouraged that a foundation has been well-laid on which to anchor the future prosperity of the organisation.

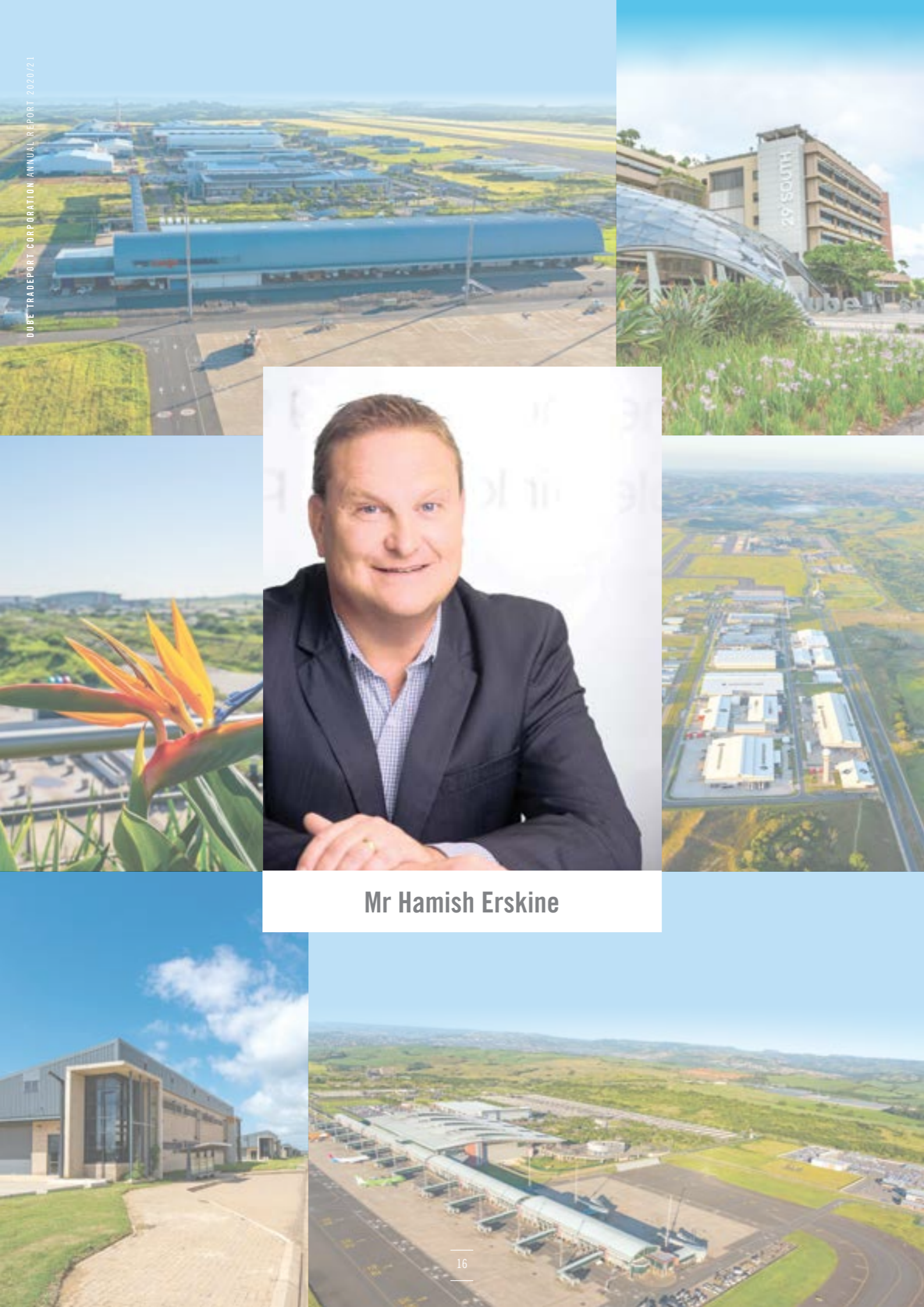
Prof Zanele Bridgette Gasa-Toboti  
Chairperson  
Dube TradePort Corporation



# VALUE CREATION PROCESS

## OUR VALUE CREATION, USING THE SIX CAPITALS:

CAPITALS	VALUE-ADDING ACTIVITIES	VALUE CREATED
 <h3>MANUFACTURED CAPITAL</h3> <ul style="list-style-type: none"> <li>Cargo Terminal;</li> <li>16ha of greenhouses; and</li> <li>R5.10 billion in assets, including:                             <ul style="list-style-type: none"> <li>- Bulk infrastructure;</li> <li>- Dube iConnect equipment; and</li> <li>- Buildings, plant and equipment.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Development of Dube TradeZone 2 and Dube AgriZone 2;</li> <li>348 576m<sup>2</sup> leased in Dube TradeZone and Dube City;</li> <li>Careful scheduling of work and resources in Dube Cargo Terminal and Dube AgriZone; and</li> <li>Execution of planned maintenance programmes.</li> </ul>	 <h3>MANUFACTURED CAPITAL</h3> <ul style="list-style-type: none"> <li>7 258 tonnes of cargo processed through Dube Cargo Terminal;</li> <li>R47.12 million revenue earned from all properties leased;</li> <li>86.2% occupancy of all buildings owned by Dube TradePort Corporation; and</li> <li>R10.83 million revenue earned by Dube iConnect.</li> </ul>
 <h3>FINANCIAL CAPITAL</h3> <ul style="list-style-type: none"> <li>R351 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</li> <li>Construction of infrastructure projects.</li> </ul>	 <h3>FINANCIAL CAPITAL</h3> <ul style="list-style-type: none"> <li>R116 million of own revenue generated;</li> <li>11.06% decrease in costs; and</li> <li>R212.10 million capital expenditure on infrastructure projects.</li> </ul>
 <h3>HUMAN CAPITAL</h3> <ul style="list-style-type: none"> <li>Positive employee relations with a diverse and representative workforce;</li> <li>Skilled employees; and</li> <li>Empowerment of suppliers and members of the wider community.</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>Approval of various Human Resources policies.</li> </ul>	 <h3>HUMAN CAPITAL</h3> <ul style="list-style-type: none"> <li>93.2% achievement of employment equity targets;</li> <li>Partnership with ICAS;</li> <li>R1.85 million spent on training employees;</li> <li>61 interns spent part or all of the year with Dube TradePort Corporation;</li> <li>93.8% black employees; and</li> <li>45% female representation.</li> </ul>
 <h3>SOCIAL AND RESPONSIBILITY CAPITAL</h3> <ul style="list-style-type: none"> <li>Empowered service providers;</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 the Board;</li> <li>Implementation of Corporate Social Investment initiatives;</li> <li>Customer survey undertaken;</li> <li>Execution of approved B-BBEE strategy</li> <li>and implementation plan;</li> <li>Pre-determined criteria included in procurements focused on empowering historically disadvantaged service providers; and</li> <li>Implementation of enterprise and supplier development initiatives.</li> </ul>	 <h3>SOCIAL AND RESPONSIBILITY CAPITAL</h3> <ul style="list-style-type: none"> <li>52.72 million people reached through digital marketing and communication;</li> <li>Level 3 B-BBEE scorecard;</li> <li>72% of procurement expenditure undertaken with 51% black-owned and 31% black women-owned companies; and</li> <li>R1.45 million spent on training activities provided for suppliers and would-be suppliers, aimed at improving the business skills of black-owned SMMEs;</li> <li>R2.5 million spent on external bursaries; and</li> <li>R5.3 million spent on construction with EMEs and QSEs.</li> </ul>
 <h3>INTELLECTUAL CAPITAL</h3> <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 representatives of the 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>	 <h3>INTELLECTUAL CAPITAL</h3> <ul style="list-style-type: none"> <li>Clean audit opinion;</li> <li>82% of employees took part in employee engagement survey; and</li> <li>80% implementation of ICT governance framework and policies.</li> </ul>
 <h3>NATURAL CAPITAL</h3> <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>	 <h3>NATURAL CAPITAL</h3> <ul style="list-style-type: none"> <li>91.04% compliance with environmental authorisations;</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>



Mr Hamish Erskine

# CHIEF EXECUTIVE OFFICER'S REVIEW

## INTRODUCTION

This time last year, few people could have predicted or imagined the economic and social impact of the COVID-19 pandemic, or the recent unrest in KwaZulu-Natal.

The 2020/21 financial year heralded an adjustment from 'normal' and the emergence of a 'new normal' way of doing business. The devastating impact of the pandemic and the resultant tough economic environment is reflected in the organisation's achievement of 63.0% of the Annual Performance Plan. Where we have been able to achieve and even exceed targets, we are greatly encouraged by the determination and resilience of our staff, in attempting to meet the expectations of all our stakeholders, inclusive of our investors, tenants and our Board. Our management team continues to review areas where we were unable to achieve our targets and is assessing whether non-achievement was due to an under-estimation of the economic effect of the global pandemic or where achievement is in our control, and prioritised plans of action to address areas of focus and improvement are being formalised. These include investment growth, operational excellence and cargo development.

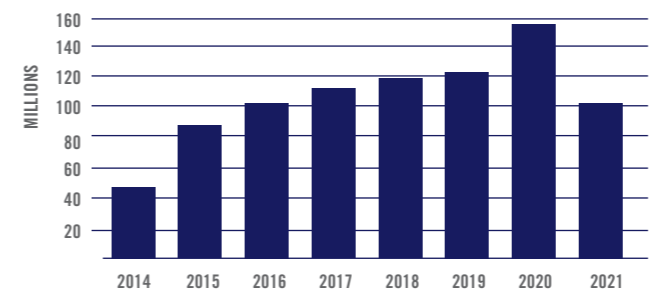
## OVERALL PERFORMANCE

At the time of publication, KwaZulu-Natal has been rocked by unrest and destruction of property. Whilst Dube TradePort precinct was fortunately unscathed, it is still too early to fully understand the impact of these happenings on our Province, city and current and potential tenants and investors and the operations of Dube TradePort Corporation.

### Financial:

The decline in own revenue generated in the past year of 27.7% is reflective of the prevailing economic conditions. However, prior to 2020, we achieved steady growth in own revenue generated. We are confident that, as we recover from the effects of the pandemic, our sound policies will again assist the organisation to a sustained increase in own revenue.

### Sustainability - own revenue:



Management is focussing on enhancing our own sustainability and a project to review and reduce operating costs is underway.

### Roll-over funds:

All surplus funds remaining from the prior year were approved for utilisation in the 2020/21 financial year. The majority of the funds rolled-over related to accrued expenses and were spent within the year.

### Broad-Based Black Economic Empowerment:

One of our key focus areas has revolved around achieving economic transformation via all our activities. In 2016, the Board approved a Broad-Based Black Economic Empowerment Strategy for Dube TradePort Corporation. Since then, we have concentrated on strategy implementation. In the past year, we achieved a Broad-Based Black Economic Empowerment score of Level 3. This still falls far short of the Board's target of Level 1, but the improvement reflects the focus and prioritisation that the organisation places on its transformational agenda. For our scorecard details, please see page 39.

From an internal perspective, we have attained 93.2% of our employment equity targets, where our focus centres on achieving a transformed and equitable organisation, representative of the broader South African society, offers support of people with disabilities and promotes the development and upward mobility of women and black employees.

Dube TradePort Corporation has incorporated predetermined preferential procurement in its Supply Chain Management Policy. Through the employment of prudent pre-determined criteria, we are pleased that 72% of our procurement expenditure is undertaken with targeted enterprises, including qualifying small-scale enterprises, exempt micro-enterprises, 51% black-owned and 30% black women-owned enterprises.

The decline in the procurement spend on targeted groups in the review period reflects the overall decline in expenditure as a consequence of the national lockdown and general decline in economic conditions.

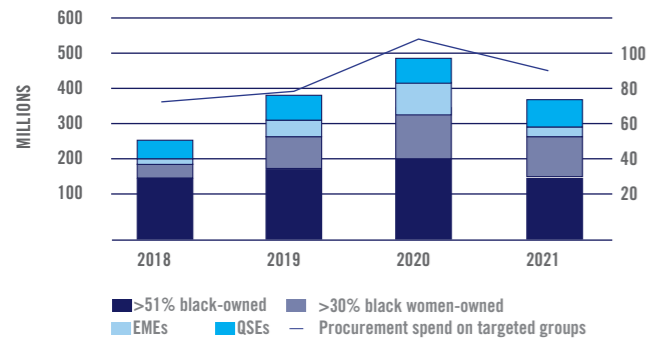
### Spending trends:

Total expenditure decreased by 12.7% over the past year, largely due to COVID-19 and the decreased activity on-site as a result of the lockdown. In addition, grant funding received for the year decreased by 26.5%, meaning that there were fewer funds available to spend during the year and costs, therefore, needed to be reduced wherever possible.

Employee-related costs, which increased by a minimal 2.5% from 2020 to 2021, made up 30.8% of total expenditure. The low increase in employee costs was as a result of guidelines issued by National Treasury indicating that performance-related bonuses and increases should not be paid out, in an effort to contain costs. General operating

costs decreased from R190 million in 2020 to R174 million in 2021, with reduced consulting and professional fees the main contributor to this decline.

**Procurement spend on targeted groups:**

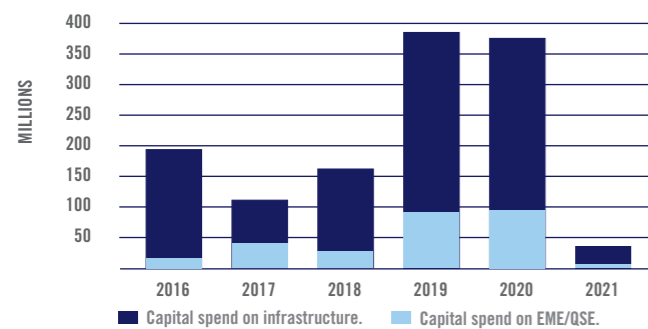


During the 2020/21 financial year, Dube TradePort Corporation managed to maintain 30% of construction expenditure spend with qualifying small-scale entities and exempt micro-enterprises.

However, the impact of the pandemic and national lockdown reduced and delayed our capital expenditure so that, in real terms, regarding our infrastructure projects, only R5.3 million of construction expenditure of R23.26 million was spent with qualifying small-scale entities and exempt micro-enterprises.

The B-BBEE Strategy together with the Property Developers Strategy and the Lease and Tenant Profile Policy have been used to ensure criteria to enable the granting of incentives for qualifying tenants and developers.

**Public sector Dube TradePort Corporation investment:**



**Investment and SEZ Administration:**

The strategic focus of Dube TradePort Special Economic Zone in the context of this difficult COVID-19 pandemic environment is to first and foremost create enabling conditions for existing operational investors to continue doing business in the zone and to create additional employment opportunities in the country.

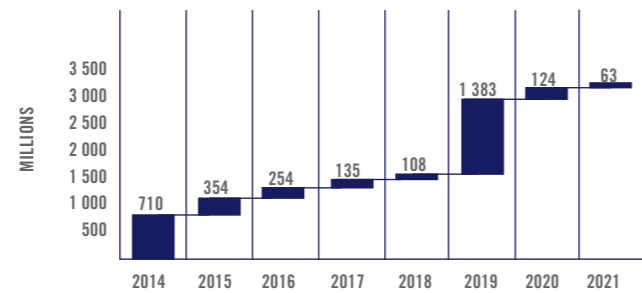
The COVID-19 pandemic has negatively affected the operations of many businesses in the country and globally, whilst on the other hand it has created new business opportunities for high-tech industries, such as those industries using cutting-edge technology in the manufacturing process. It is in this context that Dube TradePort Corporation is charged with expediting its cluster development of the pharmaceutical, health and medicines, electronics and automotive sectors.

During the year under review, Dube TradePort Corporation has managed to sustain the operations of all its operational investors and realised investment worth R29 million (machinery and building) during this difficult period.

We assisted an additional three operational investors to become registered and

licensed as Customs Controlled Area Enterprises (CCAEs), enabling them to unlock further incentives, such as zero-rated Value Added Tax and exemption from customs duties.

**Private sector investment:**



Further, Dube TradePort Corporation continues to focus on the overall objective of achieving R5 billion worth of investment for the MTEF period. To date, during the MTEF period, the organisation has achieved investment of R187 million. During the next year, the investment sectors targeted will include electronics, fibre manufacturing, pharmaceuticals and health-care.

**Supply Chain Management:**

We are pleased to report that we have robust supply chain management processes in place. During the next financial year, we hope to increase internal efficiencies with the introduction of electronic processes.

During the year under review, we did not receive or conclude any unsolicited bid proposals.

**Property, Commercial, Administration and Operations:**

Revenue from our entity's commercial and industrial property grew by 1.3% during the year under review to R47.12 million. We have continued to achieve good occupancy levels with regard to our building portfolio, achieving 86.2% for the 2020/21 financial year - a figure slightly lower than the national occupancy rate of 87.30%, published for the third quarter of 2020.

Construction of a new 10 000m<sup>2</sup> facility in Dube TradeZone 1 will commence during the 2021/22 financial year. The addition of these facilities, together with Dube TradeZone 2 and Dube AgriZone 2, brings diversity to the property portfolio, which will facilitate the attraction of significantly more investors and tenants.

**COVID-19 Response:**

Dube TradePort Corporation has been able to assist tenants affected by the COVID-19 pandemic and lockdown. All tenants and developers were offered a three-month deferral of rental from April 2020 to June 2020.

This rental was paid over a five-month period as businesses recovered from the effects of the National lockdown and the resultant economic impact. Several SMME tenants which are totally dependent on the airline industry were offered further rebates to contribute to their sustainability through this unprecedented period.

Dube TradePort Corporation has aimed to differentiate its property product by providing outstanding customer service and, in spite of these challenging conditions, our efforts have not diminished.

The property team is proud to record that its focus on service delivery and agile responses to tenants affected by the COVID-19 pandemic has resulted in the retention of 91.04% of our tenants, in spite of such adverse economic conditions.

**Dube AgriZone:**

Although the COVID-19 impact was severely felt, with delays in supplies and production inputs, Dube AgriZone operators continued with business at full capacity, forming part of essential services, during the hard national lockdown

in 2020. The value of fruits and vegetables produced in the zone remained unchanged, at approximately R65 million, when compared against the 2019/20 financial year, as all leasable facilities were maintained at a 99.8% occupancy level.

The greenhouse facilities continued to operate at 95% of the time, using rain-harvested water and with approximately 20% of energy needs derived from solar plants. Measures to ensure improved power quality in the zone continued with the installation of automatic voltage conditioner and power factor correction units at the Dube AgriLab building.

This will assist in reducing voltage anomalies and equipment downtime, thus improving operational efficiencies within the facility.

In spite of a reduction in the staff complement, the Nursery and Rehabilitation sub-programme achieved 210.65ha of rehabilitated/maintained land. The original target was reduced as a result of the national lockdown.

With regard to the phase 2 expansion project, the appointed contractors commenced construction of bulk civil infrastructure during March 2021. The project is planned to be completed in 18 months.

This will unlock the development of the 30ha expansion project, thus meeting the demands of prospective investors/farmers.

**Dube Cargo Terminal:**

Dube Cargo Terminal was significantly affected by the COVID-19 pandemic which impacted the global aviation industry. The reduction in international flights led to a decline in volumes and revenues. However, the terminal was still able to meet its revised targets by generating R3.8 million in revenue and 7 258 tonnes of cargo.

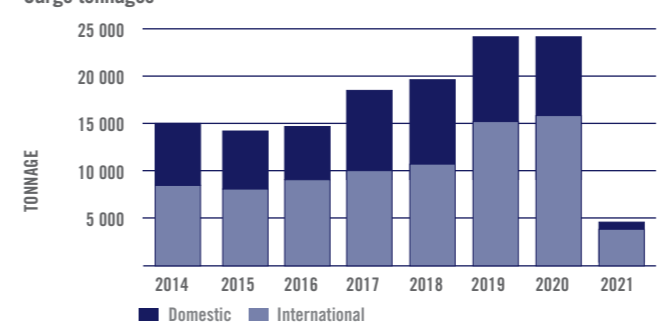
Working closely with airlines and other stakeholders, Dube Cargo Terminal was also able to successfully assist in handling dedicated freighters for the medical relief aid efforts brought about by the pandemic, as well as other ad hoc freighters.

Dube Cargo Terminal maintained its operational performance by exceeding all service level agreements with customer airlines, achieving an average of 100%, whilst providing effective intermodal air and road connectivity through Dube AiRoad.

The Cargo Terminal underwent a number of regulatory and performance audits during the year and excelled, with no significant findings, whilst maintaining its regulated agent status.

The cargo division also initiated work on developing a new cargo strategy, which came at an opportune time, given the manner in which the COVID-19 pandemic has changed global trade and the aviation industry. It is envisaged that a number of elements of this work will start being implemented in the 2021/22 financial year.

**Cargo tonnages**



**Durban Direct:**

From the onset of the impact of COVID-19, the air services team maintained regular communication with our airline partners.

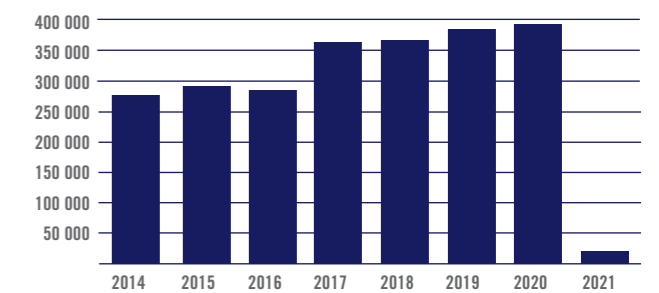
It has focused discussions on crisis management and rapid operational planning, but dialogue has now turned to considering the future.

Winning back passenger trust and affording them the confidence to resume flying is the foremost consideration on everyone's minds.

The primary aim is to articulate trust and confidence measures to our existing airline and potential new airline customers. Thus, our air services team is turning its attention to developing strategic objectives with our existing airline and new airline customers and plotting the course for air connectivity in an unfamiliar post-COVID-19 world. We continue to monitor the restrictions put in place by various governments, particularly in those countries from which our airline partners originate.

The graph below provides a clear picture of the devastating effect the pandemic has had on air travel.

**Total international/regional passengers through King Shaka International Airport:**



**Dube iConnect:**

The economic downturn caused by the COVID-19 pandemic, coupled with procurement delays, had a negative impact on Dube iConnect's ability to achieve its revenue target. The primary impact was determined by reduced productivity in the manufacturing sector, trade disruptions caused by business closures, disruptions in global supply chains, travel disruptions in the airline industry and the general scaling-back of business for both our on-site tenants and off-site resellers during the initial lockdown levels.

This resulted in a secondary impact as businesses failed to meet their ongoing commitments and either scaled-back their services permanently, or, were forced by economic conditions to close.

Disruptions in global supply chains and the transport industry have delayed a number of critical projects, which resulted in unplanned downtime.

This was partially mitigated by the successful completion of the projects to upgrade the data centre and storage systems, the core and distribution network and the security platform.

The Dube iConnect team has closely monitored the net impact on financial sustainability and ensured the alignment of relevant operational costs to the reduction in revenue, where viable. This monitoring and ongoing adjustment will be continued into the new financial year.

**Development, Planning and Infrastructure:**

Development, Planning and Infrastructure, like other divisions within Dube TradePort Corporation was negatively impacted by the COVID-19 pandemic and lockdown constraints. However, the period was used strategically to re-align various programmes within the division. All live construction projects were completed shortly before the country-wide lockdown.

However, a number of strategic projects did experience commencement delays. 📅

The Durban Aerotropolis Masterplan development received a significant boost with Dube TradePort Corporation signing a Memorandum of Understanding with a private sector developer who is undertaking the development of a mixed-use precinct, estimated to be some one million square meters on the south-west portion of the airport precinct. This development will give significant impetus to the airport city development node. The platform for the first phase was completed during the year under review. 📅

The planning unit continued in earnest reviewing the Dube TradePort Corporation/Airports Company South Africa master plan. This review is geared towards positioning Dube TradePort Corporation to effectively and efficiently launch phase 2 of the Dube TradePort development, given that the last site in Dube TradeZone 1 will be developed by June 2021. Another significant milestone for Dube TradePort Corporation was the successful rezoning of Dube TradeZone 2 to Special-Zone 10 by eThekweni Municipality. 📅

The rezoning of Dube TradeZone 2 led to the commencement of the construction of municipal infrastructure within the zone. This precinct comprises approximately 40ha of industrial land. A contract was also concluded between Dube TradePort Corporation and a construction company which will develop infrastructure and deliver serviced sites for the Dube AgriZone 2 precinct. Dube TradePort Corporation is now implementing phase 2 of the original master plan and this will see the delivery of several zones, inclusive of an Automotive Supplier Park to the south of Durban, the relocation of the SANDF air force wing from the old Durban International Airport site, Dube TradeZone 3 (Ushukela Development) and a number of additional strategic projects. 📅

**Corporate Services:**

Dube TradePort Corporation's existing structure contains 270 posts, of which only 198 were approved to be filled in the 2020/21 financial period. With the approval of 15 critical vacancies received in July 2020, a focused recruitment drive was undertaken, which resulted in a staff complement of 194 by the completion of the reporting period. The remaining four approved vacancies will be filled within the first quarter of the 2021/22 financial year. A total of 17 new appointments and three promotions took place during the reporting period, all of which were in line with the organisation's Employment Equity and Broad-Based Black Economic Empowerment Plans, enabling the organisation to meet its transformation objectives. Restrictions regarding the filling of vacant posts resulting from natural attrition, remains a challenge and places significant strain on existing employees. 📅

An organisational design project, Evolution 2020 and Beyond, commenced in September 2020 to assess the current structure and to optimise its design. This project is expected to take between six to twelve months to complete and its intention is to improve Dube TradePort Corporation's structure by ensuring that it is fit for purpose, aligned to the organisational strategy and enables the organisation to operate as efficiently and effectively as possible. The process is likely to result in changes to existing posts, the addition of new posts or the elimination of unnecessary posts, although no existing employees will lose their jobs as a result of the project. Any changes to the organisational structure will be subject to approval by all relevant committees and authorities. 📅

One of Dube TradePort Corporation's strategic objectives is to create a high performance culture, through highly engaged employees who will drive the delivery of the organisation's strategy and ensure the achievement of targets. An Employment Engagement Survey was conducted, which received a high participation rate of 82%, with results revealing an overall employee engagement score of 67% for the organisation. The survey will be conducted annually in order to measure the effectiveness of interventions implemented each year. 📅

The organisation's Corporate Social Investment initiatives are aimed at empowering women, the youth and people with disabilities, as well as protecting the environment within the communities we serve and around whom we operate. This continues to be a key focus area for Corporate Services. 📅

During the reporting period, we introduced 61 interns, in-service trainees and apprentices to the workplace. We were able to appoint four interns and in-service trainees to permanent positions. In addition, 38 bursaries were issued to external students requiring financial assistance. Other key initiatives saw the organisation assisting emerging women farmers, members of the youth and people with disabilities within areas in which the local community resides, while efforts were also made to protect the environment. 📅

During the period under review, no group or face-to-face employee wellness interventions were conducted. Instead, attention was focused on regular electronic communication dealing with wellness issues and desktop drops, specifically covering the emotional, mental and physical well-being of employees during the COVID-19 pandemic and the effects of lockdown and working remotely. With the onset of the COVID-19 pandemic, preventative initiatives were deemed paramount in the quest to ensure the health and safety of our employees. 📅

In this regard, a COVID-19 compliance audit was undertaken by our internal auditors, which achieved a pleasing overall score of 95% compliance against the COVID-19 Compliance Checklist Tool and the Disaster Management Act, 57 of 2002 and regulations. A COVID-19 Action Plan was developed and all identified actions were implemented, with continual assessment being carried out to identify any new risks and counter-interventions. 📅

Further information in this regard may be found in the Corporate Services Report on page 23.

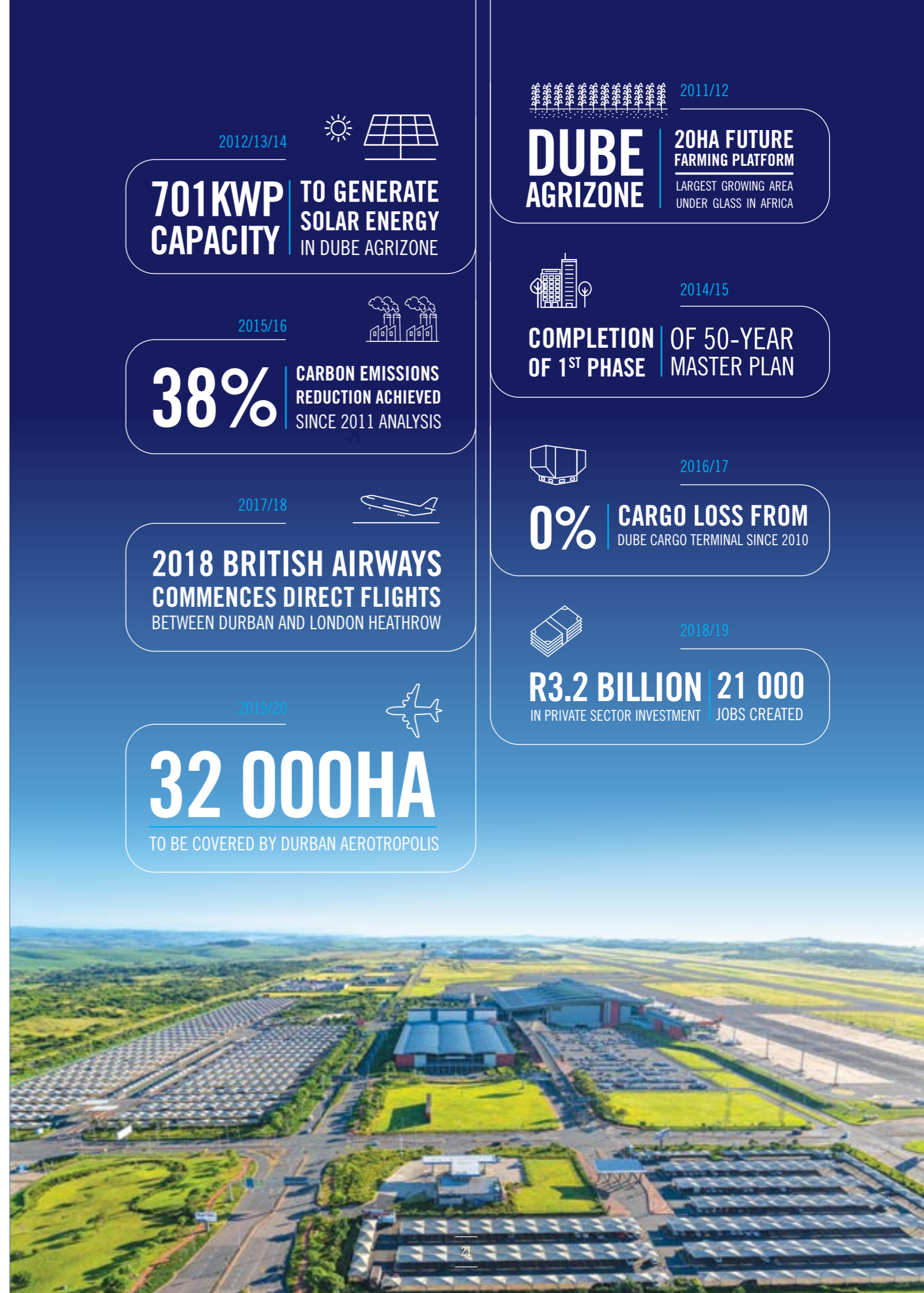
**CONCLUSION**

In conclusion and on behalf of my executive colleagues, I take this opportunity to extend my grateful thanks to Mr Ravi Pillay, the MEC for Economic Development, Tourism and Environmental Affairs, for the invaluable support he has given to Dube TradePort Corporation. To Dube TradePort Corporation's Board, my deepest thanks for the inspirational leadership both the Chairperson and members of the Board 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 to steer the business into the future, seeking new opportunities and continually determining 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, 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 vision. 📅



Mr Hamish Erskine  
Chief Executive Officer  
Dube TradePort Corporation



2012/13/14



**701 KWP CAPACITY** TO GENERATE SOLAR ENERGY IN DUBE AGRIZONE

2015/16



**38%** CARBON EMISSIONS REDUCTION ACHIEVED SINCE 2011 ANALYSIS

2017/18



**2018 BRITISH AIRWAYS COMMENCES DIRECT FLIGHTS BETWEEN DURBAN AND LONDON HEATHROW**

2019/20



**32 000 HA** TO BE COVERED BY DURBAN AEROTROPOLIS



2011/12

**DUBE AGRIZONE**

**20HA FUTURE FARMING PLATFORM**  
LARGEST GROWING AREA UNDER GLASS IN AFRICA



2014/15

**COMPLETION OF 1<sup>ST</sup> PHASE** OF 50-YEAR MASTER PLAN



2016/17

**0%** CARGO LOSS FROM DUBE CARGO TERMINAL SINCE 2010



2018/19

**R3.2 BILLION** IN PRIVATE SECTOR INVESTMENT | **21 000** JOBS CREATED



# CORPORATE SERVICES REPORT

Corporate Services provides the following support services to Dube TradePort Corporation:

- Human Resources Management;
- Employee Wellness;
- Health and Safety Management (SHEQ);
- Corporate Social Investment;
- Information and Records Management; and
- Other Office Support.

## HUMAN RESOURCES MANAGEMENT

Our human resource priorities for the 2020/21 financial year included:

- Evolution 2020 and Beyond, a planned Organisational Design Project;
- Review of Dube TradePort Corporation's Remuneration Strategy, Structure and Pay Scale Design;
- Implementation of an Employee Engagement Survey;
- Recruitment and selection to fill 15 vacancies, approved on 29 July 2020;
- Implementation of Dube TradePort Corporation's Employment Equity Plan and Broad-Based Black Economic Empowerment Implementation Plan;
- Skills Development interventions, aligned to meet Dube TradePort Corporation's Employment Equity and Broad-Based Black Economic Empowerment priorities;
- Review of Performance Management Policy and Procedures;
- Enhancement of employee relations within Dube TradePort Corporation;
- Enhancement of human resource compliance, governance and controls; and
- Holistic Employee Wellness Programme, to support the workforce through the COVID-19 pandemic.

With the onset of the COVID-19 pandemic at the beginning of the financial year, a number of our planned projects were delayed and were only able to be implemented as lockdown levels eased later during the year.

## EVOLUTION 2020 AND BEYOND

Evolution 2020 and Beyond was launched on 1 September 2020. This is an organisational design project, to transform and evolve the current form and structure of the organisation, align the structure to meet the strategic objectives of the organisation and implement a fit-for-purpose form and structure, containing sufficient functions and roles, in order to support the organisation to meet its objectives and to best serve its stakeholders, tenants, clients, investors and employees. This project is expected to take between six to twelve months to implement, as changes to the organisational structure will be subject to approval by all relevant committees and authorities.

The project is expected to result in changes to existing posts, the addition of new posts or the elimination of unnecessary posts. No existing employees will lose their jobs as a result of the project, but instead we foresee the project evolving opportunities for Dube TradePort Corporation and our employees.

The project comprises six phases and the completion of Phase 3: Organisational Design of the Macro and Micro Structure is planned to be completed by 30 June 2021.

## REVIEW OF REMUNERATION STRATEGY, STRUCTURE AND PAY SCALE REDESIGN

Dube TradePort Corporation embarked on a project to review its remuneration strategy, structure and pay scales, in order to ensure that it adequately supports and enables the organisation to meet its strategic objectives.

The organisation has grown and has an increased mandate to deliver against its new five-year strategic plan. In order to retain and attract talent and remain competitive in the market, it was necessary that the organisation review its remuneration strategy, structure, pay scales and remuneration principles.

The final draft remuneration strategy, structure, pay scale redesign and remuneration principles will be presented to the Remuneration and Human Resources Committee in May 2021 for review and approval.

## EMPLOYEE ENGAGEMENT SURVEY

One of Dube TradePort Corporation's strategic objectives is to create a high performance culture, through highly engaged employees, who will drive the delivery of the organisation's strategy and achievement of targets.

We strongly believe that highly engaged employees, are satisfied employees, which will result in positive individual and organisational outcomes.

As an organisation, it is important to gauge engagement levels and employee satisfaction on a regular basis, communicate those results and put plans in place to address any issues brought to light through the results.

In order to meet our strategic objective, Dube TradePort Corporation embarked on the implementation of an Employee Engagement Survey during the next five years, and our target is to increase employee engagement and satisfaction levels each year.

Through the Employee Engagement Survey, we seek to gain a thorough understanding of the manner in which our employees perceive certain management and human resource practices and processes within Dube TradePort Corporation.

Our first Employee Engagement Survey was conducted in December 2020 and received a high participation and response rate of 82%. Results have shown an overall score of 67% for the organisation.

#### RECRUITMENT AND SELECTION

On 29 July 2020, 15 vacancies were approved by the Premier of KwaZulu-Natal and Human Resources embarked upon a focused recruitment drive to fill these positions.

A successful recruitment drive resulted in 11 (including three internal promotions) of the new 15 approved vacancies being filled, with an additional two offers being accepted and to commence employment in May and June 2021. Internal promotions for the year totalled three and we absorbed two interns and two in-service trainees into permanent positions.

A total of 20 appointments were made (including internal promotions) during the period, in terms of which all appointments were made in line with our employment equity priorities.

#### CHANGES IN THE WORKFORCE DURING THE YEAR

The following tables provide a summary of staff movements during the year and a synopsis of approved posts which exist within the organogram.

CATEGORY	NUMBER OF EMPLOYEES AT 31 MARCH 2020	APPOINTMENTS AND INTERNAL PROMOTIONS	TERMINATIONS AND INTERNAL PROMOTIONS	NUMBER OF EMPLOYEES AT 31 MARCH 2021	APPROVED POSTS AS AT 31 MARCH 2021
Top Management	5	0	0	5	6
Senior Management	16	2	0	18	18
Middle Management	38	4	2	40	42
Junior Management	41	7	1	47	48
Semi-skilled	66	5	3	68	68
Unskilled	16	2	2	16	16
<b>Total</b>	<b>182</b>	<b>20</b>	<b>8</b>	<b>194</b>	<b>198</b>

#### PERSONNEL COSTS BY SALARY BAND:

LEVEL	PERSONNEL EXPENDITURE*	% OF PERSONNEL EXPENDITURE TO TOTAL PERSONNEL COST	NUMBER OF EMPLOYEES**	AVERAGE PERSONNEL COST PER EMPLOYEE
Top Management	10 001 810	9.6%	5	2 000 362
Senior Management	21 890 530	21.0%	18	1 216 141
Middle Management	32 340 240	31.0%	40	808 506
Junior Management	21 912 280	21.0%	47	466 219
Semi-skilled	16 060 400	15.4%	68	236 182
Unskilled	2 011 477	1.9%	16	125 717
<b>Total</b>	<b>104 216 737</b>		<b>194</b>	

\* Personnel expenditure excludes Board and Interns

\*\* Permanent employees as at 31 March 2021

#### PERSONNEL COSTS BY PROGRAMME:

PROGRAMME/ACTIVITY/OBJECTIVE	TOTAL OPERATING EXPENDITURE FOR THE ENTITY	PERSONNEL EXPENDITURE*	PERSONNEL EXPENDITURE AS A % OF TOTAL EXPENDITURE	NUMBER OF EMPLOYEES**	AVERAGE PERSONNEL COST PER EMPLOYEE
Administration	112 189 571	38 664 234	34.5%	56	690 433
Cargo Development	47 895 575	19 337 226	40.4%	53	364 853
Property and SEZ Administration	99 753 310	13 267 845	13.3%	18	737 103
AgriZone	55 541 234	12 332 288	22.2%	42	293 626
Dube iConnect	24 143 335	5 968 313	24.7%	8	746 039
DPI	30 419 445	14 646 831	48.1%	17	861 578
<b>Total</b>	<b>369 942 470</b>	<b>104 216 737</b>	<b>28.2%</b>	<b>194</b>	<b>537 200</b>

\* Personnel expenditure excludes Board and Interns

\*\* Permanent employees as at 31 March 2021

#### EMPLOYEE RELATIONS

Dube TradePort Corporation continues to prioritise the enhancement of its relations with employees through employee engagement sessions and the fostering of improved relations between management and organised labour, through our monthly Management and Shop Steward Forum.

Two new shop stewards were nominated and appointed during the financial year. The shop stewards are engaged and participate in Dube TradePort Corporation's Human Resources projects and committees.

#### Employee Relations: Misconduct and Disciplinary Action

Regrettably, the following actions took place during the 2020/21 financial year:

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	4
Written Warning	0
Final Written Warning	2
Disciplinary Proceedings	2
Dismissal	0

NATURE OF ACTION	NUMBER
Formal grievance proceedings	2

Two formal grievance procedures were initiated during the period, both of which were resolved at the first level.

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

Dube TradePort Corporation continues to strive to create an environment of equality, inclusivity and empowerment, through the implementation of its Employment Equity Plan and Broad-Based Black Economic Empowerment Plan.

All new appointments made during this period were in line with the spirit of Dube TradePort Corporation's Employment Equity Plan and Broad-Based Black Economic Empowerment Plan.

A Workplace Skills Plan was also developed and implemented to ensure that skills development interventions responded to the development and advancement of employees, aligned to its Employment Equity Plan and Broad-Based Black Economic Empowerment Plan. Three internal promotions were made and four interns and in-service trainees were absorbed into permanent positions during the financial period under review, all of whom were black.

Dube TradePort Corporation achieved 93.2% of its overall Employment Equity target, included in the Employment Equity Plan, inclusive of the 96% achievement of its disability target. Dube TradePort Corporation also increased its number of employees who live with disabilities from three to five during the financial year under review, which now accounts for 2.58% of the workforce. Females account for 45% of the entire workforce and 94.3% 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 2021:

LEVEL	MALE											
	AFRICAN			COLOURED			INDIAN			WHITE		
	A	T	% Achieved	A	T	% Achieved	A	T	% Achieved	A	T	% Achieved
Top Management	3	3	100%	0	0	100%	0	0	100%	1	1	100%
Senior Management	7	7	100%	0	0	100%	1	1	100%	1	2	50%
Professionally Qualified	6	11	55%	2	2	100%	5	5	100%	3	2	150%
Skilled	17	16	106%	0	0	100%	11	11	100%	2	2	100%
Semi-skilled	27	33	82%	1	1	100%	9	9	100%	1	1	100%
Unskilled	11	15	73%	0	0	100%	0	1	0%	0	0	100%
<b>Total</b>	<b>71</b>	<b>85</b>	<b>86%</b>	<b>3</b>	<b>3</b>	<b>100%</b>	<b>26</b>	<b>27</b>	<b>96%</b>	<b>8</b>	<b>8</b>	<b>100%</b>

A = Actual T = Target

LEVEL	FEMALE											
	AFRICAN			COLOURED			INDIAN			WHITE		
	A	T	% Achieved	A	T	% Achieved	A	T	% Achieved	A	T	% Achieved
Top Management	0	1	0%	0	0	100%	1	1	100%	0	0	100%
Senior Management	5	6	83%	1	1	100%	0	0	100%	3	3	100%
Professionally Qualified	16	17	94%	1	1	100%	6	6	100%	2	2	100%
Skilled	14	21	67%	1	1	100%	2	2	100%	0	0	100%
Semi-skilled	24	32	75%	0	0	100%	6	6	100%	0	0	100%
Unskilled	5	5	100%	0	0	100%	0	0	100%	0	0	100%
<b>Total</b>	<b>64</b>	<b>82</b>	<b>78%</b>	<b>3</b>	<b>3</b>	<b>100%</b>	<b>15</b>	<b>15</b>	<b>100%</b>	<b>5</b>	<b>5</b>	<b>100%</b>

A = Actual T = Target

## SKILLS DEVELOPMENT

Investment in skills development continues to be a priority for Dube TradePort Corporation.

A key initiative during the period was to support our employees who do not have a Matric qualification to obtain same, through our Adult Basic Education and Training (ABET) Project.

The organisation partnered with the Department of Education, which assisted with the registration of 14 employees for their Senior Certificate and provided facilitators, at no charge, to hold separate classes of two three-hour sessions per week at Dube TradePort Corporation offices.

The 14 employees wrote exams in June 2021 for two modules. The Skills Development Committee also reviewed and approved the Workplace Skills

Plan for the 2020/21 financial year, together with the Annual Training Report, which was submitted to the ServicesSeta within the required deadline.

Due to COVID-19, a decrease in the attendance of in-person training was experienced, while online training became predominant during the year.

For the period under review R1 850 206 (excludes cost of intern stipends and external bursaries) was spent on internal learning and development.

This includes formal qualifications, certificates, short courses and training for interns.

Of the learning and development spend, R1 750 826 (95%) was spent on black employees and R13 432 (1%) on employees with disabilities.

PROGRAMME/ACTIVITY/OBJECTIVE	PERSONNEL EXPENDITURE*	TRAINING EXPENDITURE (INCL. INTERNS TRAINING COSTS ONLY)**	TRAINING EXPENDITURE AS A % OF PERSONNEL EXPENDITURE	NUMBER OF EMPLOYEES TRAINED (INCLUDING INTERNS)	AVERAGE TRAINING COST PER EMPLOYEE TRAINED (PER PROGRAMME)
Administration	38 664 234	486 380	1.3%	53	9 177
Cargo Development	19 337 226	713 542	3.7%	63	11 326
Property and SEZ Administration	13 267 845	166 990	1.3%	23	7 260
AgriZone	12 332 288	42 935	0.3%	12	3 578
Dube iConnect	5 968 313	190 227	3.2%	9	21 136
DPI	14 646 831	250 131	1.7%	21	11 911
<b>Total</b>	<b>104 216 737</b>	<b>1 850 206</b>	<b>1.8%</b>	<b>181</b>	<b>10 222</b>

\* Personnel expenditure excludes Board and Interns

\*\* Training expenditure inclusive of VAT

## HUMAN RESOURCE COMPLIANCE, GOVERNANCE AND CONTROLS

In advancing a culture of good compliance and governance, the following policies and documents were reviewed and approved during the 2020/21 financial year:

- Terms and Conditions of Employment Policy;
- Code of Conduct;
- Contract of Employment;
- Subsistence and Travel Policy;
- Disciplinary Code;
- Grievance Policy;
- Recruitment and Selection Policy;
- Learning and Development Policy; and
- Performance Management Policy.

A Payroll Audit was undertaken during the financial year which indicated that no errors had been made on the payroll during the 2020/21 financial year.

However, a number of processes and procedures could be revised to improve the current controls in place.

The Payroll Control Framework and Procedures was enhanced to ensure adequate controls and risks are continuously mitigated.

## PERFORMANCE MANAGEMENT AND REWARDS

As Dube TradePort Corporation evolves, what we do and how we do things should also evolve. The organisation reviewed and revised its Performance Management Policy and Procedures, which will become effective from 1 April 2021. The new Performance Management Policy presents new opportunities for alignment and a common purpose, and will move the organisation forward in a more progressive manner towards the next phase of its growth. This policy, aligned to best practice, will establish a common purpose for all. It will ensure alignment and consistency across Dube TradePort Corporation, encourage the measurement of the right things, reduce the administrative burden of quarterly formal assessments, encourage accountability and responsibility, encourage open, honest and authentic two-way conversation, encourage a high performance and values-based culture and motivate employees to do well.

## EMPLOYEE WELLNESS PROGRAMME

During the period under review, there were no group or face-to-face interventions, due to COVID-19. We, therefore, focused our attention on regular electronic communication concerning wellness articles and desktop drops, specifically covering the emotional, mental and physical well-being of employees during the COVID-19 pandemic and the effects of lockdown and working remotely. The Employee Wellness Programme is accessible to both employees and interns, as well as their immediate family

members 24-hours-a-day. Quarterly reports regarding the utilisation of the programme indicated that there was an overall decrease in utilisation numbers, although the primary support provided was for stress, information provision and legal matters. In the spirit of one of Dube TradePort Corporation's values, Ubuntu, we supported ill employees through telephonic support and the provision of advice.

Home visits were limited because of COVID-19 and the need for social distancing.

## HEALTH AND SAFETY MANAGEMENT (SHEQ)

During the review period, Dube TradePort Corporation continued implementing its SHEQ activities.

However, these were limited as a consequence of the national lockdown, but continued in order to ensure effective compliance, as well as the health and safety of both employees and contractors on site.

The following Injury on Duty (IoD) cases were reported for the period under review:

CATEGORY	NUMBER
Dube TradePort Corporation	4
Contractors	0
<b>Total</b>	<b>4</b>

The following safety audits were conducted during the period under review:

CATEGORY	NUMBER
Construction Audits	3
Non-Construction Audits	24
<b>Total</b>	<b>27</b>

With the onset of the COVID-19 pandemic, preventative initiatives were paramount in ensuring the health and safety of our employees. As COVID-19 is something new to the world, we set out to ensure that we met the requirements of the Disaster Management Act No. 57 of 2002 and regulations, and a COVID-19 audit was undertaken by our internal auditors.

Dube TradePort Corporation achieved an overall score of 95% compliance against the COVID-19 Compliance Checklist Tool and the Disaster Management Act No. 57 of 2002 and regulations.

The following key initiatives were undertaken during the review period:

- A COVID-19 Steering Committee was formed and a COVID-19 Compliance Officer appointed;
- A COVID-19 Risk Assessment was undertaken and key risks identified and mitigations were put in place;
- A COVID-19 Action Plan was developed and all actions were implemented, with continual assessment to identify new risks and required actions;
- A COVID-19 Standard Operating Procedures and Prevention in the Workplace was developed and communicated to employees;
- Protocols, in the case of suspected or confirmed COVID-19 infections within the workplace, were developed and communicated to staff;
- A work-from-home strategy, with principles and guidelines, was developed and implemented;
- COVID-19 Work Plans were developed and implemented as and when the lockdown levels were changed;
- An electronic and automated Daily Screening Sheet was developed and implemented;
- Protective equipment and sanitisers for the workplace were procured and distributed;

- Counselling and wellness support for employees and their families, 24-hours-a-day and seven-days-a-week, was made available through our wellness service provider; and
- Ongoing communication and education on COVID-19 and preventative measures were instituted.

During the period under review, Dube TradePort Corporation suffered 21 confirmed positive COVID-19 cases, with all affected persons recovering and returning to the workplace. None of these cases were work-related and no confirmed work-related positive close contacts have been reported amongst Dube TradePort Corporation employees.

## CORPORATE SOCIAL INVESTMENT

Dube TradePort Corporation continues being a responsible corporate citizen, especially in its surrounding communities. In so doing, the entity implements a number of Corporate Social Investment initiatives which are aimed at empowering, particularly, women, the youth and people living with disabilities, as well as promoting environmental conservation. Rural regions and other disadvantaged areas are also prioritised when rolling-out such initiatives.

The continued support of the Board, senior management, members of staff (including interns) and other external stakeholders, makes it possible for these initiatives to be successful. They have resulted in a positive and meaningful impact on the lives of people. Dube TradePort Corporation's members of staff (including interns) continue playing a meaningful role in reaching out to the communities surrounding the organisation's area of operations. During the reporting period, the following initiatives were successfully rolled-out:

**Bursary Scheme:** Dube TradePort Corporation continues providing financial support to students from disadvantaged backgrounds.

Through such financial assistance, many have been able to complete their studies and some are working and helping to uplift their own families.

To date, 124 students have been assisted through Dube TradePort Corporation's Bursary Scheme. The majority of these learners are pursuing engineering, a scarce skill in South Africa.

The scheme prioritises students from KwaZulu-Natal and, where possible or necessary, these students are afforded the opportunity to complete their in-service training and/or internship with Dube TradePort Corporation.

During the period under review, Dube TradePort Corporation made available 35 bursaries, collectively valued at R2 508 925, to students from disadvantaged communities for the 2021 academic year.

**Internship Programme:** South Africa is confronted with a massive unemployment problem; a problem which particularly affects the youth.

Dube TradePort Corporation, through its Internship, In-service Trainee and Apprentice Programmes, continues providing much-needed work experience to numerous graduates and in-service trainees and apprentices who require work exposure in order to complete their qualifications.

The organisation is working towards further improving its absorption rate of interns, in-service trainees and apprentices involved in the programme.

To date, Dube TradePort Corporation has successfully absorbed 10 such individuals, of which number four were absorbed during the 2020/21 financial year, seeing them become permanent employees.

Throughout the 2020/21 financial year, 61 interns, in-service trainees and apprentices benefited from the programme, which incurred a total spend of R2 678 233.

**Women Empowerment and Emerging Farmers Programme:** Dube TradePort Corporation continues to support small or emerging farmers, who comprise, predominantly, women from surrounding communities.

Many of these small-scale farmers were severely affected by the recent drought and, as a result, were unable to grow and reap their produce as normal.

Dube TradePort Corporation provided two borehole facilities to assist small-scale women farmers with water-supplying facilities, an intervention which will prove invaluable in times of drought.

A number of market days were arranged during the reporting period and employees were encouraged to support the farmers by purchasing their produce.

**People Living with Disabilities Programme:** Dube TradePort Corporation appointed a service provider for three years to provide assistance devices for the blind and hard of hearing. Each year, Dube TradePort Corporation will identify beneficiaries to receive these much-needed assistance devices.

**Youth and Education Programme:** Dube TradePort Corporation partnered with the Department of Economic Development, Tourism and Environmental Affairs to undertake renovations at Ohlanga High School.

The school gate was dilapidated, secured with barbed wire and malfunctioning.

This posed a serious safety hazard and resulted in an incident where the school's security guard badly injured his leg as a result of the gate malfunctioning. Dube TradePort Corporation installed a new automated access gate.

**Environmental Programme:** Dube TradePort Corporation partnered with eThekweni Municipality to conduct a tree-planting project.

Two areas were covered, being Hambanathi and Verulam. A total of 300 trees were donated by Dube TradePort Corporation and planted.

**Staff Involvement Programme:** On an annual basis, Dube TradePort Corporation organises initiatives aimed at changing the lives of community members living in areas surrounding the precinct.

The entity's members of staff and interns play an important role in making these initiatives a great success.

In spite of the prevailing pandemic, Mandela Day saw the Corporate Social Investment team and employees manage to go above and beyond in their endeavours to reach-out to local communities on this important day, realising the vision of giving back to the historically disadvantaged.

The team partnered with the Provincial Department of Health, eThekweni Municipality, Tongaat Hulett, SAPS and ACSA in order to distribute 500 face masks, while simultaneously delivering the vital message to local residents to take all necessary precautions required in order to prevent the spread of infection.

Team members visited the informal settlements of Gwala's Farm, Emagwaveni and the township of Hambanathi, all of which are areas located adjacent to the Dube TradePort precinct.

Using gratefully received donations from our own employees, the team continued raising awareness and assisting people in the nearby areas to apply the necessary preventative measures during the financial year.

In December 2020, the team donated Christmas gifts and packs to two crèches in Ndwedwe. More than 100 children benefited from this initiative.

## INFORMATION MANAGEMENT

Dube TradePort Corporation places great emphasis on striving for total compliance with all applicable Acts, legislation and practices pertaining to the management of information and records. Information and record management priorities for the year under review included ensuring compliance with the Promotion of Access to Information Act No. 2 of 2000 (PAIA) and Protection of Personal Information Act No. 4 of 2013 (POPIA).

- Dube TradePort Corporation produced a S14 PAIA Manual, which is publicly accessible on the organisation's website. A copy has also been provided to the South African Human Rights Commission. The PAIA Manual is available in English and isiZulu. Dube TradePort Corporation did not receive any PAIA requests during the reporting period and this was recorded in the S32 Report and submitted to the South African Human Rights Commission for their reporting purposes;
- With the recent commencement of certain sections of POPIA, effective 1 July 2020, Dube TradePort Corporation had only 12 months to comply with the requirements of the Act. A POPIA Task Team was appointed and underwent training, and will play an important role in driving the POPIA compliance project;
- Dube TradePort Corporation also commenced with a project to manage records electronically in compliance with Archives and Records Management legislation. Given the current working situation, due to COVID-19, the system could not have come at a better time to allow employees to access records electronically in a secure manner, whilst working remotely;
- Durban Archives conducted a virtual audit, through a Records Management Questionnaire. The outcome of the audit will inform our Archives Compliance Plan for the 2021/22 financial year; and
- Implementation of Document Control for Dube TradePort Corporation's policies was undertaken.

# 61 INTERNS

in-service trainees and apprentices benefited from the programme, which incurred a total spend of



# R2 678 233



## IMPROVING

the absorption rate of interns, in-service trainees and apprentices involved in the programme.



## SUPPORTING

Women Empowerment and Emerging Farmers Programme







# CORPORATE GOVERNANCE REPORT

## 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 1 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 1 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 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 has recently approved the expansion of the Special Economic Zone to include Dube TradeZone 3 and 4, as well as Dube City. A further application to have an Automotive Supplier Park, located to the South of Durban, designated as a Special Economic Zone has 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. Dube TradePort Corporation 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 continues being 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.

## 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 and Industry has appointed a Board member, as mandated by the Special Economic Zone Act. The diversity of the Board members' skills is augmented in the Audit and Risk, Remuneration and Human Resources 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 majority of the organisation's present Board members were appointed with effect from 1 June 2017, for an initial one-year term of office.

This term was subsequently extended for a further three years and expires on 31 May 2021. In 2020, Mr Siyabonga Nene was also appointed for a three-year term to the Board.

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 each year 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 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 that 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, during which members of the executive team discuss the organisation's strategy and vision.

Mr Nene attended a session facilitated by the Company Secretary and the Chief Executive Officer.

## STRATEGY SETTING

The Board set aside two days to meet with executive management and representatives of KwaZulu-Natal's Department of Economic Development, Tourism and Environmental Affairs, to discuss the annual performance plan for the forthcoming year. 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 Prof Bridgette Gasas-Toboti.

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 Chief Executive Officer is appointed for a five-year term, which ends on 31 August 2021. 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.

## 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.

A separate evaluation by an independent service provider on the implementation of King IV Report on Corporate Governance principles is carried out.

All recommendations resulting from this evaluation are analysed and utilised to further improve the implementation of the principles of King IV.

The results of this evaluation are also used to enhance the governance disclosure.

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 2020/21 financial year, four ordinary Board meetings, two ad hoc meetings and one strategy planning meeting - which included a strategic risk assessment involving the executive management team - were held.

In common with most organisations, with the onset of the COVID-19 pandemic, the Board used available technology to facilitate holding successful online meetings.

The strategy meeting was held in person.

Each Committee comprises at least one Board member, 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.

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 is reflected by their attendance record for Board meetings, as is disclosed on page 34 in this document.

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

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.

SCHEDULE OF ATTENDANCE AT BOARD AND COMMITTEE MEETINGS (INCLUDING SPECIAL MEETINGS)						
BOARD/COMMITTEE MEMBERS	BOARD/COMMITTEE MEMBERSHIP	BOARD		AUDIT AND RISK COMMITTEE	REMUNERATION AND HR COMMITTEE	INVESTMENT COMMITTEE
		4 ORDINARY MEETINGS PLUS 2 AD HOC MEETINGS	1 STRATEGY MEETING	4 ORDINARY MEETINGS	4 ORDINARY MEETINGS	5 ORDINARY MEETINGS
<b>MEETINGS ATTENDED BY CURRENT BOARD AND COMMITTEE MEMBERS</b>						
Prof Zanele Bridgette Gasa-Toboti	<ul style="list-style-type: none"> <li>Chairperson of the Board</li> <li>Member of Investment Committee</li> </ul>	6	1	-	-	-
Mr Paulos Ngcobo	<ul style="list-style-type: none"> <li>Deputy Chairperson of the Board</li> <li>Member of Investment Committee</li> </ul>	6	1	-	-	5
Mr Mpumelelo Zikalala	<ul style="list-style-type: none"> <li>Board member</li> <li>Member of Audit and Risk Committee</li> </ul>	4	1	4	-	-
Mrs Nokhana Moerane	<ul style="list-style-type: none"> <li>Board member</li> <li>Chairperson of the Remuneration and HR Committee</li> </ul>	4	1	-	4	-
Mr Themba Ndlovu	<ul style="list-style-type: none"> <li>Board member</li> <li>Member of Investment Committee</li> </ul>	6	1	-	-	4
Mr Richard Vallihu	<ul style="list-style-type: none"> <li>Board member</li> </ul>	6	1	-	4	-
Mr Siyabonga Nene	<ul style="list-style-type: none"> <li>Board member</li> <li>Member of Investment Committee</li> </ul>	1 (a)	1 (a)	-	-	2 (a)
Mr Zahid Fakey	<ul style="list-style-type: none"> <li>Independent Chairperson of the Audit and Risk Committee</li> </ul>	3 (i)	1	4	-	-
Ms Hlengiwe Makhathini	<ul style="list-style-type: none"> <li>Independent member of Investment Committee</li> </ul>	-	1	-	-	5
Mr Vela Mtshali	<ul style="list-style-type: none"> <li>Independent member of the Audit and Risk Committee</li> </ul>	-	1	4	-	-
<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 HR Committee</li> </ul>	6	1	4 (i)	4	5
Ms Ayesha Swalah	<ul style="list-style-type: none"> <li>Chief Financial Officer</li> </ul>	6	1 (i)	4 (i)	-	5 (i)
Mr Kayaletu Ngqaka	<ul style="list-style-type: none"> <li>Chief Operating Officer</li> </ul>	-	1 (i)	-	-	5 (i)
Mr Owen Mungwe	<ul style="list-style-type: none"> <li>Development Planning and Infrastructure Executive</li> </ul>	-	1 (i)	-	-	5 (i)
Ms Barbara Bates	<ul style="list-style-type: none"> <li>Acting Corporate Services Executive</li> </ul>	-	1 (i)	-	4 (i)	-
Mr Mlibo Bantwini	<ul style="list-style-type: none"> <li>Cargo and AgriZone Executive</li> </ul>	-	1 (i)	-	-	-

(i) = Attended meeting by invitation  
(a) = Appointed September 2020

#### 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 1 September 2018. Mr Fakey is an independent registered professional 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.

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 page 53 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 action plans risk management is enhanced.

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

#### 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 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 safeguarded; 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 and it is 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. KPMG Services Proprietary Limited was appointed as the new service provider for three years and has commenced its internal audit activities, as per an approved internal audit plan.

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 are assured, given that KPMG 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 an annual review 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. During the financial year, the Business Continuity Policy was revised with business continuity lessons learnt as the organisation navigated the ongoing crisis caused by the COVID-19 pandemic. The revised plan was again reviewed by the Audit and Risk Committee in 2020/21. Staff whose jobs were suited to remote working were capacitated and commenced working from home during the review period. As the regulations have moved from level 5 to level 1, more staff members were able to return to the office, with safety protocols in place.

The future focus area is the updating of risks and controls to take account of operating in both COVID-19 and post-COVID-19 scenarios. 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 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 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 at its every meeting.

The Information Communication Technology Governance Steering Committee operates in line with comprehensive Terms of Reference. This Committee comprises senior managers representative of divisions across the entity. The Committee is supposed to meet quarterly. However, it has been meeting on an almost monthly basis to review existing Information Technology Policies, review all IT-related procurements so as to ensure alignment of applications across the organisation and to prioritise the implementation of the increased automation of processes. A future focus of Dube TradePort Corporation remains 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 twice annually and is convened in line with formal Terms of Reference, which are reviewed annually and approved by the Board. 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 2020/21 financial year, the organisation's Remuneration and Human Resources Committee met on four occasions. 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/Acting Corporate Services Executive attends meetings by invitation. Both the Chief Executive Officer and the Corporate Services Executive/Acting 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 performance bonus calculations relevant to performance in 2019/20;
- Approved the framework of performance bonus payments relating to 2019/20;
- Reviewed improvements to the performance management process and approved an overhaul of the relevant policy;
- 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 management's interactions with the National Education Health and Allied Workers' Union (NEHAWU);
- Received feedback on matters referred to the CCMA;

- Monitored the progress of Evolution 2020 and Beyond, a planned Organisational Design project;
- Participated in a strategic risk assessment; and
- Reviewed the human resources risk register.

The Chairperson of the Committee is undertaking a benchmarking exercise to ensure that the Terms of Reference are relevant and comparable to the Terms of Reference of other similar committees.

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 monitor the progress and assess the findings of the planned review of the organisation's remuneration philosophy. The outcome of Evolution 2020 and Beyond will affect the structure of the organisation and should facilitate the creation of a formalised succession plan. This plan will pave the way for continuity in leadership and succession in both emergency situations and in the long-term. The Committee will review the plan as part of its oversight function.

## 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 2020/21 financial year, Dube TradePort Corporation conducted a review of the organisation's remuneration philosophy. This is currently being reviewed and improved, in line with best practice guidelines. The revised pay-scale will be anchored to the national market medians. Currently, the organisation benchmarks the midpoint of the range of each pay grade at the relevant market 50<sup>th</sup> percentile. Dube TradePort Corporation has utilised the services of independent consultants to conduct benchmarking.

As part of the pay scale design, all positions will be reviewed to ensure the grading of each position is relevant, consistent and in line with the Paterson Grading System.

Remuneration for each such position was benchmarked, so ensuring comparable remuneration with the marketplace. The organisation employs the skills of an independent service provider on an annual basis to develop a better understanding of 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 70% (in 2021 this has been increased to 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. Salary increases comprise two components, namely a cost of living component and a performance-linked component.

The 2020/21 financial year focus will revolve around a review of the design of the organisational structure to ensure that Dube TradePort Corporation is capable of continuing to operate as a world-class organisation.

During the year under review, the Remuneration Policy did not change appreciably with regard to managers within the Patterson Grading System's bands D and E.

These employees are paid a cost to company salary within the pay-scales of the job grades. There is no corporate contribution to provident funds or medical aid schemes. Dube TradePort Corporation contributes to employees' medical aid and employees' provident fund for non-managerial staff within the system's bands A, B and C. For further information about the organisation's Remuneration Policy, please refer to: [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 21 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 plays an advisory role to the Board. The Committee met five times during the year under review. The Chief Executive Officer and Chief Operating Officer attend meetings as members of the Committee, whilst both the Chief Financial Officer and Development Planning and Infrastructure Executive attend such meetings by invitation.

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

- Reviewed and recommended the Energy Management Policy for approval by the Board;
- Reviewed and monitored the Property Developers Strategy for approval by the Board;
- Monitored the investment pipeline;
- 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 advised 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 ensure that the Terms of Reference of the Committee are aligned to the principles contained in King IV.

## 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 conflict of interests;
- 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 implemented.

**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 those staff members 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 a 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 ensuring 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, the Board considers that issues which would otherwise be overseen by such a Committee should 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 the disciplinary incidents and any health and safety incidents.

During the year under review, the entity has not experienced 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 40, records the entity's achievement of the targets. Corporate citizenship achievements are also found in the Chief Executive Officer's Report on page 17 in 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. During the upcoming financial year, the Remuneration and Human Resources Committee will focus on monitoring Broad-Based Black Economic Empowerment initiatives.

#### 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 1 April 2020 and 31 March 2021, Dube TradePort Corporation did not receive any requests 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 on the progress of the Automotive Supplier Park and interacted with the Department of Trade, Industry and Competition on allocations received from the Special Economic Zone Fund and dealt with recommendations from the Route Development Committee, amongst other matters.

The shareholder is represented at Board and Audit 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 underlying objectives behind such interactions are described more fully in the inclusion to be found on: [www.dubetradeport.co.za/Annual\\_Reports](http://www.dubetradeport.co.za/Annual_Reports)

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.

#### SUSTAINABILITY

Dube TradePort Corporation has published a State of the Environment Report. This document was published in 2016 and is available at: [www.dubetradeport.co.za/Annual\\_Reports](http://www.dubetradeport.co.za/Annual_Reports)

#### 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, on page 40 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 on page 23.

All positions are formally graded and remunerated at the 50<sup>th</sup> 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 2021.

Dube TradePort Corporation is measured on a generic specialised scorecard.

Dube TradePort Corporation is a Level 3 contributor.

B-BBEE SCORE PER ELEMENT	
<b>Ownership</b>	<b>Not applicable</b>
Management Control	15.44
Skills development	17.35
Enterprise and supplier development	53.00
Socio economic development	5.00
<b>Total</b>	<b>90.79</b>

In addition, 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 23.

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

Accordingly, all activities within Dube TradePort Special Economic Zone 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 Record of Decision and is reported upon in the Annual Performance Report, which may be found on page 40 of this document.

# ANNUAL PERFORMANCE REPORT

In order to efficiently carry out its mandate, Dube TradePort Corporation operates a six-programme structure. Our six programmes are:

	<b>PROGRAMME 1: ADMINISTRATION</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>PROGRAMME 2: CARGO</b>	<ul style="list-style-type: none"> <li>Cargo Operations</li> <li>Cargo Compliance</li> <li>Air Cargo Business Development</li> </ul>
	<b>PROGRAMME 3: PROPERTY AND SEZ ADMINISTRATION</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>PROGRAMME 4: DUBE AGRIZONE</b>	<ul style="list-style-type: none"> <li>Dube AgriZone Services</li> <li>Tissue Culture Facility (Dube AgriLab)</li> <li>Landscaping and Rehabilitation</li> </ul>
	<b>PROGRAMME 5: DUBE ICONNECT</b>	<ul style="list-style-type: none"> <li>Commercial and Operations</li> </ul>
	<b>PROGRAMME 6: DEVELOPMENT PLANNING AND INFRASTRUCTURE</b>	<ul style="list-style-type: none"> <li>Planning</li> <li>Environment</li> <li>Infrastructure and Development</li> </ul>

THE FOLLOWING TABLES HIGHLIGHT THE PERFORMANCE OF EACH PROGRAMME (AND THEIR RESPECTIVE SUB-PROGRAMMES) FOR THE 2020/21 FINANCIAL YEAR, AGAINST TARGETS REFLECTED IN THE ANNUAL PERFORMANCE PLAN:

OUTCOME	OUTPUT	PERFORMANCE INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	COMMENT
Overall Dube TradePort Corporation performance		% of APP targets achieved	75%	63.0%	17 of the 27 targets measured this year were met. While a number of new investments are due to be presented to the Investment Committee in the first quarter of 2021/22, only one new land lease was signed during the year. Minimal additional investment was made by black-owned tenants, as economic conditions remained poor throughout the year due to the impact of the COVID-19 pandemic. Spend on infrastructure projects was low, with only one new project commencing during the year, although the contract for the provision of bulk infrastructure in AgriZone 2 has been signed and construction is expected to commence early in the 2021/22 financial year.

**PROGRAMME 1: ADMINISTRATION**  
**SUB-PROGRAMME 1.1: OFFICE OF THE CHIEF EXECUTIVE OFFICER**

OUTCOME	OUTPUT	PERFORMANCE INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	COMMENT
Increased active participation by black people in the economy	Inclusion of all targeted groups in Dube TradePort Corporation's operations, development and learning activities	Dube TradePort Corporation's B-BBEE level	Level 1	Level 3	The B-BBEE scorecard obtained was based on the 2019/20 financial year and represents a significant improvement over the previous scorecard. As Dube TradePort Corporation does not have any black executive board members, no points were earned for this criteria, and the points earned on skills development could be improved by providing more training and bursaries for black people and disabled black employees.
Sustainable development and operation of Dube TradePort Corporation	Effective ICT governance and IT performance	% of ICT effectiveness, productivity, risk and security objectives achieved	90%	80.0%	28 of the 35 identified ICT objectives were completed during the year. The objectives completed related to alignment of the IT strategy with business objectives, implementation of IT general controls and management of ICT resources, risks and performance.
	Own revenue growing at a faster rate than growth in operational costs	% of operational costs covered by own revenue earned	31.5%	30.9%	In spite of operational costs ending 11.6% below budget, revenue earned for the year was also lower than expected, due to COVID-19. Dube TradePort Corporation is in the process of finalising an action plan, which specifies practical actions that can be taken to reduce costs and increase revenue over the coming financial years.

**SUB-PROGRAMME 1.2: FINANCE**

Sustainable development and operation of Dube TradePort Corporation	Reliable financial information, including Annual Financial Statements and other financial reports produced, resulting in stakeholder confidence	External audit opinion	Clean audit	Clean audit	Dube TradePort Corporation received a clean audit of its 2019/20 financial results. This was the eighth consecutive year in which this was achieved.
	Efficient utilisation of funds received	% MTEF allocation utilised	100%	100%	While only 78.2% of Dube TradePort Corporation's total budget was spent before year-end, the remaining 21.8% is required to fund commitments.

**SUB-PROGRAMME 1.3: CORPORATE SERVICES**

Sustainable development and operation of Dube TradePort Corporation	A high performance culture with an engaged workforce	Employee engagement survey score	Implement employee engagement survey to determine a baseline	Employee engagement survey implemented	85% of employees completed the Employee Engagement Survey, with a resultant employee engagement level of 67%, determined as the baseline. The results have been communicated to all employees in each division, and an action plan, detailing interventions, from an organisational and divisional level, to improve employee engagement, is being drawn up.
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**SUB-PROGRAMME 1.4: MARKETING**

Increased investment and export potential	Promotional marketing and communication activities that have a wide reach	Cumulative reach of marketing and communication activities	1 million people	52.72 million people	More people were reached through marketing and communication activities during the year due to the increased use of digital platforms which are more targeted and have a wider reach.
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**PROGRAMME 2: CARGO**

**SUB-PROGRAMME 2.1: CARGO OPERATIONS**

OUTCOME	OUTPUT	PERFORMANCE INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	COMMENT
Increased investment and export potential	Effective and efficient cargo handling services, which satisfy customers' requirements	% of SLA conditions met	95%	100%	No international flights operated during the first two quarters of the year, as the country's borders were closed in response to the COVID-19 pandemic. However, once flights resumed, all service level conditions were met for those airlines that were operational.

**SUB-PROGRAMME 2.2: CARGO COMPLIANCE**

Increased investment and export potential	Compliance with national and international air cargo standards	Valid Regulated Agent certificate	SACAA licence in place	SACAA licence in place	Ongoing review of systems and processes has ensured that compliance with existing regulatory standards, as required to maintain the Regulated Agent licence, have been met.
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**SUB-PROGRAMME 2.3: AIR CARGO BUSINESS DEVELOPMENT**

Sustainable development and operation of Dube TradePort Corporation	Increased revenue from cargo handling and AiRoad operations	Total revenue generated from cargo terminal services	R2.21 million	R3.83 million	Revenue from cargo terminal services is linked to cargo volumes, which have been significantly lower in 2020/21 due to the COVID-19 pandemic, which resulted in the suspension of flights to King Shaka International Airport for much of the year. Even after the international borders reopened, some airlines chose not to resume routes to Durban, while others operated at reduced frequencies. In spite of this, revenue from cargo terminal services was higher than initially expected as some airline capacity was temporarily restored in the third quarter of the year. Additional revenue was also earned from ancillary services, such as destuffing, storage and screening.
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## PROGRAMME 3: PROPERTY AND SEZ ADMINISTRATION

### SUB-PROGRAMME 3.1: BUSINESS DEVELOPMENT

OUTCOME	OUTPUT	PERFORMANCE INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	COMMENT
Increased investment and export potential	Increased up-take of Dube TradePort Corporation serviced land for private sector investment	Number of square metres of land and bulk leased in Dube TradePort property zones	48 000m <sup>2</sup>	6 460m <sup>2</sup>	A lease agreement was signed with Monustep Pty Ltd for the development of Erf 651 in Dube TradeZone 1.
	New leases signed with targeted investors for private sector investment	Total value of new investment (capital equipment) by black-owned companies	R90 million	R1 452 950	Some additional investment has been made by existing tenants in equipment. Few businesses have looked to expand their operations this year as the poor economic conditions have meant that many businesses are struggling to survive.
		Total value of new investment (buildings) by black-owned companies	R0	R0	No new lease agreements were signed with black-owned enterprises during the year. Sourcing suitable tenants has been challenging this year, as economic conditions have been poor due to the effects of COVID-19 and the resultant lockdown.

### SUB-PROGRAMME 3.2: PROPERTY AND SEZ COMMERCIAL

Increased investment and export potential	Occupancy levels maximised by signing new leases and retaining existing tenants	% occupancy of Dube TradePort Corporation-owned buildings	91%	86.2%	The occupancy rate decreased from 96.9% in the previous financial year, as some expiring leases were not renewed, resulting in vacancies. Two units at Dube TradeHouse, the second floor offices at 29° South, and the premises previously occupied by South African Airways Cargo at the Dube Cargo Terminal are currently vacant. In addition, the newly constructed mini-factories became available for lease
Sustainable development and operation of Dube TradePort Corporation	Increased revenue from rental of Dube TradePort Corporation's land and buildings	Total revenue from all Dube TradePort Corporation properties	R43 million	R47.12 million	In spite of many tenants struggling to recover from the impact of COVID-19, property rentals grew by 1.3% over the previous year (R46.5 million). Rental deferrals were offered to all tenants for three months at the start of the pandemic, and rental waivers and other concessions were also granted to smaller tenants and those directly affected by the suspension of international airfreight.

### SUB-PROGRAMME 3.3: PROPERTY OPERATIONS

Sustainable development and operation of Dube TradePort Corporation	Operating efficiencies optimised	% reduction in energy consumption	2.5%	9.7%	A significant reduction in energy consumption was noted at Dube Cargo Terminal, as operations were curtailed due to the suspension of international flights for the first half of the year.
		% reduction in property operations input costs	5%	16.7%	The reduction in property operations input costs was largely due to reduced activity on-site during the initial lockdown period, and the reduction in security resources that were required on-site in an effort to contain costs.



## PROGRAMME 4: DUBE AGRIZONE

### SUB-PROGRAMME 4.1: DUBE AGRIZONE SERVICES

OUTCOME	OUTPUT	PERFORMANCE INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	COMMENT
Increased investment and export potential	Reliable, effective and efficient Dube AgriZone services provided to customers and tenants	% effectiveness of service level standards	75%	84.9%	In spite of delays in the procurement of some services which impacted on tenants' operations and security concerns due to theft at the precinct, interim measures were put in place, which improved tenants' satisfaction scores.
	Occupancy levels maximised by signing new leases and retaining existing tenants	% occupancy of Dube AgriZone facilities	90%	99.8%	All Dube AgriZone facilities were fully occupied by year-end. There was significant demand from prospective tenants during the year for facilities at Dube AgriZone, although the provision of bulk infrastructure for phase 2 expansion is still in progress.

### SUB-PROGRAMME 4.2: TISSUE CULTURE FACILITY

Sustainable development and operation of Dube TradePort Corporation	Production capabilities of the Tissue Culture Facility increased through research and development activities	Number of research and development projects and protocols developed, commercialised or implemented	2	2	The following projects were completed: (1) A successful micro propagation protocol was developed for Aloe arborescence, a medicinal and ornamental plant species, to enable mass production through tissue culture, thus providing a sellable product. Protocol development included trials on in vitro initiation, multiplication, rooting and acclimatisation. (2) Investigations were carried out on alternative means of packaging the Ecoflora Paulownia species for ease of transportation. Current packaging in two litre bags proved more favourable than all alternative packaging options tested. Further investigation on an alternative means of packaging for export purposes was recommended.
	Increased revenue from tissue culture sales	Total revenue generated from tissue culture sales	R800 000	R310 386	Revenue was generated from sales of hardened off in vitro produced sweet potato, megafloa, spathiphyllum and fern plants. Additional revenue was generated from sweet pepper, cauliflower and broccoli seedlings. Produced plants and seedlings were supplied to Dube TradePort Corporation tenants and staff, local and international clients.

### SUB-PROGRAMME 4.3: LANDSCAPING AND REHABILITATION

Sustainable development and operation of Dube TradePort Corporation	Land rehabilitated in compliance with RoD requirements	Number of hectares rehabilitated and maintained	180ha	210.65ha	The focus during the year was on maintenance of previously cleared areas, and those with a broad, leafy canopy, which assisted in covering large areas.
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**PROGRAMME 5: DUBE ICONNECT**

**SUB-PROGRAMME 5.1: COMMERCIAL AND OPERATIONS**

OUTCOME	OUTPUT	PERFORMANCE INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	COMMENT
Sustainable development and operation of Dube TradePort Corporation	Increased revenue from Dube iConnect services	Total revenue generated from Dube iConnect services	R12.33 million	R10.83 million	The COVID-19 pandemic had a greater impact on revenues than expected, as these are reliant on the stability and resilience of clients' and resellers' businesses.
	Fibre network implemented in new Dube TradePort Corporation precincts	% uptime of core network environment	99%	99.7%	During the year, core network hardware was replaced, data centre equipment was cut-over, VMWare upgrade to a new version was initiated and new firewalls were implemented.

**PROGRAMME 6: DEVELOPMENT PLANNING AND INFRASTRUCTURE**

**SUB-PROGRAMME 6.1: PLANNING**

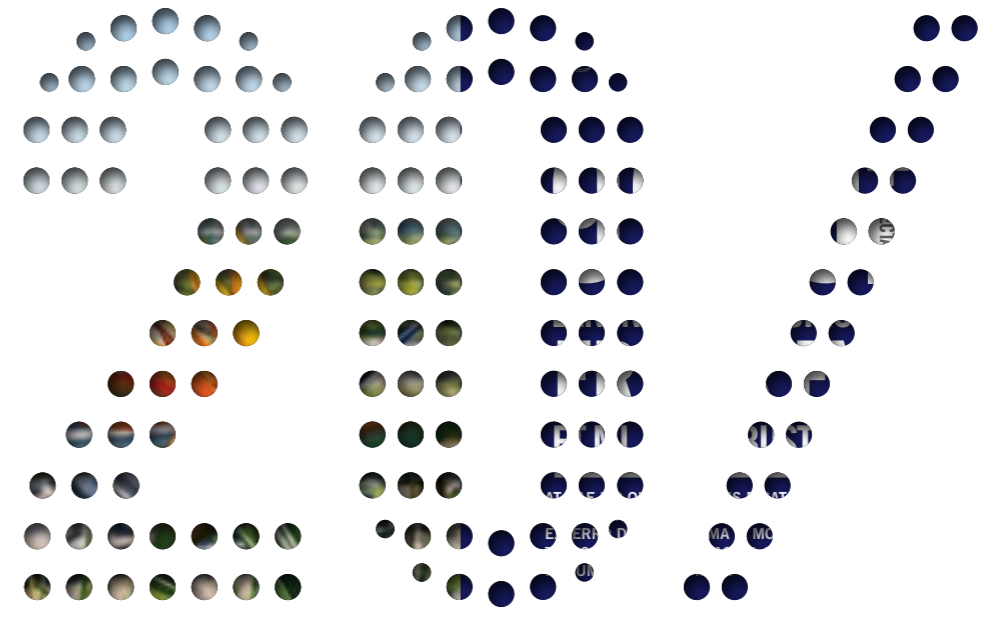
OUTCOME	OUTPUT	PERFORMANCE INDICATOR	ANNUAL TARGET 2020/21	ACTUAL PERFORMANCE	COMMENT
Increased investment and export potential	Statutory authorisations and permits received, increasing the area of land available for development	Number of statutory authorisations, permits and approvals secured	3	3	Rezoning application for Dube TradeZone 2 was secured from eThekweni Municipality. Release from Act 70 of 70 approvals were received from the National Department of Agriculture, Land Reform and Rural Development for Dube TradeZone 4: Cottonlands portions and Dube Inyaninga R102 portions.

**SUB-PROGRAMME 6.2: ENVIRONMENT**

Sustainable development and operation of Dube TradePort Corporation	Carbon emissions reduced	% carbon reduction annually	3% reduction from baseline	29% reduction from baseline	Based on comparison against the previous year's emissions, the trend analysis showed a 48% reduction in Scope 1 emissions, 36% reduction in Scope 2 emissions and a 330% increase in Scope 3 emissions. The total calculated carbon footprint increased by 5% from 2019/20, but the emissions intensity of Dube TradePort Corporation's operations decreased by 29%.
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**SUB-PROGRAMME 6.3: INFRASTRUCTURE AND DEVELOPMENT**

Increased investment and export potential	Construction projects delivered, increasing the serviced land and buildings available for investment	Number of projects completed and delivered	0	0	Although no projects reached practical completion during the year, five projects passed the defects liability period and were contractually closed-out with final accounts issued. In addition, work started on the provision of municipal infrastructure for Dube TradeZone 2.
		Total capital expenditure on infrastructure projects and developments	R230 million	R23.5 million	Construction projects were slow to resume after the initial lockdown period ended. This resulted in very low capital expenditure for the year, in spite of the Dube TradeZone 2 municipal infrastructure project commencing on-site in November 2020.
Increased active participation by black people in the economy	Increased construction work done by EMEs and QSEs	Construction expenditure on EMEs and QSEs	R69 million	R5.3 million	35% of the Dube TradeZone 2 municipal infrastructure project has been sub-contracted for approximately 22.5% of the total construction spend for the year being paid over to EMEs and QSEs.



# 2020/21

DUBE  
TRADEPORT  
CORPORATION  
GENERAL INFORMATION  
AND CONSOLIDATED AND  
SEPARATE FINANCIAL STATEMENTS

# GENERAL INFORMATION

DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



**Country of incorporation and domicile**  
South Africa

**Nature of business and principal activities**  
Strategic planning, design, construction and operation of the Dube TradePort Project as well as other related projects

**Members**  
Prof B Gasa-Toboti  
Mr P Ngcobo  
Mrs N Moerane  
Mr T Ndlovu  
Mr S Nene  
Mr M Zikalala  
Mr R Vallihu

**Registered office**  
29° South, 7 Umsinsi Junction  
La Mercy, 4399

**Postal address**  
PO Box 57757, King Shaka Airport, 4407

**Bankers**  
ABSA Business Banking  
Public Sector  
KwaZulu-Natal

**Auditors**  
Office of the Auditor-General

**Company Secretary**  
Ms A Easton

# ANNUAL FINANCIAL STATEMENTS

DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



THE REPORTS AND STATEMENTS SET OUT BELOW COMPRISE THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS PRESENTED TO THE PROVINCIAL LEGISLATURE:

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

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 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 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 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 upon for the preparation of the

consolidated 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 2021 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 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 annual financial statements. The annual financial statements have been examined by the economic entity's external auditors and their report is presented on pages 54 to 57. The consolidated annual financial statements set out on page 58 to 116, which have been prepared on the going concern basis, were approved by the Board on 31 May 2021 and were signed on its behalf by:



**Mr Hamish Erskine**  
Chief Executive Officer



**Prof Zanele Bridgette Gasatoboti**  
Chairperson of the Board

# AUDIT AND RISK COMMITTEE REPORT

DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021, the Audit and Risk Committee convened four times to discharge both its regulatory and governance responsibilities.

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 Terms of Reference to ensure relevance.

#### Internal Audit Function:

- Approved Internal Audit Plan and Budget for 2020/21;
- 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 2020 for submission to the Dube TradePort Board;
- Reviewed external audit report tabled for the period ended 31 March 2020;
- 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 financial and IT governance policies were reviewed;
- Received information on assurance of other independent assurance providers as part of the Combined Assurance Plan;
- Reviewed the Risk Management Framework;
- Reviewed significant risks in the departmental risk registers;
- Received reports of calls to Anti-Fraud Hotline;

- Reviewed certain long outstanding debts; and
- Reviewed the insurance claims and high risk contracts each quarter.

#### Performance Information:

- Reviewed interim financial statements for the six months ended 30 September 2020;
- 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 above-mentioned 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 considers 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 the partner in charge carries out, which might otherwise 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 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 the 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 the King IV Report on Corporate Governance.



**Mr Zahid Fahey**  
Chairperson: Audit and Risk Committee,  
Dube TradePort Corporation

# REPORT OF THE AUDITOR-GENERAL

## TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON DUBE TRADEPORT CORPORATION

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

#### Opinion

1. I have audited the consolidated and separate financial statements of Dube TradePort Corporation and its subsidiary (the group) set out on pages 58 to 116, which comprise the consolidated and separate statement of financial position as at 31 March 2021, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

2. In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the consolidated and separate financial statements section of this auditor's report.

4. I am independent of the group in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa.

I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the accounting authority for the consolidated and separate financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the consolidated and separate financial statements

in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the consolidated and separate financial statements, the accounting authority is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

#### Auditor-General's responsibilities for the audit of the consolidated and separate financial statements

8. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

9. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

### REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

#### Introduction and scope

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report.

I performed procedures to identify material findings but not to gather evidence to express assurance.

11. My procedures address the usefulness and reliability of the reported

performance information, which must be based on the entity's approved performance planning documents.

I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the group enabled service delivery.

My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 3: Property and Special Economic Zone (SEZ) Administration presented on page 44 in the annual performance report of the group for the year ended 31 March 2021.

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents.

I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

#### Other matter

15. I draw attention to the matter below:

#### Achievement of planned targets

16. The annual performance report on pages 40 to 47 sets out information on the achievement of planned targets for the year and explanations provided for the under and over-achievement of a significant number of targets.

### REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

#### Introduction and scope

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the group's compliance with specific matters in key legislation.

I performed procedures to identify findings but not to gather evidence to express assurance.

18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### OTHER INFORMATION

19. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report.

The other information does not include the consolidated and separate financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

20. My opinion on the financial statements and on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. The other information I obtained prior to the date of this auditor's report is the draft foreword, chairperson's statement, chief executive officer's review, corporate governance report and corporate services report.

23. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

24. When I do receive and read the report of the audit committee, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected.

If the other information is not corrected, I may have to retract this auditor's report and reissue an amended report as appropriate. However, if it is corrected, this will not be necessary.

### INTERNAL CONTROL DEFICIENCIES

25. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

26. I did not identify any significant deficiencies in internal control.

### OTHER REPORTS

27. I draw attention to the following engagement conducted which had, or could have, an impact on the matters reported in the group's consolidated and separate financial statements,

reported performance information, compliance with applicable legislation and other related matters.

This report did not form part of my opinion on the financial statements or compliance with legislation.

28. An agreed upon procedures engagement was performed on compliance with the Electronics Communications Act, 2005 (Act No.36 of 2005) relating to the universal service and access fund.

The report covered the period 01 April 2019 to 31 March 2020 and was issued to the Independent Communication Authority of South Africa on 01 October 2020.

*Auditor General*

Pietermaritzburg  
31 July 2021



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

#### **ANNEXURE - AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for the selected programme and on the group's compliance with respect to the selected subject matters.

#### **FINANCIAL STATEMENTS**

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting authority;
- conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of Dube TradePort Corporation to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause the group to cease operating as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

#### **COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

# REPORT OF THE ACCOUNTING AUTHORITY (BOARD)

## DUBE TRADEPORT CORPORATION CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The Accounting Authority (“Board”) presents its report on the activities of the entity for the period ended 31 March 2021. 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 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 (Act No. 1 of 1999) (PFMA).

The KwaZulu-Natal Dube TradePort Corporation Act 2010 (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 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 2008 (Act No. 81 of 2008). The company registration number was 2002/002810/08.

During 2014, the TradeZone and AgriZone were designated as Industrial Development Zones (IDZ’s); during 2015/16 the Special Economic Zone Act, No.16 of 2014 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 (Portion 8) 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

Mr Siyabonga Nene was appointed by the Member of the Executive Council (MEC) for Economic Development, Tourism and Environmental Affairs

(EDTEA), to the Board during the current year. The terms of office of the remainder of the current Board appointed by the MEC for EDTEA come to an end on 31 May 2021. On 22 August 2018, the Minister of Trade, Industry and Competition exercised his authority in terms of the Special Economic Zone Act No 16 of 2014, and appointed Mr Richard Vallihu, to the Board which also acts as the Board of the Dube TradePort Special Economic Zone.

### 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.

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. JOINT VENTURE

In fulfilling one of the requirements of the Co-operation Agreement (signed by Dube TradePort Corporation and the Airports Company South Africa SOC Limited (ACSA) Dube TradePort Corporation entered into a Joint Venture with 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 being to develop the joint venture area in accordance with the Development Framework and 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. 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. CONTINGENT LIABILITIES

Dube TradePort Corporation purchased a property from a close corporation. However, a third party claims he is the owner of the property and his claim has given rise to a number of applications and court actions which Dube TradePort Corporation is opposing.

During the previous year, Dube TradePort Corporation terminated the contract of an employee. The former employee took the matter to the Labour Court, then the CCMA for arbitration. The CCMA upheld the termination. The former employee has referred the matter back to the Labour Court. Should the Labour Court find against Dube TradePort Corporation, the estimated costs would be R1 647 807.

At the year-end, Dube TradePort Corporation was awaiting judgement in three legal matters. An unsuccessful tenderer had appealed the outcome of two separate procurements for which they had tendered. The matter was heard in the High Court in September 2017. After the end of the financial year, the judgement was received. The Judge found in favour of Dube TradePort Corporation and ordered the appellant to pay costs.

However, the appellant has now applied for leave to appeal the judgement and the order of costs. Should the Court find against Dube TradePort Corporation, in the new matter the entity would be obliged to pay the costs of the opposing party. The estimated costs would be approximately R2 000 000.

During the year, an unsuccessful tenderer launched an appeal against a procurement. The appeal was dismissed. The appellant requested a judicial review. The Court is considering preliminary supplementary arguments. Should the Court find against Dube TradePort Corporation, the estimated costs would be R400 000.

Employees of the entity had previously received yearly cost of living wage increases in accordance with the DPSA’s authorised compensation levels. However, owing to an ongoing legal disagreement between the National Treasury and labour unions, the pay increases for the 2020/21 fiscal year were not implemented. If the decision is against the entity it may be obliged to pay back-pay to employees. The total amount cannot be established as the case is still being heard.

### 8. COMMITMENTS

Dube TradePort Corporation 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.

### 9. THE CONTINUED EFFECT OF THE COVID-19 PANDEMIC

On 16 March 2020, the President declared a National State of Disaster and on 26 March 2020, a National lockdown was imposed in response to the COVID-19 pandemic. The lockdown ended on 30 April 2020. Subsequently, the lockdown has been reduced in phases. The Board approved the business continuity measures implemented by management to ensure that essential services were provided during the period of National lockdown. The operations in Dube AgriZone continued as the agri-processing industry was deemed essential for food production and processing. Dube Cargo Terminal continued to process and load essential cargo as required. Certain tenants in the TradeZone were operational and the operations required to service their needs continued albeit, on a reduced scale. Certain administrative staff were required to ensure that critical functions, such as payment of service providers and staff, continued during the lockdown period. Staff were capacitated, where possible, to enable them to work remotely.

Tenants and developers were granted an initial deferment of their rental for three months and were granted a five-month repayment period. Small businesses dependent on the aviation sector were granted an initial three-month rental holiday. During the year, as the economic impact of the pandemic continued to be felt, certain tenants were granted additional rental reprieves. These requests were reviewed separately and each case was considered on its merits. The rental reprieves include, but are not limited to, the extension of rental holidays, extension of beneficial occupation periods and postponement of the implementation of rental escalation. Certain protective equipment, sanitisers and screens were purchased during the year to ensure compliance with regulations and the safety of employees and visitors to Dube TradePort Corporation. The total cost of these purchases was approximately R201 400.

### 10. EVENTS SUBSEQUENT TO YEAR-END

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. On 30 April 2021, Dube TradePort Corporation requested the return of R93 million previously held in trust by PKX Attorneys. The funds were held in favour of the municipality as the entity’s contribution to the R102 interchange. After 10 years of holding these funds in trust (awaiting the municipality’s commencement of the interchange), the entity deemed it prudent to reallocate the funds to the construction of revenue-generating assets in order to improve sustainability. The funds were returned to the entity’s bank account on 3 May 2021.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

NOTE(S)	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>ASSETS</b>				
<b>Current assets</b>				
Inventories	359 667	312 102	359 667	312 102
Current tax receivable	-	74 976	-	-
Operating lease asset	8 941 082	3 525 361	8 941 082	3 525 255
Receivables from exchange transactions	79 300 441	93 550 690	79 759 435	95 665 158
Cash and cash equivalents	999 671 418	883 236 199	937 127 170	818 898 874
	1 088 272 608	980 699 328	1 026 187 354	918 401 389
<b>Non-current assets</b>				
Investment property	2 912 571 748	2 849 652 826	2 953 045 431	2 903 404 686
Property, plant and equipment	1 039 662 826	1 070 468 613	948 880 170	973 429 004
Intangible assets	8 475 416	8 830 281	8 475 416	8 830 281
Heritage assets	7 654 358	7 654 358	7 654 358	7 654 358
Investments in controlled entities	-	-	11 138 893	11 138 893
Deferred tax	38 840	40 548	-	-
Operating lease asset	30 651 852	39 446 309	30 651 852	39 446 309
	3 999 055 040	3 976 092 935	3 959 846 120	3 943 903 531
<b>TOTAL ASSETS</b>	<b>5 087 327 648</b>	<b>4 956 792 263</b>	<b>4 986 033 474</b>	<b>4 862 304 920</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Current tax payable	206 309	-	-	-
Payables from exchange transactions	74 094 551	64 680 662	73 899 273	64 684 154
Unspent conditional grants and receipts	21 904 940	28 000 168	21 904 940	28 000 168
	96 205 800	92 680 830	95 804 213	92 684 322
<b>Non-current liabilities</b>				
Provisions	55 585 509	21 238 803	43 169 466	21 238 803
<b>TOTAL LIABILITIES</b>	<b>151 791 309</b>	<b>113 919 633</b>	<b>138 973 679</b>	<b>113 923 125</b>
<b>NET ASSETS</b>	<b>4 935 536 339</b>	<b>4 842 872 630</b>	<b>4 847 059 795</b>	<b>4 748 381 795</b>
<b>RESERVES</b>				
Owner's contribution	7 425 889	7 425 889	-	-
Accumulated surplus	4 983 162 049	4 893 022 085	4 847 059 795	4 748 381 795
	4 990 587 938	4 900 447 974	4 847 059 795	4 748 381 795
Non-controlling interest	(55 051 599)	(57 575 344)	-	-
<b>TOTAL NET ASSETS</b>	<b>4 935 536 339</b>	<b>4 842 872 630</b>	<b>4 847 059 795</b>	<b>4 748 381 795</b>

\* See Note 34

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2021

NOTE(S)	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>REVENUE</b>				
<b>Revenue from exchange transactions</b>				
Rendering of services	14 455 677	36 503 607	14 455 677	36 503 607
Property rental	57 637 613	64 343 392	58 951 920	65 996 909
Sundry income	11 869 338	7 248 721	11 331 189	6 064 831
Interest received - investments	32 150 129	52 535 014	29 102 035	47 679 686
Gain on disposal of assets	-	-	-	132 155
<b>TOTAL REVENUE FROM EXCHANGE TRANSACTIONS</b>	<b>116 112 757</b>	<b>160 630 734</b>	<b>113 840 821</b>	<b>156 377 188</b>
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>				
<b>Transfer revenue</b>				
Government grants	354 371 487	481 937 089	354 371 487	481 937 089
<b>TOTAL REVENUE</b>	<b>470 484 244</b>	<b>642 567 823</b>	<b>468 212 308</b>	<b>638 314 277</b>
<b>EXPENDITURE</b>				
Employee-related costs	112 375 878	109 672 486	112 375 878	109 672 486
Depreciation, impairments and amortisation	88 176 727	123 798 042	81 919 772	117 685 103
Finance costs	429	168 516	429	164 132
Loss on disposal of assets	976 892	29 864	976 892	-
Loss on foreign exchange	101 933	13 047	101 933	13 047
General expenses	175 421 410	191 626 281	174 159 402	190 121 030
<b>TOTAL EXPENDITURE</b>	<b>377 053 269</b>	<b>425 308 236</b>	<b>369 534 306</b>	<b>417 655 798</b>
<b>SURPLUS BEFORE TAXATION</b>	<b>93 430 975</b>	<b>217 259 587</b>	<b>98 678 002</b>	<b>220 658 479</b>
Taxation	767 266	1 046 600	-	-
<b>SURPLUS FOR THE YEAR</b>	<b>92 663 709</b>	<b>216 212 987</b>	<b>98 678 002</b>	<b>220 658 479</b>
<b>ATTRIBUTABLE TO:</b>				
Owners of the controlling entity	90 139 964	214 406 400	98 678 002	220 658 479
Non-controlling interest	2 523 745	1 806 587	-	-
	<b>92 663 709</b>	<b>216 212 987</b>	<b>98 678 002</b>	<b>220 658 479</b>

\* See Note 34



# STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 31 MARCH 2021

ECONOMIC ENTITY	NOTE(S)	CAPITAL CONTRIBUTION RESERVE	ACCUMULATED SURPLUS	TOTAL ATTRIBUTABLE TO OWNERS OF THE ECONOMIC ENTITY/ CONTROLLING ENTITY	NON-CONTROLLING INTEREST	TOTAL NET ASSETS
		R	R	R	R	R
<b>OPENING BALANCE AS PREVIOUSLY REPORTED</b>		7 425 889	4 471 616 302	4 479 042 191	(60 867 548)	4 418 174 643
Adjustments						
Surplus for the year as previously stated		-	206 696 231	206 696 231	1 505 057	208 201 288
Prior period error (refer to note 34)		-	303 152	303 152	(19 440)	283 712
<b>BALANCE AT 01 APRIL 2019 AS RESTATED*</b>		<b>7 425 889</b>	<b>4 678 615 685</b>	<b>4 686 041 574</b>	<b>(59 381 931)</b>	<b>4 626 659 643</b>
<b>CHANGES IN NET ASSETS</b>						
Prior period error (refer to note 34)		-	1 577 889	1 577 889	84 563	1 662 452
Surplus for the year as previously reported		-	212 828 511	212 828 511	1 722 024	214 550 535
<b>RESTATED* BALANCE AT 01 APRIL 2020</b>		<b>7 425 889</b>	<b>4 893 022 085</b>	<b>4 900 447 974</b>	<b>(57 575 344)</b>	<b>4 842 872 630</b>
<b>CHANGES IN NET ASSETS</b>						
Changes in net assets surplus for the year		-	90 139 964	90 139 964	2 523 745	92 663 709
<b>BALANCE AT 31 MARCH 2021</b>	41	<b>7 425 889</b>	<b>4 983 162 049</b>	<b>4 990 587 938</b>	<b>(55 051 599)</b>	<b>4 935 536 339</b>
<b>CONTROLLING ENTITY</b>						
<b>OPENING BALANCE AS PREVIOUSLY REPORTED</b>		-	4 315 795 023	4 315 795 023	-	4 315 795 023
Adjustments						
Surplus for the year		-	211 673 741	211 673 741	-	211 673 741
Prior year adjustments		-	254 552	254 552	-	254 552
<b>BALANCE AT 01 APRIL 2019 AS RESTATED*</b>		<b>-</b>	<b>4 527 723 316</b>	<b>4 527 723 316</b>	<b>-</b>	<b>4 527 723 316</b>
<b>CHANGES IN NET ASSETS</b>						
Prior period error (refer to note 34)		-	1 564 257	1 564 257	-	1 564 257
Surplus for the year as previously reported		-	219 094 222	219 094 222	-	219 094 222
<b>RESTATED* BALANCE AT 01 APRIL 2020</b>		<b>-</b>	<b>4 748 381 793</b>	<b>4 748 381 793</b>	<b>-</b>	<b>4 748 381 793</b>
<b>CHANGES IN NET ASSETS</b>						
Surplus for the year		-	98 678 002	98 678 002	-	98 678 002
<b>BALANCE AT 31 MARCH 2021</b>	41	<b>-</b>	<b>4 847 059 795</b>	<b>4 847 059 795</b>	<b>-</b>	<b>4 847 059 795</b>

\* See Note 34

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

NOTE(S)	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
	86 551 983	103 637 027	84 394 162	101 532 052
Sale of goods and services				
Grants	348 276 259	419 498 015	348 276 259	419 498 015
Interest income	33 360 616	53 865 002	30 430 780	48 869 791
Other receipts	11 331 189	6 064 831	11 331 189	6 064 831
	479 520 047	583 064 875	474 432 390	575 964 689
<b>Payments</b>				
Employee costs	(114 469 202)	(110 893 620)	(114 469 202)	(110 893 620)
Suppliers	(159 780 174)	(215 426 891)	(154 245 847)	(212 783 806)
Finance costs	(429)	(168 516)	(429)	(164 132)
Taxes on surpluses	(484 273)	(1 244 066)	-	-
	(274 734 078)	(327 733 093)	(268 715 478)	(323 841 558)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>204 785 969</b>	<b>255 331 782</b>	<b>205 716 912</b>	<b>252,123,131</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(19 899 402)	(25 931 419)	(19 899 402)	(25 931 419)
Purchase of investment property	(67 656 891)	(290 132 255)	(66 794 757)	(290 132 255)
Purchase of intangible assets	(794 457)	(3 287 086)	(794 457)	(3 287 086)
Proceeds on disposal of property, plant and equipment	-	-	-	1 620 190
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(88 350 750)</b>	<b>(319 350 760)</b>	<b>(87 488 616)</b>	<b>(317 730 570)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	<b>116 435 219</b>	<b>(64 018 978)</b>	<b>118 228 296</b>	<b>(65 607 439)</b>
Cash and cash equivalents at the beginning of the year	883 236 199	947 255 177	818 898 874	884 506 313
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>999 671 418</b>	<b>883 236 199</b>	<b>937 127 170</b>	<b>818 898 874</b>

\* See Note 34

# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 31 MARCH 2021

ECONOMIC ENTITY	BUDGET ON CASH BASIS					REF
	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNT ON COMPARABLE BASIS	DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL	
STATEMENT OF FINANCIAL PERFORMANCE	R	R	R	R	R	
<b>REVENUE</b>						
<b>Revenue from exchange transactions</b>						
Rendering of services	164 904 523	(72 559 497)	<b>92 345 026</b>	106 079 592	<b>13 734 566</b>	1
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants and subsidies	479 671 000	(80 019 000)	<b>399 652 000</b>	399 652 000	-	
Roll-over	-	97 488 133	<b>97 488 133</b>	97 488 133	-	
<b>Total revenue from non-exchange transactions</b>	479 671 000	17 469 133	<b>497 140 133</b>	497 140 133	-	
<b>TOTAL REVENUE</b>	<b>644 575 523</b>	<b>(55 090 364)</b>	<b>589 485 159</b>	<b>603 219 725</b>	<b>13 734 566</b>	
<b>EXPENDITURE</b>						
Compensation of employees	136 941 608	(18 100 258)	<b>118 841 350</b>	105 683 445	<b>(13 157 905)</b>	2
Computer services	16 545 981	(4 562 536)	<b>11 983 445</b>	11 209 809	<b>(773 636)</b>	
Consultants, contractors and special services	93 074 856	(51 395 175)	<b>41 679 681</b>	32 198 229	<b>(9 481 452)</b>	3
Maintenance, repairs and running costs	160 528 253	193 062	<b>160 721 315</b>	124 337 426	<b>(36 383 889)</b>	4
Operating leases	2 160 284	(1 600 000)	<b>560 284</b>	391 586	<b>(168 698)</b>	5
Travel and subsistence	3 309 031	(2 191 520)	<b>1 117 511</b>	204 136	<b>(913 375)</b>	6
Advertising	21 442 119	(11 104 268)	<b>10 337 851</b>	6 590 636	<b>(3 747 215)</b>	7
Training	5 169 659	(1 704 725)	<b>3 464 934</b>	1 943 253	<b>(1 521 681)</b>	8
Buildings and structures (capital)	123 160 388	70 388 377	<b>193 548 765</b>	195 498 465	<b>1 949 700</b>	
Machinery and equipment (capital)	70 645 927	(29 523 321)	<b>41 122 606</b>	16 025 676	<b>(25 096 930)</b>	9
Software and other intangible assets (capital)	11 597 417	(5 490 000)	<b>6 107 417</b>	572 417	<b>(5 535 000)</b>	10
<b>TOTAL EXPENDITURE</b>	<b>644 575 523</b>	<b>(55 090 364)</b>	<b>589 485 159</b>	<b>494 655 078</b>	<b>(94 830 081)</b>	
Net surplus of controlling entity	-	-	-	108 546 647	<b>108 546 647</b>	
<b>LA MERCY JV PROPERTY INVESTMENTS PROPRIETARY LIMITED</b>						
Total revenue	8 538 152	(3 882 775)	<b>4 655 377</b>	5 082 299	<b>426 922</b>	11
Total expenditure	20 336 515	(12 476 231)	<b>7 860 284</b>	6 875 376	<b>(984 908)</b>	12
<b>NET SURPLUS</b>	<b>(11 798 363)</b>	<b>8 593 457</b>	<b>(3 204 906)</b>	<b>(110 339 724)</b>	<b>109 695 477</b>	

\* See Note 34

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)

CONTROLLING ENTITY	BUDGET ON CASH BASIS					REF
	APPROVED BUDGET	ADJUSTMENTS	FINAL BUDGET	ACTUAL AMOUNT ON COMPARABLE BASIS	DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL	
STATEMENT OF FINANCIAL PERFORMANCE	R	R	R	R	R	
<b>REVENUE</b>						
<b>Revenue from exchange transactions</b>						
Rendering of services	164 904 523	(72 559 497)	<b>92 345 026</b>	106 079 592	<b>13 734 566</b>	1
<b>Revenue from non-exchange transactions</b>						
Government grants and subsidies	479 671 000	(80 019 000)	<b>399 652 000</b>	399 652 000	-	
Roll-over	-	97 488 133	<b>97 488 133</b>	97 488 133	-	
<b>Total revenue from non-exchange transactions</b>	479 671 000	17 469 133	<b>497 140 133</b>	497 140 133	-	
<b>TOTAL REVENUE</b>	<b>644 575 523</b>	<b>(55 090 364)</b>	<b>589 485 159</b>	<b>603 219 725</b>	<b>13 734 566</b>	
<b>EXPENDITURE</b>						
Compensation of employees	136 941 608	(18 100 258)	<b>118 841 350</b>	105 683 445	<b>(13 157 905)</b>	2
Computer services	16 545 981	(4 562 536)	<b>11 983 445</b>	11 209 809	<b>(773 636)</b>	
Consultants, contractors and special services	93 074 856	(51 395 175)	<b>41 679 681</b>	32 198 229	<b>(9 481 452)</b>	3
Maintenance, repairs and running costs	160 528 253	193 062	<b>160 721 315</b>	124 337 426	<b>(36 383 889)</b>	4
Operating leases	2 160 284	(1 600 000)	<b>560 284</b>	391 586	<b>(168 698)</b>	5
Travel and subsistence	3 309 031	(2 191 520)	<b>1 117 511</b>	204 136	<b>(913 375)</b>	6
Advertising	21 442 119	(11 104 268)	<b>10 337 851</b>	6 590 636	<b>(3 747 215)</b>	7
Training	5 169 659	(1 704 725)	<b>3 464 934</b>	1 943 253	<b>(1 521 681)</b>	8
Buildings and fixed structures (capital)	123 160 388	70 388 377	<b>193 548 765</b>	195 498 465	<b>1 949 700</b>	
Machinery and equipment (capital)	70 645 927	(29 523 321)	<b>41 122 606</b>	16 025 676	<b>(25 096 930)</b>	9
Software and other intangible assets (capital)	11 597 417	(5 490 000)	<b>6 107 417</b>	572 417	<b>(5 535 000)</b>	10
<b>TOTAL EXPENDITURE</b>	<b>644 575 523</b>	<b>(55 090 364)</b>	<b>589 485 159</b>	<b>494 655 078</b>	<b>(94 830 081)</b>	
<b>NET SURPLUS</b>	-	-	-	<b>108 546 647</b>	<b>(108 546 647)</b>	

\* See Note 34

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)

### MATERIAL VARIANCES (GREATER THAN 10%) BETWEEN BUDGET AND ACTUAL AMOUNT

#### DUBE TRADEPORT CORPORATION - CONTROLLING ENTITY

1. Some long outstanding debts have been recovered from customers, and rates recoveries were higher than anticipated. A refund was received from Tourism KwaZulu-Natal for the British Airways marketing costs paid over in the previous year, as the airline suspended its flights to Durban as a result of COVID-19. VAT refunds were lower than expected as input VAT claims were lower due to accruals outstanding at year-end.

2. Some of the posts approved to be filled were filled later than anticipated, and vacancies that arose during the year due to resignations could not be filled, as approvals are required prior to recruitment starting.

3. Some invoices were outstanding at year-end and will only be paid once received from the service providers. Recruitment costs were lower than budgeted as agencies were not used for all positions and some approved posts were not filled by year-end. Forecasting tools and value chain studies were not required; an as-is assessment of facilities equipment was not completed; and less construction activity was undertaken during the year due to the lockdown, resulting in less construction-related consulting fees incurred.

4. Some invoices were outstanding at year-end and will only be paid once received from the service providers. Multiple procurements were either not completed in time for the spend to take place during the year, or were not submitted to SCM at all. Less facilities maintenance was required and operations at the cargo terminal were reduced for most of the year, as the effects of COVID-19 were longer-lasting than expected.

5. Dube TradePort Corporation intended to enter into a contract to lease motor vehicles, as needed, instead of purchasing new vehicles. This however, was not done as the need for this service was reduced due to COVID-19.

6. Minimal travel took place over the year due to the COVID-19 restrictions, which lasted longer than initially expected.

7. Some invoices for marketing campaigns which took place near the end of the year were only received for payment after year-end. In addition, budget allocated for investment promotion and the marketing of services offered by Dube TradePort Corporation was not utilised during the year. Digital platforms, which are often cheaper than holding or attending physical events, were also more widely used.

8. Not all training planned for the year was completed and most training that was attended, was held virtually, at a lower cost.

9. Invoices for firewall and IT security equipment were received after year-end; procurement of a bandwidth shaper was concluded at the end of March and therefore delivery and payment could not take place within the year; data centre and network equipment costs incurred were lower than budgeted as demand for services did not increase as much as expected; procurement of the Building Management System retrofit was not completed within the year; and installation of the unified communications system was in progress with payment only due to be made on completion.

10. Procurement of a Computerised Maintenance Management System was

completed in March but the works for this project will only commence in the next financial year. Rates management software and the upgrade of security software were not submitted for procurement. Subsequent to year-end, R93 million that was previously held in trust by our attorneys, in favour of eThekweni Municipality for the construction of the R102 interchange, was transferred back to Dube TradePort Corporation. The surplus funds held therefore increased by this amount, and the retention thereof is subject to approval by Provincial Treasury.

#### LA MERCY JV PROPERTY INVESTMENT PROPRIETARY LIMITED

11. The surplus of actual revenue over the final budgeted amount was due to the following:

- a. There are delays in obtaining the approvals for the design and review panel cost recoveries and the servitude rates recoveries have not been paid;
- b. Prior year over recoveries of levies were expected to be set off against current year levies, however these were set off against levies for the 2021 calendar year; and
- c. VAT refunds were lower than expected due to delays in SARS processing the March 2021 refund, the refund was received in April 2021.

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

- a. Higher taxes were payable due to delays in finalising the procurement of the alien clearing services; and
- b. There were delays in validating and finalising the Dube City Management Association costs. Costs for the period ending January 2021 were finalised and paid in April 2021.

### MATERIAL VARIANCES (GREATER THAN 10%) BETWEEN APPROVED BUDGET AND FINAL BUDGET

#### DUBE TRADEPORT CORPORATION - CONTROLLING ENTITY

The budget was adjusted to take into account the expenditure expected from the funds rolled-over or retained from the prior year, as well as the budget cut of R83 569 000, required in contribution to the relief fund for COVID-19, and a further R6 450 000 reduction made to the budget later in the year. The revenue budget was also reduced in response to COVID-19, which resulted in significantly lower cargo handling fees earned due to the suspension of international flights for part of the year and a reduction in the number of flights which resumed thereafter, rental waivers and other assistance provided to tenants during the year, and lower interest rates which resulted in lower interest earned by Dube TradePort Corporation on surplus funds invested during the year. The main areas reduced to accommodate these cuts were:

**Compensation of employees:** Budget was reduced by the amounts provided for salary increases. In addition, the start dates for some of recruitments planned for the year were delayed to later in the year, which allowed for a further reduction in this budget item.

**Consultants, contractors and special services:** Budget was reduced by the amounts provided for various consulting services which were in procurement but not expected to be completed in time for the funds to be spent during the year, including various IT services, alien clearing, and construction-related services, such as an ED mentor, gate review and construction claims specialists. The lower than expected spend on certain professional contracts already in place was also taken into account when adjusting the budget.

## STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (continued)

**Operating leases:** Budget was reduced in response to the lower usage of printers and copiers as a result of employees working from home for part of the year under the COVID-19 lockdown restrictions.

**Travel:** Where all international travel was cut and domestic travel was halved.

**Marketing costs:** Budget for marketing costs was reduced as most events were either not held or were cheaper as they were held on digital platforms. In addition, the retainer hours on the advertising contract were also reduced.

**Machinery and equipment:** Budget was reduced to take into account that the procurements of CCTV hardware and software, as well as laptops and other computer equipment were not expected to be completed within the year.

**Software and other intangible assets:** Budget was also reduced as automation projects, including the procurement of visitor management and verification software, were postponed to accommodate the budget cuts. Some of the above funds available were reallocated to **buildings and other fixed structures** to allow for the commitment of funds for the planned construction of a warehouse on ERF 650 at Dube TradeZone 1.

#### LA MERCY JV PROPERTY INVESTMENT PROPRIETARY LIMITED

Budget adjustments approved by the Board of Directors during the 2020/21 financial year in respect of the income budget arose from the following:

- Delays in spending resulted in reductions in VAT claims.

Budget adjustments approved by the Board of Directors during the 2020/21 financial year in respect of the expenditure budget arose from the following:

- The electronic billboard leases were deferred to commence in April 2021 due to inactivity at the airport;
- Prior year over recovery of levies were set off against the current year leviable amount;
- Delays in spending resulted in reductions in VAT claims; and
- Procurements were delayed resulting in reduced tender income.

Budget adjustments approved by the Board of Directors during the 2020/21 financial year in respect of the expenditure budget arose from the following:

- Taxable income was expected to be much lower on commencement of the alien clearing services resulting in lower tax payable. In addition, SARS refunded the overpayment of provisional taxes of the prior year;
- Capital expenditure was deferred to the following financial year due to COVID-19 and budget cuts. The purchase of offset land has been delayed, properties are currently being assessed for appropriateness and recommendation to the Board;
- There were delays in the validation and payment of the management association costs; and
- Professional fees for the alien clearing services, ecologist and the ten-year business plan has been delayed due to delays in the procurement process. The services of the land valuer are no longer required and there were no legal fees incurred during

the year under review. The development of the advertising master plan, specialist environmental studies for SZ1b and the feasibility study on natural capital was deferred to the following year. The programme and payment schedule for the review of the master plan and development framework plan has been amended.

# NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

## 1. ACCOUNTING POLICIES

### PRESENTATION OF CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

The consolidated and separate 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 the 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 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 and rounded off to the nearest Rand.

#### Offsetting

Assets and liabilities, revenue and expenses have not been offset, except where offsetting is required or permitted by 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 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 CONSOLIDATION

#### Basis of consolidation

Consolidated and separate financial statements are the financial statements of the economic entity presented as those of a single entity. The consolidated and separate financial statements incorporate the financial statements of the controlling entity and controlled entity.

Consolidated and separate financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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.

The consolidated and separate financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated and separate financial statements are prepared as of the same date. Adjustments are made when necessary to the consolidated and separate 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 financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated and separate financial statements and 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 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

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.

#### 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.

#### 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 29.

### 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.

#### 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.

#### 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 programme 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 have been revised during the year and assessed as follows:

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

During the current year, management revised the average useful lives of the assets as per above.

#### 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 change 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.

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2021**

**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. 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 programme of works is considered significant and will be disclosed.

**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.

**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 have been revised during the year and assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
<b>Land</b>	-	Indefinite
<b>Buildings</b>	Straight-line	5 - 60 years
<b>Plant and machinery</b>	Straight-line	5 - 20 years
<b>Furniture and fixtures</b>	Straight-line	3 - 30 years
<b>Motor vehicles</b>	Straight-line	5 - 10 years
<b>Equipment</b>	Straight-line	2 - 50 years
<b>IT equipment</b>	Straight-line	3 - 30 years
<b>Infrastructure</b>	Straight-line	5 - 60 years
<b>Community assets</b>	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 estimates. Property, plant and equipment is depreciated on a straight-line basis.

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

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2021**

**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 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 has been revised during the year and assessed as follows:

ITEM	AMORTISATION METHOD	AVERAGE USEFUL LIFE
<b>Licences</b>	-	Indefinite
<b>Other</b>	Straight-line	3 - 10 years

**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 asset 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 an asset 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 their 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 annual 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 (Proprietary) 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.

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2021**

**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 equivalent	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 thereto:

CLASS	CATEGORY
Trade and other payables	Financial liability 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 5 and 6. Deposits are upfront payments made to the municipality for initial connection of services such as electricity and water. Deposits are refundable when services are disconnected or applied against any amounts in arrears. Prepayments are recorded where an item has been paid in advance and charged 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 removes 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. 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.

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2021**

**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, customs tax, Securities Transfer Tax and Capital Gains Tax.

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 to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**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.

**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.

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

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 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 first-in, first-out (FIFO) formula.

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.

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 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.

### 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 a 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

#### 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.

#### 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.

### 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.

#### 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 recognises 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 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 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 be required 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 be required 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.

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

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 16 and 35.

### 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 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 (including the rental of telephone handsets) within the Dube TradePort precinct; and
- Cargo handling services.

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

- 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;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- 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 Dube 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 grants

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.

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

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.

### 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 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 12 months ended 31 March 2020 which were presented on the same basis as the previous year. Where necessary, comparative figures have been restated due to prior period adjustments.

Refer to note 33.

### 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 31.

### 1.25 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA as expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- The PFMA; or
- The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- Any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year 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 year 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.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the occurrence is reflected in the notes to the financial statements.

Refer to note 32.

### 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

### 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 38.

### 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 annual financial statements relates to Dube TradePort Corporation and the La Mercy JV Property Investments Proprietary Limited. The approved budget covers the fiscal period from 01/04/2020 to 31/03/2021. The consolidated and separate 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% are 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. 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 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).

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.

Refer to note 36.

### 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:

- Sale;
- Distribution at no charge or for a nominal charge; or
- Conversion into agricultural 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:

- Is used in the production or supply of agricultural produce;
- Is expected to bear produce for more than one period; and
- 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

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

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 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 is disclosed in the notes to the consolidated and separate 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 is disclosed in the notes to the consolidated and separate 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 is disclosed in the notes to the consolidated and separate financial statements. When the information about the cost or fair value of the living resource becomes available, the economic entity recognises, from that date, the living resource and applies 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.

### 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 EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

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

#### GRAP 1: PRESENTATION OF FINANCIAL STATEMENTS.

##### Purpose

The purpose of GRAP 1 is to outline the reporting requirement to be followed by public entities.

##### Objective

The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.

To achieve this objective, this Standard sets out overall considerations for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

The recognition, measurement and disclosure of specific transactions, other events and conditions are dealt with in other Standards of GRAP.

##### Scope

This Standard shall be applied to all general purpose financial statements prepared and presented under the accrual basis of accounting in accordance with Standards of GRAP.

##### Impact on Dube TradePort Corporation

Currently the entity applies all relevant GRAP Standards to both its separate and consolidate financial statements and disclosures.

This Standard has no material impact on the consolidated and separate financial statements.

#### IGRAP 1: APPLYING THE PROBABILITY TEST ON INITIAL RECOGNITION

##### Purpose

To provide guidance on how an entity applies the probability test in initial recognition of revenue where credit is extended for the settlement of an exchange or non-exchange revenue transaction and uncertainty exists about the entity's ability to collect such revenue based on past history or because discretion about collectability is exercised subsequently.

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

### Scope

This Interpretation of the Standard of GRAP addresses the manner in which an entity applies the probability test on initial recognition of:

- Exchange revenue in accordance with the Standard of GRAP on Revenue from Exchange Transactions; and
- Non-exchange revenue in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### Impact on Dube TradePort Corporation

Currently the entity recognises revenue in line with the applicable standard of GRAP i.e. GRAP 9 and GRAP 23. Dube TradePort Corporation initially recognises revenue in full and at reporting date will make assessment of recoverability of the receivables. When circumstance changes and there is uncertainty regarding recoverability of debts, a provision will be raised. This Interpretation has no material impact on the consolidated and separate financial statements.

## IGRAP 20: ACCOUNTING FOR ADJUSTMENT TO REVENUE

### Scope

This Interpretation clarifies the accounting for adjustment to:

- Exchange and non-exchange revenue charged in terms of legislation or similar means; and
- Interest and penalties that arise from revenue already recognised.

As a result of the completion of a review, appeal or objection process. The principles in this Interpretation may be applied, by analogy, to the accounting for adjustments to exchange or non-exchange revenue that arises from contractual arrangements where the fact patterns are similar to those in paragraphs .07 and .08.

### Accounting for adjustments to revenue as a change in an accounting estimate

Following the outcome of the processes in paragraphs .07 to .09 and assessing whether this is new information that becomes known to the entity as noted in paragraph .14(b), an entity accounts for any adjustment to revenue already recognised, including interest and penalties, as a change in an accounting estimate, if changes occur in the circumstances that led to the recognition of the revenue. The principles in GRAP 3 are applied to account for a change in an accounting estimate.

### Impact on Dube TradePort Corporation

Currently the entity recognises revenue in line with the applicable Standard of GRAP i.e. GRAP 9 and GRAP 23. Dube TradePort Corporation will apply the requirement of the interpretation in case there is a need for an adjustment to revenue. Provision for bad debts, are raised as an estimate. This Standard has no material impact on the consolidated and separate financial statements.

## DIRECTIVE 7: DEEMED COST

### Objective

The purpose of this Directive is to outline when an entity applies a deemed cost, if the acquisition cost of assets cannot be determined on the adoption of certain Standards of GRAP, or when a transfer of functions between entities under common control or a merger occurs. This Directive outlines how that deemed cost should be determined.

### The application of deemed cost

Use of deemed cost for property, plant and equipment, investment property,

intangible assets, heritage assets and living resources. When an entity initially recognises or acquires an asset using the Standards of GRAP, it measures such assets using either cost or fair value (acquisition cost).

Where the acquisition cost of an asset is not available on the adoption of the Standards of GRAP or on the transfer date or the merger date (initial acquisition), acquisition cost is measured using a surrogate value (deemed cost) at the date an entity adopts the Standards of GRAP or on the transfer date or the merger date (measurement date).

Deemed cost is determined as the fair value of an asset at the measurement date. In the absence of information about the acquisition cost of an asset, deemed cost is used for the following assets:

- (a) Property, plant and equipment;
- (b) Investment property, only if an entity elects to use the cost model in the Standard of GRAP on Investment Property (GRAP 16). If an entity adopts the fair value model for investment property, it measures investment property at fair value at the date the entity adopts the Standards of GRAP; and
- (c) Intangible assets that meet GRAP 31 requirements.

### Impact on Dube TradePort Corporation

Currently the entity recognises property, plant and equipment, investment property, intangible assets and heritage assets in line with their applicable standards of GRAP i.e. GRAP 16, GRAP 31 and GRAP 103.

This Directive has no material impact on the consolidated and separate financial statements.

## GRAP 34: SEPARATE FINANCIAL STATEMENTS

### Scope

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for investments in controlled entities, joint ventures and associates when it elects, or is required by legislation or similar means, to present separate financial statements.

### Objective

The objective of this Standard is to prescribe the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements.

### Disclosure requirements

An entity shall apply all applicable Standards of GRAP when providing disclosures in its separate financial statements, including the requirements in paragraphs .18 to .21 of Grap 34.

### Impact on Dube TradePort Corporation

Currently, Dube TradePort Corporation accounts for investments in controlled entities at cost in its separate financial statements and disclosures are in line with the requirements of GRAP 34. This Standard will not have an impact on the consolidated and separate financial statements.

## GRAP 35: CONSOLIDATED FINANCIAL STATEMENTS

### Objective

The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

## NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2021

### Accounting requirements

A controlling entity shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

## CONSOLIDATION PROCEDURES

### Consolidated financial statements

Combine like items of assets, liabilities, net assets, revenue, expenses and cash flows of the controlling entity with those of its controlled entities.

### Uniform accounting policies

If a member of the economic entity uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the economic entity's accounting policies.

### Reporting dates

The financial statements of the controlling entity and its controlled entities used in the preparation of the consolidated financial statements shall be prepared as at the same reporting date. When the end of the reporting period of the controlling entity is different from that of a controlled entity, the controlling entity uses the most recent financial statements of the controlled entity at the time of preparing the consolidation, adjusted for the effects of significant transactions or events that occur between the date of those financial statements and the date of the consolidated financial statements.

### Impact on Dube TradePort Corporation

Currently, Dube TradePort Corporation's consolidated and separate financial statements are prepared in line with GRAP 35. This Standard will not have an impact on the consolidated and separate financial statements.

## GRAP 38: DISCLOSURE OF INTERESTS IN OTHER ENTITIES

### Purpose of the standard

The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:

- The nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and the effects of those interests on its financial position, financial performance and cash flows.

### Disclosure requirements

An entity shall disclose:

the significant judgements and assumptions it has made in determining:

- The nature of its interest in another entity or arrangement;
- The type of joint arrangement in which it has an interest (paragraphs .11 to .12); and
- That it meets the definition of an investment entity, if applicable (paragraph .13).

### Impact on Dube TradePort Corporation

Currently, Dube TradePort Corporation's discloses the interest

in controlled entities on its consolidated and separate financial statements in line with the requirements of GRAP 38. This Standard will not have an impact on the consolidated and separate financial statements.

## GRAP 110 - LIVING AND NON-LIVING RESOURCE

### Objective

The objective of this Standard is to prescribe the:

- recognition, measurement, presentation and disclosure requirements for living resources; and disclosure requirements for non-living resources.

### Scope

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard to the: recognition, measurement, presentation and disclosure of living resources except those living resources that are:

- biological assets related to agricultural activity other than bearer plants (see the Standard of GRAP on Agriculture (GRAP 27)).

### Impact on Dube TradePort Corporation

Dube TradePort Corporation has bought land for offset purpose and rehabilitaton purpose, on this land there are living resources such as springbok. Dube TradePort Corporation does not have control over this living resources as there is no intervention by an entity in the management of the physical condition of the living resource, the entity does not have the ability to restrict the movement of the living resource. And the entity does not have the ability to direct the use of the living resources. This Standard has no material impact on the consolidated and separate financial statements.

## 2.2 CHANGES IN ACCOUNTING POLICY

The accounting policies applied are consistent with prior periods except for the adoption of the following new standard GRAP 110 - Living and Non-living resources refer to note 40.

## 2.3 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

Only Standards and Interpretations applicable or relevant to the entity is disclosed below:

## GRAP 104: FINANCIAL INSTRUMENTS (REVISED)

The effective date of the Standard has not yet been set by the Minister of Finance. The entity expects to adopt the Standard for the first time when the Minister sets the effective date for the Standard. It is unlikely that the Standard will have a material impact on the entity's annual financial statements.

## Guideline: Guideline on the Application of Materiality to financial statement

The effective date of the Guideline has not yet been set by the Minister of Finance. The entity expects to adopt this Guideline for the first time when the Minister sets the effective date. An assessment will be performed to determine the impact on the entity's annual financial statements once the effective date is set by the Minister.

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**3. INVENTORIES**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Finished goods	359 667	312 102	359 667	312 102

Inventories consists of telephone handsets.

**4. OPERATING LEASE ASSET**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Non-current assets	30 651 852	39 446 309	30 651 852	39 446 309
Current assets	8 941 082	3 525 361	8 941 082	3 525 255
<b>TOTAL</b>	<b>39 592 934</b>	<b>42 971 670</b>	<b>39 592 934</b>	<b>42 971 564</b>
<b>STRAIGHT LINING</b>				
Opening balance	42 971 670	42 711 466	42 971 564	42 711 096
Straight-line accrual for the year	(3 378 736)	260 204	(3 378 630)	260 468
<b>TOTAL</b>	<b>39 592 934</b>	<b>42 971 670</b>	<b>39 592 934</b>	<b>42 971 564</b>

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 and sugarcane farming leases and buildings are 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).

**5. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Trade and other receivables (Refer to note 34)	11 682 868	29 975 208	12 629 052	32 794 123
Deposits	4 343 629	4 298 010	4 343 629	4 298 010
Interest receivable	2 551 025	3 942 223	2 303 901	3 632 645
Deposit guarantees held by third parties	4 743 280	5 012 420	4 743 280	5 012 420
Prepaid expenses	7 950 774	7 690 031	7 950 774	7 690 031
Payroll recoveries	134 319	460 369	134 319	460 369
VAT receivable (Refer to note 34)	47 894 546	42 172 429	47 654 480	41 777 560
	<b>79 300 441</b>	<b>93 550 690</b>	<b>79 759 435</b>	<b>95 665 158</b>
<b>TRADE AND OTHER RECEIVABLES</b>				
Trade and other receivables	19 452 691	30 775 988	20 398 875	33 594 903
Less: allowance for doubtful debts	(7 769 823)	(800 780)	(7 769 823)	(800 780)
	<b>11 682 868</b>	<b>29 975 208</b>	<b>12 629 052</b>	<b>32 794 123</b>
<b>ANALYSIS FOR ALLOWANCE OF DOUBTFUL DEBTS</b>				
Opening balance	800 780	238 232	800 780	238 232
Add: Provision increased during the year. (Refer to note 23)	6 969 043	562 548	6 969 043	562 548
	<b>7 769 823</b>	<b>800 780</b>	<b>7 769 823</b>	<b>800 780</b>

\* See Note 34

**5. RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)**

**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 2021, R11 682 868 (2020: R29 975 208) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
1 month past due	2 492 876	19 600 879	3 439 060	22 419 794
2 months past due	399 330	131 537	399 330	131 537
3 months past due	8 790 662	10 242 792	8 790 662	10 242 792

**TRADE AND OTHER RECEIVABLES IMPAIRED**

As of 31 March 2021, trade and other receivables of R7 769 823 (2020: R800 780) were impaired and provided for.

The ageing of these trade and other receivables is as follows:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
3 to 6 months	96 182	602 737	96 182	602 737
Over 6 months	7 673 641	198 043	7 673 641	198 043

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.

**6. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Cash on hand	25 000	25 000	25 000	25 000
Bank balances	272 063 833	182 680 237	209 519 585	118 342 912
Deposits held on behalf of third parties	14 940 657	15 200 634	14 940 657	15 200 634
Amounts held in trust accounts	712 641 928	685 330 328	712 641 928	685 330 328
	<b>999 671 418</b>	<b>883 236 199</b>	<b>937 127 170</b>	<b>818 898 874</b>

The bank balance includes the amount relating to the unspent conditional grants (refer to note 14). The increase in the bank balance is mainly attributed to the reallocation of the R93 000 000 previously held in trust in favour of the municipality for Dube TradePort Corporation's contributions to the R102 via interchange (refer to note 36). During the current year, an amount of R93 000 000 for the eThekweni Municipality was released from amounts held in trust accounts.

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 specialised projects. Included in the trust accounts is an amount of R3 000 000 which is held as a SARS guarantee for Dube Cargo Terminal of which R2 000 000 is a new SARS guarantee entered during the current year 2020/21. Deposits held on behalf of third parties relate to tenant deposits and retentions.

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**7. INVESTMENT PROPERTY**

ECONOMIC ENTITY	2021			2020 RESTATED*		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Investment property	3 147 225 517	(234 653 769)	2 912 571 748	3 047 301 694	(197 648 868)	2 849 652 826

CONTROLLING ENTITY	2021			2020 RESTATED*		
	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
Investment property	3 187 699 200	(234 653 769)	2 953 045 431	3 101 053 554	(197 648 868)	2 903 404 686

**RECONCILIATION OF INVESTMENT PROPERTY - ECONOMIC ENTITY - 2021**

	OPENING BALANCE	ADDITIONS	WORK-IN-PROGRESS	DEPRECIATION	TOTAL
	R	R	R	R	R
Investment property	2 849 652 826	79 291 921	20 631 903	(37 004 902)	2 912 571 748

**RECONCILIATION OF INVESTMENT PROPERTY - ECONOMIC ENTITY - 2020 RESTATED\***

	OPENING BALANCE (REFER TO NOTE 34)	ADDITIONS	WORK-IN-PROGRESS	PRIOR PERIOD ERROR (REFER TO NOTE 34)	DEPRECIATION	TOTAL
	R	R	R	R	R	R
Investment property	2 582 663 414	13 875 476	276 256 779	103 543	(23 246 386)	2 849 652 826

**RECONCILIATION OF INVESTMENT PROPERTY - CONTROLLING ENTITY - 2021**

	OPENING BALANCE	ADDITIONS	WORK-IN-PROGRESS	DEPRECIATION	TOTAL
	R	R	R	R	R
Investment property	2 903 404 686	66 072 874	20 572 773	(37 004 902)	2 953 045 431

**RECONCILIATION OF INVESTMENT PROPERTY - CONTROLLING ENTITY - 2020 RESTATED\***

	OPENING BALANCE (REFER TO NOTE 34)	ADDITIONS	WORK-IN-PROGRESS	PRIOR PERIOD ERROR (REFER TO NOTE 34)	DEPRECIATION	TOTAL
	R	R	R	R	R	R
Investment property	2 636 513 470	13 875 476	276 256 779	5 347	(23 246 386)	2 903 404 686

\* See Note 34

**7. INVESTMENT PROPERTY (CONTINUED)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>INVESTMENT PROPERTY IN THE PROCESS OF BEING CONSTRUCTED OR DEVELOPED RESTATED</b>				
Opening balance	13 611 282	425 543 749	13 464 482	425 495 145
Additions	20 631 904	276 256 779	20 572 773	276 256 779
Additions (refer to note 34)	-	98 196	-	-
Transferred to completed items	-	(688 287 442)	-	(688 287 442)
	<b>34 243 186</b>	<b>13 611 282</b>	<b>34 037 255</b>	<b>13 464 482</b>

Included in the work-in-progress are costs incurred after obtaining of the environmental authorisation and re-zoning rights for Support Zone 2 and TradeZone 2.

Included in the investment property balances is non-depreciable land valued at R1 609 918 689 (2020: R1 544 107 238).

**DETAILS OF PROPERTY**

**La Mercy Land (Portion 5 and 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.

Purchase price  
Subsequent expenditure

**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

**Mount Moreland Land**

Erf 1000 Mt Moreland in the extent of 408.6977 hectares held under Title Deed No. T348/2014.

Purchase price

**Illovo Farm**

Remainder of Farm Illovo 16946 in the extent of 825.96 hectares held under Title Deed No. T012751/2016.

Purchase price

\* See Note 34

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>La Mercy Land (Portion 5 and 9)</b>				
Purchase price	800 682 505	427 444 327	800 682 505	427 444 327
Subsequent expenditure	2 773 769	373 238 178	2 773 769	373 238 178
	<b>803 456 274</b>	<b>800 682 505</b>	<b>803 456 274</b>	<b>800 682 505</b>
<b>Klipfontein Farm</b>				
Purchase price	123 733 875	123 733 875	123 733 875	123 733 875
	<b>123 733 875</b>	<b>123 733 875</b>	<b>123 733 875</b>	<b>123 733 875</b>
<b>Mount Moreland Land</b>				
Purchase price	360 416 772	360 416 772	360 416 772	360 416 772
	<b>360 416 772</b>	<b>360 416 772</b>	<b>360 416 772</b>	<b>360 416 772</b>
<b>Illovo Farm</b>				
Purchase price	178 376 484	178 376 484	178 376 484	178 376 484
	<b>178 376 484</b>	<b>178 376 484</b>	<b>178 376 484</b>	<b>178 376 484</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
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**7. INVESTMENT PROPERTY (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>Cottonlands Farm</b>				
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
<b>Cottonlands Farm</b>				
Portion 1239 (of 1220) of the farm CottonLands No. 1575. Title Deed No. T25701/2020.				
Purchase price	18 591 747	-	18 591 747	-
<b>Cottonlands Farm</b>				
Remainder of portion 142 of Farm Cottonlands No. 1575.				
Purchase price	11 454 365	-	11 454 365	-
<b>Cottonlands Farm</b>				
Portion 2026 (of 1240) of the Farm Cottonlands No. 1575. Title Deed No. T26176/2020.				
Purchase price	12 114 205	-	12 114 205	-
<b>Cottonlands Farm</b>				
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
<b>Dube City</b>				
Erven 594, 595, 597, 600, 601, 602, 603 and 608, La Mercy, Registration Division FU, KZN.				
Purchase price	58 294 105	58 294 105	58 294 105	58 294 105
<b>Cottonlands Farm</b>				
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
<b>Cottonlands Farm</b>				
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
<b>Cottonlands Farm</b>				
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	54 281 267	54 281 267	54 281 267	54 281 267
Subsequent expenditure	19 240 623	-	19 240 623	-
	73 521 890	54 281 267	73 521 890	54 281 267

\* See Note 34

**7. INVESTMENT PROPERTY (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>TradeHouse Building</b>				
Construction cost (Refer to note 34)	132 584 003	132 489 444	132 584 003	132 489 444
Canteen	5 351 102	5 351 102	5 351 102	5 351 102
Subsequent expenditure	-	94 559	-	94 559
	137 935 105	137 935 105	137 935 105	137 935 105
<b>Valuable Cargo Building</b>				
Construction cost	24 213 309	24 213 309	24 213 309	24 213 309
<b>29° South Building</b>				
Construction cost	154 609 988	153 047 929	154 609 988	153 047 929
Subsequent expenditure	25 317	1 562 059	25 317	1 562 059
	154 635 305	154 609 988	154 635 305	154 609 988
<b>Dube AgriZone Buildings</b>				
Construction cost:				
Greenhouse C	178 295 760	178 295 760	178 295 760	178 295 760
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	47 296 788	47 326 788	47 296 788
Packhouse A	6 641 289	6 641 289	6 641 289	6 641 289
Packhouse C	27 094 210	27 094 210	27 094 210	27 094 210
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	321 245	30 000	321 245	30 000
	480 770 621	480 449 376	480 770 621	480 449 376
<b>Airchefs Building</b>				
Construction cost	29 179 950	29 179 950	29 179 950	29 179 950
<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 (Refer to note 34)	13 233 116	13 190 536	13 233 116	13 190 536
Subsequent expenditure	-	42 580	-	42 580
	13 233 116	13 233 116	13 233 116	13 233 116

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**7. INVESTMENT PROPERTY (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>Mini-factories</b>				
Construction cost	101 234 389	101 234 389	101 234 389	101 234 389
Subsequent expenditure	182 427	-	182 427	-
	<b>101 416 816</b>	<b>101 234 389</b>	<b>101 416 816</b>	<b>101 234 389</b>
<b>Sky Aviation</b>				
Construction cost	13 939 164	13 939 164	13 939 164	13 939 164
Subsequent expenditure	150 719	-	150 719	-
	<b>14 089 883</b>	<b>13 939 164</b>	<b>14 089 883</b>	<b>13 939 164</b>
<b>Double Basement</b>				
Construction cost	200 549 129	200 549 129	200 549 129	200 549 129
Subsequent expenditure	1 218 456	-	1 218 456	-
	<b>201 767 585</b>	<b>200 549 129</b>	<b>201 767 585</b>	<b>200 549 129</b>
<b>La Mercy (Portion 4, 6, 8, 10 and 11)</b>				
Construction cost	4 392 494	4 392 494	-	-
Work-in-progress (Refer to note 34)	205 927	146 795	-	-
Subsequent expenditure	13 219 045	-	-	-
	<b>17 817 466</b>	<b>4 539 289</b>	<b>-</b>	<b>-</b>

The Board has approved the sale of 807.8 square metres of land in Dube City and a 3 metre servitude of approximately 990.5 square meters in Dube City to Dube TradePort Corporation for R1 260 000 excluding VAT. The properties have been sub-divided and consolidated and registration is in progress.

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>THE FOLLOWING AMOUNTS HAVE BEEN RECOGNISED IN SURPLUS AND DEFICIT FOR INVESTMENT PROPERTIES</b>				
Rental revenue from investment properties	58 219 550	64 516 949	58 072 368	64 243 024
Repairs and maintenance	(650 202)	(122 188)	(650 202)	(122 188)
Direct operating expenses	(25 008 685)	(17 296 370)	(24 367 966)	(16 542 857)
	<b>32 560 663</b>	<b>47 098 391</b>	<b>33 054 200</b>	<b>47 577 979</b>

Included in the above figures are expenditure for direct operating costs incurred for the year of R648 068 which relates to property that did not generate revenue.

The total contractual obligations relating to investment properties for repairs and maintenance amounts to R28 668 075 (2020:R 5 153 243).

\* See Note 34

**8. PROPERTY, PLANT AND EQUIPMENT**

ECONOMIC ENTITY	2021			2020 RESTATED*		
	COST R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Land	111 253 522	-	111 253 522	111 253 522	-	111 253 522
Buildings	534 447 838	(271 068 518)	263 379 320	534 447 838	(255 487 891)	278 959 947
Plant and machinery	24 092 469	(20 492 807)	3 599 662	24 092 469	(19 348 584)	4 743 885
Furniture and fixtures	28 492 254	(20 377 026)	8 115 228	37 343 595	(28 918 374)	8 425 221
Motor vehicles	17 726 268	(15 072 293)	2 653 975	17 726 268	(15 972 299)	1 753 969
Equipment	381 897 679	(276 927 680)	104 969 999	386 016 323	(283 902 382)	102 113 941
IT equipment	101 721 717	(61 911 261)	39 810 456	98 420 150	(61 235 118)	37 185 032
Infrastructure	880 561 920	(375 518 962)	505 042 958	879 963 864	(354 814 559)	525 149 305
Community assets	1 106 280	(268 574)	837 706	1 106 280	(222 489)	883 791
	<b>2 081 299 947</b>	<b>(1 041 637 121)</b>	<b>1 039 662 826</b>	<b>2 090 370 309</b>	<b>(1 019 901 696)</b>	<b>1 070 468 613</b>
CONTROLLING ENTITY	2021			2020 RESTATED*		
	COST R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Land	111 250 987	-	111 250 987	111 250 987	-	111 250 987
Buildings	534 447 838	(271 068 518)	263 379 320	534 447 838	(255 487 891)	278 959 947
Plant and machinery	24 092 469	(20 492 807)	3 599 662	24 092 469	(19 348 584)	4 743 885
Furniture and fixtures	28 492 254	(20 377 026)	8 115 228	37 343 595	(28 918 374)	8 425 221
Motor vehicles	17 726 268	(15 072 293)	2 653 975	17 726 268	(15 972 299)	1 753 969
Equipment	381 897 679	(276 927 680)	104 969 999	386 016 323	(283 902 382)	102 113 941
IT equipment	101 721 717	(61 911 261)	39 810 456	98 420 150	(61 235 118)	37 185 032
Infrastructure	738 495 004	(323 648 572)	414 846 432	737 896 948	(309 187 005)	428 709 943
Community assets	412 506	(158 395)	254 111	412 506	(126 427)	286 079
	<b>1 938 536 722</b>	<b>(989 656 552)</b>	<b>948 880 170</b>	<b>1 947 607 084</b>	<b>(974 178 080)</b>	<b>973 429 004</b>

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**8. PROPERTY, PLANT AND EQUIPMENT (continued)**

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - ECONOMIC ENTITY - 2021**

	OPENING BALANCE	ADDITIONS	WORK-IN-PROGRESS	DISPOSALS	TRANSFERS TO INVENTORY	CHANGES IN ESTIMATE (REFER TO NOTE 29)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R	R
Land	111 253 522	-	-	-	-	-	-	111 253 522
Buildings	278 959 947	-	-	-	-	-	(15 580 627)	263 379 320
Plant and machinery	4 743 885	-	-	-	-	1 032 719	(2 176 942)	3 599 662
Furniture and fixtures	8 425 221	341 512	-	(920 035)	-	2 953 311	(2 684 781)	8 115 228
Motor vehicles	1 753 969	-	-	-	-	1 783 753	(883 747)	2 653 975
Equipment	102 113 941	1 225 624	-	(249 789)	-	26 136 870	(24 256 647)	104 969 999
IT equipment	37 185 032	17 748 786	-	-	(86 288)	1 153 047	(16 190 121)	39 810 456
Infrastructure	525 149 305	39 600	924 549	(56 854)	-	15 328 184	(36 341 826)	505 042 958
Community assets	883 791	-	-	-	-	-	(46 085)	837 706
	<b>1 070 468 613</b>	<b>19 355 522</b>	<b>924 549</b>	<b>(1 226 678)</b>	<b>(86 288)</b>	<b>48 387 884</b>	<b>(98 160 776)</b>	<b>1 039 662 826</b>

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - ECONOMIC ENTITY - 2020 RESTATED\***

	OPENING BALANCE (REFER TO NOTE 34)	ADDITIONS	WORK-IN-PROGRESS	DISPOSALS	PRIOR PERIOD ERROR (REFER TO NOTE 34)	CHANGES IN ESTIMATE (REFER TO NOTE 29)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R	R
Land	111 253 522	-	-	-	-	-	-	111 253 522
Buildings	287 913 302	-	6 285 161	-	-	-	(15 238 516)	278 959 947
Plant and machinery	6 901 395	-	-	-	-	111 755	(2 269 265)	4 743 885
Furniture and fixtures	10 152 972	1 625 117	-	-	-	190 472	(3 543 340)	8 425 221
Motor vehicles	2 449 213	-	-	(24 797)	-	553 357	(1 223 804)	1 753 969
Equipment	126 951 441	1 114 609	-	(123 769)	-	2 576 674	(28 405 014)	102 113 941
IT equipment	34 630 683	13 538 727	-	-	-	3 743 169	(14 727 547)	37 185 032
Infrastructure	563 955 993	-	3 367 804	(1 458 171)	(5 808)	71 205	(40 781 718)	525 149 305
Community assets	929 350	-	-	-	-	-	(45 559)	883 791
	<b>1 145 137 871</b>	<b>16 278 453</b>	<b>9 652 965</b>	<b>(1 606 737)</b>	<b>(5 808)</b>	<b>7 246 632</b>	<b>(106 234 763)</b>	<b>1 070 468 613</b>

\* See Note 34

**8. PROPERTY, PLANT AND EQUIPMENT (continued)**

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - CONTROLLING ENTITY - 2021**

	OPENING BALANCE	ADDITIONS	WORK-IN-PROGRESS	DISPOSALS	TRANSFERS TO INVENTORY	CHANGES IN ESTIMATE (REFER TO NOTE 29)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R	R
Land	111 250 987	-	-	-	-	-	-	111 250 987
Buildings	278 959 947	-	-	-	-	-	(15 580 627)	263 379 320
Plant and machinery	4 743 885	-	-	-	-	1 032 719	(2 176 942)	3 599 662
Furniture and fixtures	8 425 221	341 512	-	(920 035)	-	2 953 311	(2 684 781)	8 115 228
Motor vehicles	1 753 969	-	-	-	-	1 783 753	(883 747)	2 653 975
Equipment	102 113 941	1 225 624	-	(249 789)	-	26 136 870	(24 256 647)	104 969 999
IT equipment	37 185 032	17 748 786	-	-	(86 288)	1 153 047	(16 190 121)	39 810 456
Infrastructure	428 709 943	39 600	924 549	(56 854)	-	15 328 184	(30 098 990)	414 846 432
Community assets	286 079	-	-	-	-	-	(31 968)	254 111
	<b>973 429 004</b>	<b>19 355 522</b>	<b>924 549</b>	<b>(1 226 678)</b>	<b>(86 288)</b>	<b>48 387 884</b>	<b>(91 903 823)</b>	<b>948 880 170</b>

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT - CONTROLLING ENTITY - 2020 RESTATED\***

	OPENING BALANCE (REFER TO NOTE 34)	ADDITIONS	WORK-IN-PROGRESS	DISPOSALS	PRIOR PERIOD ERROR (REFER TO NOTE 34)	CHANGES IN ESTIMATE (REFER TO NOTE 29)	DEPRECIATION	TOTAL
	R	R	R	R	R	R	R	R
Land	111 250 987	-	-	-	-	-	-	111 250 987
Buildings	287 913 302	-	6 285 161	-	-	-	(15 238 516)	278 959 947
Plant and machinery	6 901 395	-	-	-	-	111 755	(2 269 265)	4 743 885
Furniture and fixtures	10 152 972	1 625 117	-	-	-	190 472	(3 543 340)	8 425 221
Motor vehicles	2 449 213	-	-	(24 797)	-	553 357	(1 223 804)	1 753 969
Equipment	126 951 441	1 114 609	-	(123 769)	-	2 576 674	(28 405 014)	102 113 941
IT equipment	34 630 683	13 538 727	-	-	-	3 743 169	(14 727 547)	37 185 032
Infrastructure	462 875 455	-	3 367 804	(1 458 171)	(5 808)	71 205	(36 140 542)	428 709 943
Community assets	318 047	-	-	-	-	-	(31 968)	286 079
	<b>1 043 443 495</b>	<b>16 278 453</b>	<b>9 652 965</b>	<b>(1 606 737)</b>	<b>(5 808)</b>	<b>7 246 632</b>	<b>(101 579 996)</b>	<b>973 429 004</b>

**RECONCILIATION OF WORK-IN-PROGRESS - ECONOMIC ENTITY - 2021**

	INFRASTRUCTURE R	IT EQUIPMENT R	TOTAL R
Opening balance	37 476 421	1 798 339	39 274 760
Additions	924 549	-	924 549
	<b>38 400 970</b>	<b>1 798 339</b>	<b>40 199 309</b>

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**8. PROPERTY, PLANT AND EQUIPMENT (continued)**

**RECONCILIATION OF WORK-IN-PROGRESS - ECONOMIC ENTITY - 2020 RESTATED\***

	BUILDINGS R	INFRASTRUCTURE R	IT EQUIPMENT R	TOTAL R
Opening balance	10 094 982	38 068 273	1 798 339	49 961 594
Additions	6 285 161	3 367 804	-	9 652 965
Transferred to completed items	(16 380 143)	(3 959 656)	-	(20 339 799)
	-	<b>37 476 421</b>	<b>1 798 339</b>	<b>39 274 760</b>

**RECONCILIATION OF WORK-IN-PROGRESS - CONTROLLING ENTITY - 2021**

	INFRASTRUCTURE R	IT EQUIPMENT R	TOTAL R
Opening balance	37 476 421	1 798 339	39 274 760
Additions	924 549	-	924 549
	<b>38 400 970</b>	<b>1 798 339</b>	<b>40 199 309</b>

**RECONCILIATION OF WORK-IN-PROGRESS - CONTROLLING ENTITY - 2020 RESTATED\***

	BUILDINGS R	INFRASTRUCTURE R	IT EQUIPMENT R	TOTAL R
Opening balance	10 094 982	38 068 273	1 798 339	49 961 594
Additions	6 285 161	3 367 804	-	9 652 965
Transferred to completed items	(16 380 143)	(3 959 656)	-	(20 339 799)
	-	<b>37 476 421</b>	<b>1 798 339</b>	<b>39 274 760</b>

Included in the infrastructure work-in-progress balance is R33 764 169 for the construction of the Hlawe River pipeline which was completed in September 2019. The pipeline has not been commissioned due to the non-compliance of the Tongaat treatment works, which renders connection impossible until the non-compliance has been addressed. IT equipment work-in-progress relate to the RFID. The project was put on hold following the lack of available human resources within the entity, compounded by the impact of the lockdown. During the year under review, additional resources were employed and the project is likely to be completed within the next three months.

**EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>EXPENDITURE INCURRED TO REPAIR AND MAINTAIN PROPERTY, PLANT AND EQUIPMENT INCLUDED IN STATEMENT OF FINANCIAL PERFORMANCE</b>				
Buildings	2 178 411	5 341 232	2 178 411	5 341 232
Equipment	6 383 384	7 976 241	6 383 384	7 976 241
Motor vehicles	657 636	619 350	657 636	619 350
IT equipment	1 825 362	1 430 145	1 825 362	1 430 145
Landscaping	2 590 077	2 940 498	2 590 077	2 940 498
Infrastructure assets	-	293 977	-	-
	<b>13 634 870</b>	<b>18 601 443</b>	<b>13 634 870</b>	<b>18 307 466</b>

\* See Note 34

**9. INTANGIBLE ASSETS**

ECONOMIC ENTITY	2021			2020 RESTATED*		
	COST R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Licences	3 663 686	-	3 663 686	3 663 686	-	3 663 686
Computer software	6 293 593	(1 481 863)	4 811 730	5 609 591	(442 996)	5 166 595
	<b>9 957 279</b>	<b>(1 481 863)</b>	<b>8 475 416</b>	<b>9 273 277</b>	<b>(442 996)</b>	<b>8 830 281</b>

CONTROLLING ENTITY	2021			2020 RESTATED*		
	COST R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Licences	3 663 686	-	3 663 686	3 663 686	-	3 663 686
Computer software	6 293 593	(1 481 863)	4 811 730	5 609 591	(442 996)	5 166 595
	<b>9 957 279</b>	<b>(1 481 863)</b>	<b>8 475 416</b>	<b>9 273 277</b>	<b>(442 996)</b>	<b>8 830 281</b>

**RECONCILIATION OF INTANGIBLE ASSETS - ECONOMIC ENTITY - 2021**

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R	TOTAL R
Licences	3 663 686	-	-	3 663 686
Computer software	5 166 595	794 457	(1 149 322)	4 811 730
	<b>8 830 281</b>	<b>794 457</b>	<b>(1 149 322)</b>	<b>8 475 416</b>

**RECONCILIATION OF INTANGIBLE ASSETS - ECONOMIC ENTITY - 2020 RESTATED\***

	OPENING BALANCE R	ADDITIONS R	CHANGE IN ESTIMATES (REFER TO NOTE 29) R	AMORTISATION R	TOTAL R
Licences	718 725	2 944 961	-	-	3 663 686
Computer software	4 945 897	342 125	31 793	(153 220)	5 166 595
	<b>5 664 622</b>	<b>3 287 086</b>	<b>31 793</b>	<b>(153 220)</b>	<b>8 830 281</b>

\* See Note 34



**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**9. INTANGIBLE ASSETS (continued)**

**RECONCILIATION OF INTANGIBLE ASSETS - CONTROLLING ENTITY - 2021**

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R	TOTAL R
Licences	3 663 686	-	-	3 663 686
Computer software	5 166 595	794 457	(1 149 322)	4 811 730
	<b>8 830 281</b>	<b>794 457</b>	<b>(1 149 322)</b>	<b>8 475 416</b>

**RECONCILIATION OF INTANGIBLE ASSETS - CONTROLLING ENTITY - 2020 RESTATED\***

	OPENING BALANCE R	ADDITIONS R	CHANGE IN ESTIMATES (REFER TO NOTE 29) R	AMORTISATION R	TOTAL R
Licences	718 725	2 944 961	-	-	3 663 686
Computer software	4 945 897	342 125	31 793	(153 220)	5 166 595
	<b>5 664 622</b>	<b>3 287 086</b>	<b>31 793</b>	<b>(153 220)</b>	<b>8 830 281</b>

**10. HERITAGE ASSETS**

**ECONOMIC ENTITY**

	2021			2020 RESTATED*		
	COST R	ACCUMULATED IMPAIRMENT LOSSES R	CARRYING VALUE R	COST R	ACCUMULATED IMPAIRMENT LOSSES R	CARRYING VALUE R
Art collections, antiquities and exhibits	7 654 358	-	7 654 358	7 654 358	-	7 654 358

**CONTROLLING ENTITY**

	2021			2020 RESTATED*		
	COST R	ACCUMULATED IMPAIRMENT LOSSES R	CARRYING VALUE R	COST R	ACCUMULATED IMPAIRMENT LOSSES R	CARRYING VALUE R
Art collections, antiquities and exhibits	7 654 358	-	7 654 358	7 654 358	-	7 654 358

\* See Note 34

**10. HERITAGE ASSETS (continued)**

**RECONCILIATION OF HERITAGE ASSETS - ECONOMIC ENTITY - 2021**

	OPENING BALANCE R	TOTAL R
Art collections, antiquities and exhibits	7 654 358	7 654 358

**RECONCILIATION OF HERITAGE ASSETS - ECONOMIC ENTITY - 2020 RESTATED\***

	OPENING BALANCE R	TOTAL R
Art collections, antiquities and exhibits at cost	7 654 358	7 654 358

**RECONCILIATION OF HERITAGE ASSETS - CONTROLLING ENTITY - 2021**

	OPENING BALANCE R	TOTAL R
Art collections, antiquities and exhibits	7 654 358	7 654 358

**RECONCILIATION OF HERITAGE ASSETS - CONTROLLING ENTITY - 2020 RESTATED\***

	OPENING BALANCE R	TOTAL R
Art collections, antiquities and exhibits	7 654 358	7 654 358

**11. INTERESTS IN OTHER ENTITIES**

**INVESTMENTS IN CONTROLLED ENTITIES**

**CONTROLLING ENTITY**

	CARRYING AMOUNT 2021	CARRYING AMOUNT 2020 RESTATED*
La Mercy JV Property Investments Proprietary Limited - shareholding	60	60
La Mercy JV Property Investments Proprietary Limited - contributed capital	11 138 833	11 138 833
	<b>11 138 893</b>	<b>11 138 893</b>

Dube TradePort Corporation entered into a Joint Venture with 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 loan was granted to La Mercy JV Property Investments Proprietary Limited before Dube TradePort Corporation was designated a Schedule 3C Provincial Public Entity and the shareholders resolved to convert the shareholder's loans to contributed capital.

**12. CURRENT TAX RECEIVABLE/PAYABLE**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Opening balance	(74 976)	78 024	-	-
Tax for the year	765 557	1 087 149	-	-
Provisional tax paid	(641 217)	(1 244 066)	-	-
Section 89 quat (2) interest	-	3 917	-	-
Refund - 2020 income tax assessment	156 945	-	-	-
	<b>206 309</b>	<b>(74 976)</b>	<b>-</b>	<b>-</b>

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
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**13. PAYABLES FROM EXCHANGE TRANSACTIONS**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Trade payables	13 410 210	20 867 682	13 478 334	21 046 763
Payments received in advance	1 625 808	1 305 513	1 626 003	1 304 834
Retention creditors (refer to note 34)	6 549 932	8 134 613	6 549 932	8 134 613
Accrued leave pay	6 220 322	4 885 706	6 220 322	4 885 706
Accrued expenses	32 582 246	11 443 305	32 318 649	11 268 395
Deposits received	10 454 799	11 364 669	10 454 799	11 364 669
Payroll accrual	3 251 234	6 679 174	3 251 234	6 679 174
	<b>74 094 551</b>	<b>64 680 662</b>	<b>73 899 273</b>	<b>64 684 154</b>

**14. UNSPENT CONDITIONAL GRANTS AND RECEIPTS**

The Special Economic Zone funds granted by the Department of Trade, Industry and Competition to plan, prepare and successfully attract investors to the Special Economic Zone. The Automotive Supplier Park and Cut Flower Project funds were granted by the Department of Economic Development, Tourism and Environmental Affairs.

**UNSPENT CONDITIONAL GRANTS COMPRISE:**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>Unspent conditional grants and receipts</b>				
Special Economic Zone - Start-up fund	6 266	3 583 820	6 266	3 583 820
Special Economic Zone - Infrastructure	6 311 720	16 818 419	6 311 720	16 818 419
Automotive Supplier Park	9 816 301	1 689 926	9 816 301	1 689 926
Cut Flower Project	5 770 653	5 908 003	5 770 653	5 908 003
	<b>21 904 940</b>	<b>28 000 168</b>	<b>21 904 940</b>	<b>28 000 168</b>
<b>Movement during the year</b>				
Balance at the beginning of the year	28 000 168	90 439 242	28 000 168	90 439 242
Additions during the year	8 695 652	-	8 695 652	-
Interest received	752 780	3 612 798	752 780	3 612 798
Income recognition during the year	(15 543 660)	(66 051 872)	(15 543 660)	(66 051 872)
	<b>21 904 940</b>	<b>28 000 168</b>	<b>21 904 940</b>	<b>28 000 168</b>

**15. DEFERRED TAX**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>DEFERRED TAX ASSET</b>				
Deferred tax balance from temporary differences	38 840	40 548	-	-
<b>RECONCILIATION OF DEFERRED TAX ASSET</b>				
Opening balance	40 548	40 548	-	-
Movement - immaterial temporary difference arising from accruals	(1 708)	-	-	-
	<b>38 840</b>	<b>40 548</b>	<b>-</b>	<b>-</b>

The deferred tax asset of R38 840 (2020: R40 548) has been raised and it is expected that La Mercy JV Property Investments (Proprietary) Limited will make a taxable profit against which to offset the deferred tax asset.

\* See Note 34

**16. PROVISIONS**

**RECONCILIATION OF PROVISIONS - ECONOMIC ENTITY - 2021**

	OPENING BALANCE R	ADDITIONS R	UTILISED DURING THE YEAR R	CHANGE IN DISCOUNT FACTOR R	TOTAL R
Environmental rehabilitation	21 238 803	33 450 604	(803 003)	1 699 105	55 585 509

**RECONCILIATION OF PROVISIONS - ECONOMIC ENTITY - 2020 RESTATED\***

	OPENING BALANCE R	UTILISED DURING THE YEAR R	CHANGE IN DISCOUNT FACTOR R	TOTAL R
Environmental rehabilitation	26 250 092	(21 421)	(4 989 868)	21 238 803

**RECONCILIATION OF PROVISIONS - CONTROLLING ENTITY - 2021**

	OPENING BALANCE R	UTILISED DURING THE YEAR R	CHANGE IN DISCOUNT FACTOR R	TOTAL R
Environmental rehabilitation	21 238 803	20 231 558	1 699 105	43 169 466

**RECONCILIATION OF PROVISIONS - CONTROLLING ENTITY - 2020 RESTATED\***

	OPENING BALANCE R	UTILISED DURING THE YEAR R	CHANGE IN DISCOUNT FACTOR R	TOTAL R
Environmental rehabilitation	26 250 092	(21 421)	(4 989 868)	21 238 803

**Environmental Rehabilitation Provision**

**Dube TradePort Corporation**

The provision relates to 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 the airport precinct. In July 2020, the Department of Environmental Affairs approved the split of the Record of Decision resulting in a direct legal obligation to Dube TradePort Corporation for the restoration and rehabilitation of the affected area.

The increase in the provision of R21 930 663 (from R21 238 803 to R43 169 466) recognises this direct liability and accounts for the development of site-specific environmental plans in order to adhere to the conditions of the Record of Decision for the Phase 1 build. The three landholders of the precinct are taking a consolidated approach that will result in an increased level of co-ordination, efficiency and a cost-effective invasive plant removal programme in the entire precinct. There were no costs incurred relating to the rehabilitation in the current year. In determining the present value of the rehabilitation provision, a discount rate of 8% was used.

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**16. PROVISIONS (continued)**

**La Mercy JV Property Investments (Proprietary) Limited**

The provision relates to the Record of Decision (ROD) for the development and subsequent operation of the support zones on portions 4,6,8,10 and 11, which requires rehabilitation and restoration to mitigate against the loss of habitat and species incurred. Additional activities not authorised in this ROD will necessitate a separate ROD application, for Support Zone 2 and Support Zone 1b. In July 2020, the Department of Environmental Affairs approved the split of the Record of Decision resulting in a direct legal obligation to the company for the restoration and rehabilitation of the affected area. The provision of R12 416 043 recognises this direct liability and accounts for the development of site-specific environmental plans in order to adhere to the conditions of the Record of Decision for the Phase 1 build.

Rehabilitation costs amounting to R803 003 was incurred and utilised against the provision in the current year.

In determining the present value of the rehabilitation provision, a discount rate of 8% was used.

The shareholders of the 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.

**17. PROPERTY RENTAL**

**OPERATING LEASE RENTALS**

Rental (refer to note 34)  
 Straight lining of leases

ECONOMIC ENTITY		CONTROLLING ENTITY	
2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
61 016 349	64 082 818	62 330 550	65 736 441
(3 378 736)	260 574	(3 378 630)	260 468
<b>57 637 613</b>	<b>64 343 392</b>	<b>58 951 920</b>	<b>65 996 909</b>

**18. INVESTMENT REVENUE**

**INTEREST REVENUE**

Bank  
 Interest on trade receivables

ECONOMIC ENTITY		CONTROLLING ENTITY	
2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
31 988 790	52 349 758	28 940 696	47 494 430
161 339	185 256	161 339	185 256
<b>32 150 129</b>	<b>52 535 014</b>	<b>29 102 035</b>	<b>47 679 686</b>

**19. GOVERNMENT GRANTS AND SUBSIDIES**

**OPERATING GRANTS**

Department of Economic Development, Tourism and Environmental Affairs  
 Department of Trade, Industry and Competition  
 Automotive Supplier Park and Cut Flowers Project

ECONOMIC ENTITY		CONTROLLING ENTITY	
2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
338 827 826	415 885 217	338 827 826	415 885 217
3 732 678	3 949 440	3 732 678	3 949 440
706 627	6 556 821	706 627	6 556 821
<b>343 267 131</b>	<b>426 391 478</b>	<b>343 267 131</b>	<b>426 391 478</b>
11 104 356	55 545 611	11 104 356	55 545 611
<b>354 371 487</b>	<b>481 937 089</b>	<b>354 371 487</b>	<b>481 937 089</b>

**CAPITAL GRANTS**

Department of Trade and Industry

**EQUITABLE SHARE**

The entity received its statutory receivable in full and there were no amounts outstanding at year-end.

\* See Note 34

**20. REVENUE**

Rendering of services  
 Property rental (refer to note 34)  
 Sundry income  
 Interest received - investments  
 Government grants  
 Gain on disposal of assets

**THE AMOUNTS INCLUDED IN REVENUE ARISING FROM EXCHANGE OF GOODS OR SERVICES ARE AS FOLLOWS:**

Rendering of services  
 Rental of property and equipment  
 Sundry income  
 Interest received - investments  
 Gain on disposal of assets

**THE AMOUNT INCLUDED IN RENDERING OF SERVICES IS MADE UP AS FOLLOWS:**

Dube iConnect services  
 Dube Cargo handling services  
 Dube AgriZone services

**THE AMOUNT INCLUDED IN REVENUE ARISING FROM NON-EXCHANGE TRANSACTIONS IS AS FOLLOWS:**

**Transfer revenue**

Government grants

**21. EMPLOYEE-RELATED COSTS**

Basic salaries  
 Medical aid - company contributions  
 Unemployment insurance fund  
 Workmen's compensation  
 Skills development levy  
 Cellphone allowances  
 Provident fund - company contributions

ECONOMIC ENTITY		CONTROLLING ENTITY	
2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
14 455 677	36 503 607	14 455 677	36 503 607
57 637 613	64 343 392	58 951 920	65 996 909
11 869 338	7 248 721	11 331 189	6 064 831
32 150 129	52 535 014	29 102 035	47 679 686
354 371 487	481 937 089	354 371 487	481 937 089
-	-	-	132 155
<b>470 484 244</b>	<b>642 567 823</b>	<b>468 212 308</b>	<b>638 314 277</b>
14 455 677	36 503 607	14 455 677	36 503 607
57 637 613	64 343 392	58 951 920	65 996 909
11 869 338	7 248 721	11 331 189	6 064 831
32 150 129	52 535 014	29 102 035	47 679 686
-	-	-	132 155
<b>116 112 757</b>	<b>160 630 734</b>	<b>113 840 821</b>	<b>156 377 188</b>
10 831 764	15 425 364	10 831 764	15 425 364
3 295 257	20 822 805	3 295 257	20 822 805
328 656	255 438	328 656	255 438
<b>14 455 677</b>	<b>36 503 607</b>	<b>14 455 677</b>	<b>36 503 607</b>
<b>354 371 487</b>	<b>481 937 089</b>	<b>354 371 487</b>	<b>481 937 089</b>

ECONOMIC ENTITY		CONTROLLING ENTITY	
2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
104 823 911	103 012 704	104 823 911	103 012 704
652 365	599 932	652 365	599 932
351 124	328 145	351 124	328 145
103 504	94 344	103 504	94 344
721 598	953 358	721 598	953 358
1 416 223	1 052 633	1 416 223	1 052 633
4 307 153	3 631 370	4 307 153	3 631 370
<b>112 375 878</b>	<b>109 672 486</b>	<b>112 375 878</b>	<b>109 672 486</b>

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**21. EMPLOYEE-RELATED COSTS (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>REMUNERATION OF THE EXECUTIVE OFFICERS</b>				
<b>Chief Executive Officer - Mr H Erskine</b>				
Salary	2 346 868	2 346 868	2 346 868	2 346 868
Performance bonus	-	146 679	-	146 679
	<b>2 346 868</b>	<b>2 493 547</b>	<b>2 346 868</b>	<b>2 493 547</b>
<b>Chief Operating Officer - Mr K Ngqaka</b>				
Salary	1 762 342	1 762 342	1 762 342	1 762 342
Performance bonus	-	110 146	-	110 146
	<b>1 762 342</b>	<b>1 872 488</b>	<b>1 762 342</b>	<b>1 872 488</b>
<b>Chief Financial Officer - Ms A Swalah</b>				
Salary	1 980 200	1 980 200	1 980 200	1,980 200
Performance bonus	-	173 268	-	173 268
	<b>1 980 200</b>	<b>2 153 468</b>	<b>1 980 200</b>	<b>2 153 468</b>
<b>Development Planning and Infrastructure Executive - Mr O Mungwe</b>				
Salary	1 934 022	1 934 022	1 934 022	1 934 022
Performance bonus	-	120 876	-	120 876
	<b>1 934 022</b>	<b>2 054 898</b>	<b>1 934 022</b>	<b>2 054 898</b>
<b>AgriZone and Cargo Operations Executive - Mr M Bantwini</b>				
Salary	1 640 552	1 640 552	1 640 552	1 640 552
Performance bonus	-	102 535	-	102 535
	<b>1 640 552</b>	<b>1 743 087</b>	<b>1 640 552</b>	<b>1 743 087</b>
<b>Corporate Services Executive - Ms Z Mbatha</b>				
Salary (contract ended September 2019)	-	823 903	-	823 903
<b>Acting Corporate Services Executive - Ms B Bates</b>				
Salary (from 1 October 2019)	1 303 370	651 685	1 303 370	651 685
Acting allowance (from 1 October 2019)	299 775	166 798	299 775	166 798
Performance bonus	-	114 045	-	114 045
	<b>1 603 145</b>	<b>932 528</b>	<b>1 603 145</b>	<b>932 528</b>

In the prior year, the performance bonus disclosure for the executive officers was omitted. This restatement has no impact on the figure in the income statement.

\* See Note 34

**21. EMPLOYEE-RELATED COSTS (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>REMUNERATION OF BOARD MEMBERS</b>				
<b>Chairperson - Prof B Gasa-Toboti</b>				
Board fees	531 643	442 881	531 643	442 881
Retainer	283 183	283 183	283 183	283 183
	<b>814 826</b>	<b>726 064</b>	<b>814 826</b>	<b>726 064</b>
<b>Deputy Chairperson - Mr P Ngcobo</b>				
Board fees	202 658	172 294	202 658	172 294
Retainer	170 085	170 085	170 085	170 085
Investment Committee fees	57 561	35 360	57 561	35 360
Remuneration and Human Resources Committee fees	-	27 144	-	27 144
	<b>430 304</b>	<b>404 883</b>	<b>430 304</b>	<b>404 883</b>
<b>Member - Mrs N Moerane</b>				
Board fees	104 522	67 484	104 522	67 484
Retainer	72 675	72 675	72 675	72 675
Remuneration and Human Resources Committee fees	55 333	93 046	55 333	93 046
	<b>232 530</b>	<b>233 205</b>	<b>232 530</b>	<b>233 205</b>
<b>Member - Mr T Ndhlovu</b>				
Board fees	118 098	67 484	118 098	67 484
Retainer	72 675	72 676	72 675	72 676
Investment Committee fees	46 049	35 360	46 049	35 360
	<b>236 822</b>	<b>175 520</b>	<b>236 822</b>	<b>175 520</b>
<b>Member - Mr S Nene</b>				
Board fees	33 742	-	33 742	-
Retainer	33 770	-	33 770	-
Investment Committee fees	23 024	-	23 024	-
	<b>90 536</b>	<b>-</b>	<b>90 536</b>	<b>-</b>
<b>Member - Mr M Zikalala</b>				
Board fees	119 746	101 226	119 746	101 226
Retainer	72 675	72 675	72 675	72 675
Audit and Risk Committee fees	65 471	65 471	65 471	65 471
	<b>257 892</b>	<b>239 372</b>	<b>257 892</b>	<b>239 372</b>
<b>Member - Mr R Vallihu</b>				
Board fees	67 484	-	67 484	-
Retainer	24 225	-	24 225	-
Remuneration and Human Resources Committee fees	12 336	-	12 336	-
	<b>104 045</b>	<b>-</b>	<b>104 045</b>	<b>-</b>

Board fees were not paid to Mr R Vallihu in the prior year as he was employed by an Organ of State.

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
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**21. EMPLOYEE-RELATED COSTS (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>REMUNERATION OF INDEPENDENT COMMITTEE MEMBERS</b>				
<b>Chairperson of the Investment Committee - Ms H Makhathini</b>				
Investment Committee fees	123 343	71 306	123 343	71 306
<b>Chairperson of the Audit and Risk Committee - Mr Z Fakey</b>				
Audit and Risk Committee fees	166 596	160 828	166 596	160 828
<b>Member - Audit and Risk Committee - Mr V Mtshali</b>				
Audit and Risk Committee fees	65 471	99 855	65 471	99 855
<b>Chairperson - Mr K Schmidt</b>				
Audit and Risk Committee fees	60 000	60 000	-	-
<b>Member - Mr M Langa</b>				
Audit and Risk Committee fees	40 000	40 000	-	-

No Audit and Risk Committee fees were paid to Ms Ellenson as she is employed by an Organ of the State.

**AGGREGATE DISCLOSURE PER REMUNERATION CATEGORY**

**22. FINANCE COSTS**

Payables from exchange transactions

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Executive management	11 267 129	11 306 370	11 267 129	11 306 370
Board members	1 907 183	1 522 662	1 907 183	1 522 662
Audit and Risk Committee members	397 538	426 154	297 538	326 154
Investment Committee members	249 977	142 026	249 977	142 026
Remuneration and Human Resource Committee members	67 669	120 190	67 669	120 190
	<b>13 889 496</b>	<b>13 517 402</b>	<b>13 789 496</b>	<b>13 417 402</b>

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Payables from exchange transactions	429	168 516	429	164 132

\* See Note 34

**23. GENERAL EXPENSES RESTATED**

Advertising  
Repairs and maintenance  
Consulting and professional fees (refer to note 34)  
Debt impairment  
Lease rentals on operating leases  
Security  
Rates and utilities  
Infrastructure expenses  
Other operating expenses  
Land rehabilitation costs  
Rendering of services

**DEBT IMPAIRMENT IS MADE UP AS FOLLOWS:**

Contribution to debt provision  
Bad debts written-off

**24. COST OF SALES**

**RENDERING OF SERVICES**

Cost of services  
Tissue culture

**25. TAXATION**

**MAJOR COMPONENTS OF THE TAX EXPENSE**

**Current**

Local income tax - current period

**Deferred**

Origination and reversal of temporary differences arising from accruals

\* See Note 34

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Advertising	5 065 077	12 959 081	5 062 445	12 940 595
Repairs and maintenance	21 919 387	22 406 901	21 852 268	22 406 901
Consulting and professional fees (refer to note 34)	26 847 099	45 931 852	25 101 584	44 744 206
Debt impairment	7 144 934	645 325	7 144 934	645 325
Lease rentals on operating leases	87 844	483 448	88 514	485 728
Security	16 165 449	20 814 939	16 165 449	20 814 939
Rates and utilities	57 120 671	49 048 873	56 302 166	48 175 557
Infrastructure expenses	13 593	1 279 948	13 593	1 279 948
Other operating expenses	31 490 698	32 205 887	32 861 791	32 777 804
Land rehabilitation costs	1 699 104	(4 989 867)	1 699 104	(4 989 867)
Rendering of services	7 867 554	10 839 894	7 867 554	10 839 894
		<b>191 626 281</b>		<b>190 121 030</b>
Contribution to debt provision	6 969 043	562 548	6 969 043	562 548
Bad debts written-off	175 891	82 777	175 891	82 777
	<b>7 144 934</b>	<b>645 325</b>	<b>7 144 934</b>	<b>645 325</b>

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Cost of services	7 409 982	10 264 954	7 409 982	10 264 954
Tissue culture	457 572	574 940	457 572	574 940
	<b>7 867 554</b>	<b>10 839 894</b>	<b>7 867 554</b>	<b>10 839 894</b>

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Local income tax - current period	765 558	1 087 148	-	-
Origination and reversal of temporary differences arising from accruals	1 708	(40 548)	-	-
	<b>767 266</b>	<b>1 046 600</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**25. TAXATION (continued)**

**Reconciliation of the tax expense**

Reconciliation between applicable tax rate and average effective tax rate.

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 %	2020 RESTATED* %	2021 %	2020 RESTATED* %
Applicable tax rate	(28.00)	(28.00)	-	-
Permanent difference - depreciation	33.10	49.70	-	-
Permanent difference - non-deductible expenses	8.74	8.77	-	-
	<b>13.84</b>	<b>30.47</b>	<b>-</b>	<b>-</b>

**26. CASH GENERATED FROM OPERATIONS**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Surplus for the year	92 663 709	216 212 987	98 678 002	220 658 479
<b>ADJUSTMENTS FOR:</b>				
Depreciation, impairments and amortisation	88 176 727	123 798 042	81 919 772	117 685 103
Loss/(Profit) on sale of assets	976 892	29 864	976 892	(132 155)
Debt impairment	6 969 043	562 548	6 969 043	562 548
Movement in operating lease assets and accruals	3 378 630	(260 204)	3 378 630	(260 468)
Movement in land rehabilitation provision	1 699 105	(5 011 289)	1 699 105	(5 011 289)
Movement in tax receivable and payable	436 088	(153 001)	-	-
Movement in deferred tax	1 706	(40 548)	-	-
Payroll accrual	(2 093 324)	(1 221 134)	(2 093 324)	(1 221 134)
Interest accrual	1 575 869	1 190 105	1 328 745	1 190 105
<b>CHANGES IN WORKING CAPITAL:</b>				
Inventories	(47 565)	(72 305)	(47 565)	(72 305)
Receivables from exchange transactions	7 848 636	(915 913)	7 607 935	(707 996)
Payables from exchange transactions	9 295 682	(16 348 296)	11 394 906	(18 128 683)
Unspent conditional grants and receipts	(6 095 229)	(62 439 074)	(6 095 229)	(62 439 074)
	<b>204 785 969</b>	<b>255 331 782</b>	<b>205 716 912</b>	<b>252 123 131</b>

\* See Note 34

**27. COMMITMENTS**

**AUTHORISED CAPITAL EXPENDITURE**

**Already contracted but not provided for**

Investment property

**Not yet contracted for and authorised by members**

Property, plant and equipment

Investment property

**Total capital commitments**

Already contracted for but not provided for

Not yet contracted for and authorised by members

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>AUTHORISED CAPITAL EXPENDITURE</b>				
<b>Already contracted but not provided for</b>				
Investment property	<b>398 094 194</b>	<b>140 089 247</b>	<b>398 094 194</b>	<b>140 089 247</b>
<b>Not yet contracted for and authorised by members</b>				
Property, plant and equipment	-	226 800 000	-	226 800 000
Investment property	211 079 870	116 962 214	211 079 870	116 962 214
	<b>211 079 870</b>	<b>343 762 214</b>	<b>211 079 870</b>	<b>343 762 214</b>
<b>Total capital commitments</b>				
Already contracted for but not provided for	398 094 194	140 089 247	398 094 194	140 089 247
Not yet contracted for and authorised by members	211 079 870	343 762 214	211 079 870	343 762 214
	<b>609 174 064</b>	<b>483 851 461</b>	<b>609 174 064</b>	<b>483 851 461</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).

**AUTHORISED OPERATIONAL EXPENDITURE**

**Already contracted for but not provided for**

Operational goods and services

**Not yet contracted for and authorised by members**

Route development

Operational goods and services

**Total operational commitments**

Already contracted for but not provided for

Not yet contracted for and authorised by members

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>AUTHORISED OPERATIONAL EXPENDITURE</b>				
<b>Already contracted for but not provided for</b>				
Operational goods and services	247 540 596	247 190 864	247 540 596	247 190 864
<b>Not yet contracted for and authorised by members</b>				
Route development	100 479 067	75 724 629	100 479 067	75 724 629
Operational goods and services	2 937 254	4 416 938	-	-
	<b>103 416 321</b>	<b>80 141 567</b>	<b>100 479 067</b>	<b>75 724 629</b>
<b>Total operational commitments</b>				
Already contracted for but not provided for	247 540 596	247 190 864	247 540 596	247 190 864
Not yet contracted for and authorised by members	103 416 321	80 141 567	100 479 067	75 724 629
	<b>350 956 917</b>	<b>327 332 431</b>	<b>348 019 663</b>	<b>322 915 493</b>

**TOTAL COMMITMENTS**

Authorised capital expenditure

Authorised operational expenditure

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Authorised capital expenditure	609 174 064	483 851 461	609 174 064	483 851 461
Authorised operational expenditure	350 956 917	327 332 431	348 019 663	322 915 493
	<b>960 130 981</b>	<b>811 183 892</b>	<b>957 193 727</b>	<b>806 766 954</b>

Operational commitment for goods and services for R4 416 938 was incorrectly disclosed under controlling entity in the previous period. This restatement has no impact on the figures in the income statement.

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**27. COMMITMENTS (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>OPERATING LEASES - AS LESSEE (EXPENSE)</b>				
<b>Minimum lease payments due</b>				
Within one year	605 917	606 917	814 742	606 791
In second to fifth year inclusive	353 452	959 369	1 330 009	959 369
	<b>959 369</b>	<b>1 565 286</b>	<b>2 144 751</b>	<b>1 566 160</b>

The operating lease payments relates to the leasing of photocopiers and leasing of land on which the billboards are situated.

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>OPERATING LEASES - AS LESSOR (INCOME)</b>				
<b>Minimum lease payments due</b>				
Within one year	40 203 638	39 615 258	40 203 638	39 615 258
In second to fifth year inclusive	115 638 833	134 216 509	115 638 833	134 216 509
later than five years	38 498 440	46 005 572	38 498 440	46 005 572
	<b>194 340 911</b>	<b>219 837 339</b>	<b>194 340 911</b>	<b>219 837 339</b>

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 between 5 - 10%.

Contingent rentals are receivable for certain leases and amount to R4 200 394 259 (2020: R4 649 117 906).

**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.

Sugarcane leases - portions of land are leased out for sugarcane farming and the lease rentals are equivalent to a portion of the gross rental proceeds.

**28. RELATED PARTIES**

**RELATIONSHIPS**

Ultimate controlling entity	Department of Economic Development, Tourism and Environmental Affairs
Controlling entity	Dube TradePort Corporation
Controlled entity	La Mercy JV Property Investments Proprietary Limited
Members of key management	Mr H Erskine Ms A Swalah Refer to note 21 for remuneration of key management

All transactions between related parties were at arm's length.

\* See Note 34

**28. RELATED PARTIES (continued)**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>RELATED PARTY BALANCES (CONTROLLING ENTITY)</b>				
<b>Disposal of assets to related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	-	1 620 190
<b>Amounts included in trade receivables regarding related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	1 253 634	3 478 779
<b>Amounts included in trade payables regarding related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	111 624	184 582
<b>RELATED PARTY TRANSACTIONS</b>				
<b>Rent paid to related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	670	2 280
<b>Levies paid to related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	569 296	660 294
<b>Management association costs received from related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	1 003 377	1 025 636
<b>Recoveries paid to related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	-	36 340
<b>Maintenance costs received from related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	-	293 977
<b>Landscaping costs received from related parties</b>				
La Mercy JV Property Investments Proprietary Limited	-	-	457 444	605 829

Dube TradePort Corporation performs certain administrative and finance functions on behalf of La Mercy JV Property Investments 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.

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**29. CHANGE IN ESTIMATE**

**PROPERTY, PLANT AND EQUIPMENT**

In terms of the requirements of GRAP 17, the useful lives of all asset items are 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 R48 387 884 (2020: R7 246 632). The total impact will increase future depreciation by R48 387 884 (2020: R7 246 632).

**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. During the current year, the useful life expectation of intangible assets did not differ from previous estimates. In the prior year, this revision has decreased the amortisation charge by R31 793.

**ENVIRONMENTAL REHABILITATION PROVISION**

In the prior financial year, Dube TradePort Corporation reassessed the accuracy of the rehabilitation provision with the assistance of a consultant. This exercise led to a decrease of R4 989 868 that has been accounted for as a change in estimate.

**30. 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 programme 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.

<b>ECONOMIC ENTITY</b>	<b>LESS THAN 1 YEAR R</b>	<b>BETWEEN 1 AND 2 YEARS R</b>	<b>BETWEEN 2 AND 5 YEARS R</b>	<b>OVER 5 YEARS R</b>
<b>At 31 March 2021</b>				
Trade and other payables	64 622 994	-	-	-
<b>At 31 March 2020</b>				
Trade and other payables	53 115 784	-	-	-

<b>CONTROLLING ENTITY</b>	<b>LESS THAN 1 YEAR R</b>	<b>BETWEEN 1 AND 2 YEARS R</b>	<b>BETWEEN 2 AND 5 YEARS R</b>	<b>OVER 5 YEARS R</b>
<b>At 31 March 2021</b>				
Trade and other payables	64 427 716	-	-	-
<b>At 31 March 2020</b>				
Trade and other payables	53 119 274	-	-	-

\* See Note 34

**30. RISK MANAGEMENT (continued)**

**CREDIT RISK**

Credit risk consists mainly of cash deposits, cash equivalents 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.

Financial assets exposed to credit risk at year end were as follows:

<b>FINANCIAL INSTRUMENT</b>	<b>ECONOMIC ENTITY</b>		<b>CONTROLLING ENTITY</b>	
	<b>2021 R</b>	<b>2020 RESTATED* R</b>	<b>2021 R</b>	<b>2020 RESTATED* R</b>
Trade and other receivables (neither past due nor impaired)	11 682 868	29 975 208	12 629 052	32 794 123
Trade and other receivables (impaired)	7 769 823	800 780	7 769 823	800 780
Cash and cash equivalents	999 671 418	883 236 199	937 127 170	818 898 874
Interest receivable	2 551 025	3 942 223	2 303 901	3 632 645

**INTEREST RATE RISK**

As the entity has no significant interest-bearing assets, the entity's income and operating cashflows are substantially independent of changes in the market interest rate.

**31. FRUITLESS AND WASTEFUL EXPENDITURE**

	<b>ECONOMIC ENTITY</b>		<b>CONTROLLING ENTITY</b>	
	<b>2021 R</b>	<b>2020 RESTATED* R</b>	<b>2021 R</b>	<b>2020 RESTATED* R</b>
Fruitless and wasteful expenditure	-	4 000	-	4 000

In the prior year, fines of R4 000 were incurred as the licences of certain vehicles were renewed after the expiry of the licences. Disciplinary processes against the relevant officials have been instituted.

**AMOUNTS WRITTEN-OFF**

	<b>ECONOMIC ENTITY</b>		<b>CONTROLLING ENTITY</b>	
	<b>2021 R</b>	<b>2020 RESTATED* R</b>	<b>2021 R</b>	<b>2020 RESTATED* R</b>
Amounts under-recovered in respect of incorrect deduction for provident fund/retirement annuity from staff which have subsequently exited the organisation	205 809	-	205 809	-

Certain incorrect deductions were made from certain staff members in respect of their provident fund contributions and/or retirement annuity contributions. In 2019/20, a systematic collection of outstanding amounts was instituted backed by acknowledgement of debt letters signed by each affected staff member. The original amount of fruitless and wasteful expenditure disclosed in 2018/19 was R85 659. The amount increased as employees exited the organisation before they signed Acknowledgement of Debt letters. As noted in 2018/19, certain of the debt has since prescribed. In 2020, all affected employees signed Acknowledgement of Debt letters and are repaying the amounts owing on a monthly basis.

\* See Note 34



**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
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**32. IRREGULAR EXPENDITURE**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Opening balance	496 434	508 698	496 434	508 698
Less: Amounts subsequently identified as not irregular	(184 420)**	-	(184 420)**	-
Add: Irregular expenditure - current	1 382 509	496 434	1 304 762	496 434
Less: Amounts condoned relating to 2020	(298 367)	(508 698)	(298 367)	(508 698)
Less: Amounts condoned relating to 2021	(11 794)	-	(11 794)	-
Closing balance	<b>1 384 362</b>	<b>496 434</b>	<b>1 306 615</b>	<b>496 434</b>

**DETAILS OF IRREGULAR EXPENDITURE – CURRENT YEAR UNDER REVIEW**

Details	Disciplinary Steps Taken	ECONOMIC ENTITY		CONTROLLING ENTITY	
		2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Services performed after expiry of contract	Responsible officials for each of the three instances were subjected to disciplinary processes in terms of Disciplinary Policy	143 949	69 610	143 949	69 610
Contract price exceeded	Responsible officials for each of the four instances were subject to disciplinary processes in terms of Disciplinary Policy	165 090	49 115	97 090	49 115
Transaction approved in excess of official's authority	Responsible officials subjected to disciplinary processes in terms of Disciplinary Policy	-	193 289	-	193 289
Variation of contract not approved prior to services being performed	Responsible officials subjected to disciplinary processes in terms of Disciplinary Policy	-	184 420	-	184 420
Items procured using amounts earmarked for contingencies without proper approval	Responsible official subjected to disciplinary processes in terms of Disciplinary Policy	265 286	-	265 286	-
Service performed after the end of Memorandum of Understanding	Responsible official subjected to disciplinary processes in terms of Disciplinary Policy	798 437	-	798 437	-
Service performed outside scope of contract	Responsible official subject to disciplinary processes in terms of Disciplinary Policy	9 747	-	-	-
		<b>1 382 509</b>	<b>496 434</b>	<b>1 304 762</b>	<b>496 434</b>

\*\* The amount R184 420 was subsequently found not to be an irregular expenditure.

Each of the above incidents of irregular expenditure has been investigated as outlined in the Irregular Expenditure Framework. In each incident, the investigation confirmed that value for money had been obtained therefore the relevant officials were not considered liable in law. Consequently, no debt has been raised.

\* See Note 34

**32. IRREGULAR EXPENDITURE (continued)**

**DETAILS OF IRREGULAR EXPENDITURE CONDONED**

Details	Condoned by the Board	ECONOMIC ENTITY		CONTROLLING ENTITY	
		2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Services performed after expiry of contract	Responsible official subject to disciplinary process in terms of Disciplinary Policy	69 610	41 561	69 610	41 561
Contract price exceeded	Responsible official subject to disciplinary process in terms of Disciplinary Policy	47 261	3 702	47 261	3 702
Items procured using amounts earmarked for contingencies without proper approval	Responsible official subject to disciplinary process in terms of Disciplinary Policy	-	144 885	-	144 885
Service procured, but tender process technically flawed (price validity was not extended)	Responsible official subject to disciplinary process in terms of Disciplinary Policy	-	318 550	-	318 550
Transaction approved in excess of official's authority	Responsible official subject to disciplinary process in terms of Disciplinary Policy	193 289	-	193 289	-
		<b>310 160</b>	<b>508 698</b>	<b>310 160</b>	<b>508 698</b>

Each of the above incidents of irregular expenditure has been condoned as outlined in the Irregular Expenditure Framework. In each incident, the investigation confirmed that value for money had been obtained; therefore, the relevant officials were not considered liable in law. Consequently no debt has been raised.

**33. COMPARATIVE FIGURES**

Certain comparative figures have been restated. Refer to note 34.

**34. PRIOR PERIOD ERRORS**

**DUBE TRADEPORT CORPORATION PRIOR PERIOD ERRORS IMPACTING 01 APRIL 2019 AND EARLIER PERIODS**

**INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT**

During the period, an amount of R1 264 269 arising from retentions held for the TradeZone Guardhouse was adjusted against the cost of the asset. The impact of this adjustment on 01 April 2019 resulted in a decrease to investment property of R1 090 605 and a decrease to property, plant and equipment of R173 664 as well as a corresponding decrease to retention liability of R1 264 269 and a decrease to depreciation of R46 358 for investment property and R12 455 for property, plant and equipment.

**PROPERTY, PLANT AND EQUIPMENT**

When the useful life reassessment exercise was performed in the prior year, it was identified that certain assets that were planned to be replaced were subsequently brought back into use. Budget cuts and the adoption of the asset management strategy necessitated a reassessment of potential asset disposals with a view to extending the useful lives of these assets. The impact of management's change in intention had resulted in the increase in depreciation on 01 April 2019 to R2 158 164 and a write-back of depreciation of R7 975 940 in 2018 with a subsequent decrease in property, plant and equipment.

**PRIOR PERIOD ERRORS IMPACTING 31 MARCH 2020 AND EARLIER PERIODS**

**INVESTMENT PROPERTY AND PROPERTY, PLANT AND EQUIPMENT**

During the current period, the error resulted in a decrease to depreciation for investment property of R5 347 with a corresponding increase to Investment property. The error also resulted in an increase to depreciation for property, plant and equipment of R5 808 and an increase to infrastructure due to the remaining useful life of the asset being misstated in the prior year.

**TRADE AND OTHER RECEIVABLES AND VAT RECEIVABLES**

During the current year, it was identified that there was an under-recovery of rates for property developers. The effects of the error on the prior year financial statements was an increase in revenue of R1 564 718 (2019: R2 353 904) and a corresponding increase in trade and other receivables. In addition, the effect of the above error on the VAT receivable was a decrease of R233 889 (2019: R353 905) and a corresponding increase in trade and other receivables.

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
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**34. PRIOR PERIOD ERRORS (continued)**

**LA MERCY JV PROPERTY INVESTMENTS (PROPRIETARY) LIMITED**  
**INVESTMENT PROPERTY (WORK-IN-PROGRESS)**

Prior to 2021 financial year, costs incurred post-obtaining the Environmental Authorisation and relevant to obtaining re-zoning for Support Zone 2 were expensed. Management is of the opinion that these costs meet the definition of an asset and therefore should have been capitalised to Investment Property after the Environmental Authorisation was issued in December 2018. The effect of the error is a decrease in general expenses of R98 196 (2019: R48 600) and a corresponding increase in work-in-progress.

**ECONOMIC ENTITY**

During the prior financial year, minority interest calculation for the subsidiary was understated by R123 840. The effect of the error resulted in a decrease in minority interest.

The correction of the error(s) results in adjustments as follows:

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2020 R	2019 R	2020 R	2019 R
<b>STATEMENT OF FINANCIAL POSITION</b>				
Receivables from exchange transactions	1 798 607	2 707 807	1 798 607	2 707 807
Payables from exchange transactions	-	1 264 269	-	1 264 269
Property, plant and equipment	(5 808)	(2 319 372)	(5 808)	(2 319 372)
Investment property	103 543	(995 647)	5 347	(1 044 247)
VAT receivables	(233 889)	(353 905)	(233 889)	(353 905)
Opening accumulated surplus or deficit	(1 662 453)	(303 152)	(1 564 257)	(254 552)
Minority interest	(123 840)	-	-	-
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>				
Revenue from exchange transactions	(1 564 718)	(2 353 903)	(1 564 718)	(2 353 903)
General expenses	(98 196)	(48 600)	-	-
Depreciation, impairments and amortisation	461	2 099 351	461	2 099 351
Minority interest	123 840	-	-	-

**35. CONTINGENCIES**

Dube TradePort Corporation purchased a property from a close corporation. However, a third party claims he is the owner of the property and his claim has given rise to a number of applications and court actions which Dube TradePort Corporation is opposing.

During the previous year, 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.

At the year-end, Dube TradePort Corporation was awaiting judgement in two legal matters. An unsuccessful tenderer had appealed the outcome of two separate procurements for which they had tendered. The matter was heard in the High Court in September 2017. After the end of the financial year, the judgement was received. The Judge found in favour of Dube TradePort Corporation and ordered the appellant to pay costs. However, the appellant has now applied for leave to appeal the judgement and the order of costs. Should the Court find against Dube TradePort Corporation, in the new matter the entity would be obliged to pay the costs of the opposing party. The estimated costs would be approximately R2 000 000.

During the year, an unsuccessful tenderer launched an appeal against a procurement. The appeal was dismissed. The appellant requested a judicial review. The Court is considering preliminary supplementary arguments. Should the Court find against Dube TradePort Corporation, the estimated costs would be R400 000.

Employees of the entity had previously received yearly cost of living wage increases in accordance with the DPSA's authorised compensation levels; however, owing to an ongoing legal disagreement between the National Treasury and labour unions, the pay increases for the 2020/21 fiscal year were not implemented. If the decision is against the entity, it may be obliged to pay back-pay to employees. The total amount cannot be established as the case is still being heard.

**36. EVENTS AFTER THE REPORTING DATE**

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. On 30 April 2021, Dube TradePort Corporation requested the return of R93 million previously held in trust by PKX Attorneys. The funds were held in favour of the municipality as the entity's contribution to the R102 interchange. After 10 years of holding these funds in trust (awaiting the municipality's commencement of the interchange), the entity deemed it prudent to reallocate the funds to the construction of revenue-generating assets in order to improve sustainability. The funds were returned to the entity's bank account on 03 May 2021. The entity has applied to the Provincial Treasury for the retention of surplus. In the event that the approval is not obtained, these funds will be returned to Provincial Treasury.

**37. RECONCILIATION BETWEEN BUDGET AND CASH FLOW STATEMENT**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED*	2021 R	2020 RESTATED*
<b>OPERATING ACTIVITIES</b>				
Actual amount as presented in the budget statement	234 972 558	450 703 853	234 972 558	450 703 853
Basis differences	(30 186 589)	(195 372 071)	(29 255 646)	(198 580 722)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>204 785 969</b>	<b>255 331 782</b>	<b>205 716 912</b>	<b>252 123 131</b>
<b>INVESTING ACTIVITIES</b>				
Actual amount as presented in the budget statement	(176 356 667)	(353 215 719)	(176 356 667)	(353 215 719)
Basis differences	88 005 917	33 864 959	88 868 051	35 485 149
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(88 350 750)</b>	<b>(319 350 760)</b>	<b>(87 488 616)</b>	<b>(317 730 570)</b>
<b>NET CASH GENERATED FROM OPERATING, INVESTING AND FINANCING ACTIVITIES</b>	<b>116 435 219</b>	<b>(64 018 978)</b>	<b>118 228 296</b>	<b>(65 607 439)</b>

**38. SEGMENTAL SURPLUS AND DEFICIT**

	DUBE AGRIZONE	PROPERTY	DUBE CARGO TERMINAL	DUBE ICONNECT	TOTAL
	R	R	R	R	R
<b>ECONOMIC ENTITY - 2021</b>					
Revenue from non-exchange transactions	31 696 524	40 303 640	41 276 160	32 632 397	145 908 721
Revenue from exchange transactions	12 495 405	48 804 420	8 073 537	10 832 274	80 205 636
<b>Total segment revenue</b>	<b>44 191 929</b>	<b>89 108 060</b>	<b>49 349 697</b>	<b>43 464 671</b>	<b>226 114 357</b>
Employee costs	(12 673 269)	(9 975 692)	(19 577 922)	(6 342 120)	(48 569 003)
Depreciation and amortisation	(26 612 694)	(29 192 622)	(9 128 922)	(6 102 118)	(71 036 356)
Other expenses	(17 534 053)	(67 188 423)	(15 824 298)	(9 850 884)	(110 397 658)
<b>Total segment expenses</b>	<b>(56 820 015)</b>	<b>(106 356 738)</b>	<b>(44 531 142)</b>	<b>(22 295 122)</b>	<b>(230 003 017)</b>
<b>Total segment surplus/(deficit)</b>	<b>(12 628 086)</b>	<b>(17 248 678)</b>	<b>4 818 555</b>	<b>21 169 549</b>	<b>(3 888 660)</b>
<b>RECONCILIATION</b>					
Interest revenue	-	-	-	-	29 102 035
Other unallocated revenue	-	-	-	-	215 618 718
Interest expense	-	(159)	(270)	-	(429)
Unallocated expenses	-	-	-	-	(141 858 592)
Share of controlled entity's losses	-	-	-	-	(6 309 363)
<b>SEGMENT SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>(12 628 086)</b>	<b>(17 246 837)</b>	<b>4 818 285</b>	<b>21 169 549</b>	<b>92 663 709</b>

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
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**38. SEGMENTAL SURPLUS AND DEFICIT (continued)**

CONTROLLING ENTITY - 2021	DUBE AGRIZONE	PROPERTY	DUBE CARGO TERMINAL	DUBE ICONNECT	TOTAL
	R	R	R	R	R
Revenue from non-exchange transactions	31 696 524	40 303 640	41 276 160	32 632 397	145 908 721
Revenue from exchange transactions	12 495 405	48 804 420	8 073 537	10 832 274	80 205 636
<b>Total segment revenue</b>	<b>44 191 929</b>	<b>89 108 060</b>	<b>49 349 697</b>	<b>43 464 671</b>	<b>226 114 357</b>
Employee costs	(12 673 269)	(9 975 692)	(19 577 922)	(6 342 120)	(48 569 003)
Depreciation and amortisation	(26 612 694)	(29 192 622)	(9 128 922)	(6 102 118)	(71 036 356)
Other expenses	(17 534 053)	(67 188 423)	(15 824 298)	(9 850 884)	(110 397 658)
<b>Total segment expenses</b>	<b>(56 820 015)</b>	<b>(106 356 738)</b>	<b>(44 531 142)</b>	<b>(22 295 122)</b>	<b>(230 003 017)</b>
<b>Total segment surplus/(deficit)</b>	<b>(12 628 086)</b>	<b>(17 248 678)</b>	<b>4 818 555</b>	<b>21 169 549</b>	<b>(3 888 660)</b>
<b>RECONCILIATION</b>					
Interest revenue	-	-	-	-	29 102 035
Other unallocated revenue	-	-	-	-	215 618 718
Interest expense	-	(159)	(270)	-	(429)
Unallocated expenses	-	-	-	-	(142 153 662)
<b>SEGMENT SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>(12 628 086)</b>	<b>(17 248 837)</b>	<b>4 818 285</b>	<b>21 169 549</b>	<b>98 678 002</b>

ECONOMIC ENTITY - 2020 RESTATED*	DUBE AGRIZONE	PROPERTY	DUBE CARGO TERMINAL	DUBE ICONNECT	TOTAL
	R	R	R	R	R
Revenue from non-exchange transactions	55 443 896	68 105 729	39 077 740	23 356 938	185 984 303
Revenue from exchange transactions	9 648 927	48 438 847	28 130 545	15 461 704	101 680 023
<b>Total segment revenue</b>	<b>65 092 823</b>	<b>116 544 576</b>	<b>67 208 285</b>	<b>38 818 642</b>	<b>287 664 326</b>
Employee costs	(10 382 420)	(9 730 044)	(22 988 642)	(6 501 635)	(49 602 741)
Depreciation and amortisation	(29 083 271)	(44 061 101)	(31 223 604)	(4 196 326)	(108 564 302)
Other expenses	(22 916 076)	(65 123 690)	(18 080 558)	(13 413 785)	(119 534 109)
<b>Total segment expenses</b>	<b>(62 381 767)</b>	<b>(118 914 835)</b>	<b>(72 292 804)</b>	<b>(24 111 746)</b>	<b>(277 701 152)</b>
<b>Total segment surplus/(deficit)</b>	<b>2 711 056</b>	<b>(2 370 259)</b>	<b>(5 084 519)</b>	<b>14 706 896</b>	<b>9 963 174</b>
<b>RECONCILIATION</b>					
Interest revenue	-	-	-	-	47 679 685
Other unallocated revenue	-	-	-	-	300 871 430
Interest expense	-	(154 612)	-	-	(154 612)
- Property	-	-	-	-	(154 612)
- Cargo	-	-	(1 681)	-	(1 681)
- Unallocated	-	-	-	-	(7 389)
Unallocated expenses	-	-	-	-	(137 621 156)
Share of controlled entity's losses	-	-	-	-	(4 516 464)
<b>SEGMENT SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>2 711 056</b>	<b>(2 524 871)</b>	<b>(5 086 200)</b>	<b>14 706 869</b>	<b>216 212 987</b>

\* See Note 34

**38. SEGMENTAL SURPLUS AND DEFICIT (continued)**

CONTROLLING ENTITY - 2020 RESTATED*	DUBE AGRIZONE	PROPERTY	DUBE CARGO TERMINAL	DUBE ICONNECT	TOTAL
	R	R	R	R	R
Revenue from non-exchange transactions	55 443 896	68 105 729	39 077 740	23 356 938	185 984 303
Revenue from exchange transactions	9 648 927	48 438 847	28 130 545	15 461 704	101 680 023
<b>Total segment revenue</b>	<b>65 092 823</b>	<b>116 544 576</b>	<b>67 208 285</b>	<b>38 818 642</b>	<b>287 664 326</b>
Employee costs	(10 382 420)	(9 730 044)	(22 988 642)	(6 501 635)	(49 602 741)
Depreciation and amortisation	(29 083 271)	(44 061 101)	(31 223 604)	(4 196 326)	(108 564 302)
Other expenses	(22 916 076)	(65 123 690)	(18 080 558)	(13 413 785)	(119 534 109)
<b>Total segment expenses</b>	<b>(62 381 767)</b>	<b>(118 914 835)</b>	<b>(72 292 804)</b>	<b>(24 111 746)</b>	<b>(277 701 152)</b>
<b>Total segment surplus/(deficit)</b>	<b>2 711 056</b>	<b>(2 370 259)</b>	<b>(5 084 519)</b>	<b>14 706 896</b>	<b>9 963 174</b>
<b>RECONCILIATION</b>					
Interest revenue	-	-	-	-	47 679 685
Other unallocated revenue	-	-	-	-	300 871 430
- Property	-	(154 612)	-	-	(154 612)
- Cargo	-	-	(1 681)	-	(1 681)
- Unallocated	-	-	-	-	(7 389)
Unallocated expenses	-	-	-	-	(137 692 128)
<b>SEGMENT SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>2 711 056</b>	<b>(2 524 871)</b>	<b>(5 086 200)</b>	<b>14 706 896</b>	<b>220 658 479</b>

Information relating to the segmental assets and liabilities have not been disclosed as this is not regularly provided to management for review. The entity operates in one geographical area. Management has identified the following four reportable segments based on revenue generating potential.

Dube AgriZone - operates a cluster of facilities to support the stimulation of the perishables sector in KwaZulu-Natal.

This includes the greenhouses and packhouses, a tissue culture facility and a nursery. Information presented is aggregated per programme based on the 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. Information presented is disaggregated. 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.

Dube iConnect - 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 back-up services, etc.

**39. TAX PAYABLE**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
Balance at beginning of the year	74 976	(78 024)	-	-
Current tax for the year recognised in surplus or deficit	(765 558)	(1 087 148)	-	-
Adjustment in respect of interest on underpayment of provisional tax for prior year	-	(3 918)	-	-
Balance at end of the year	206 309	(74 976)	-	-
	<b>(484 273)</b>	<b>(1 244 066)</b>	<b>-</b>	<b>-</b>

\* See Note 34

**NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**40. 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 Record of Decision (ROD) 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 which are not restricted. Therefore, the company 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.

**41. OWNER'S CONTRIBUTION**

ACSA's capital contribution

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
ACSA's capital contribution	7 425 889	7 425 889	-	-

From 01 September 2013, expenditure in La Mercy JV Proprietary Investments (Proprietary) Limited has been funded via capital contribution in proportion to the shareholding. There was no additional capital contribution for the year under review.

# UNAUDITED SUPPLEMENTARY INFORMATION - ANNEXURE A

FOR THE YEAR ENDED 31 MARCH 2021

**1. DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION GRANT**

	ECONOMIC ENTITY		CONTROLLING ENTITY	
	2021 R	2020 RESTATED* R	2021 R	2020 RESTATED* R
<b>Revenue</b>				
Grants received	10 966 059	59 495 051	10 966 059	59 495 051
<b>Expenditure</b>				
Operating expenditure	(173 179)	(577 254)	(173 179)	(577 254)
Employee costs	(3 559 499)	(3 372 186)	(3 559 499)	(3 372 186)
	<b>7 233 381</b>	<b>55 545 611</b>	<b>7 233 381</b>	<b>55 545 611</b>
<b>Operating expenditure</b>				
Travel and subsistence	13 488	566 938	13 488	566 938
Consultants and professional fees: Investment facilitation	145 191	-	145 191	-
Training and development	14 500	-	14 500	-
Consumables	-	10 316	-	10 316
	<b>173 179</b>	<b>577 254</b>	<b>173 179</b>	<b>577 254</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Infrastructure assets (additions)	11 104 356	55 545 611	11 104 356	55 545 611
<b>Current assets</b>				
Cash and cash equivalents	7 954 937	20 854 779	7 954 937	20 854 779
Accrued interest	-	101 829	-	101 829
	<b>19 059 293</b>	<b>76 502 219</b>	<b>15 188 318</b>	<b>76 502 219</b>
<b>Current liabilities</b>				
Unspent portion of grant	6 317 986	20 402 239	6 317 986	20 402 239
Accounts payable	3 870 975	-	3 870 975	-
	<b>10 188 961</b>	<b>20 402 239</b>	<b>10 188 961</b>	<b>20 402 239</b>
<b>THE FOLLOWING AMOUNTS ARE PAYABLE FROM THE GRANT ACCOUNTS TO THE DUBE TRADEPORT CORPORATION MAIN ACCOUNT</b>				
VAT	2 778 335	(892 396)	2 778 335	(892 396)
Trade and other payables	-	338 026	-	338 026
	<b>2 778 335</b>	<b>(554 370)</b>	<b>2 778 335</b>	<b>(554 370)</b>

The supplementary information presented does not form part of the consolidated and separate Annual Financial Statements and is unaudited.

\* See Note 34



**NOTES**

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