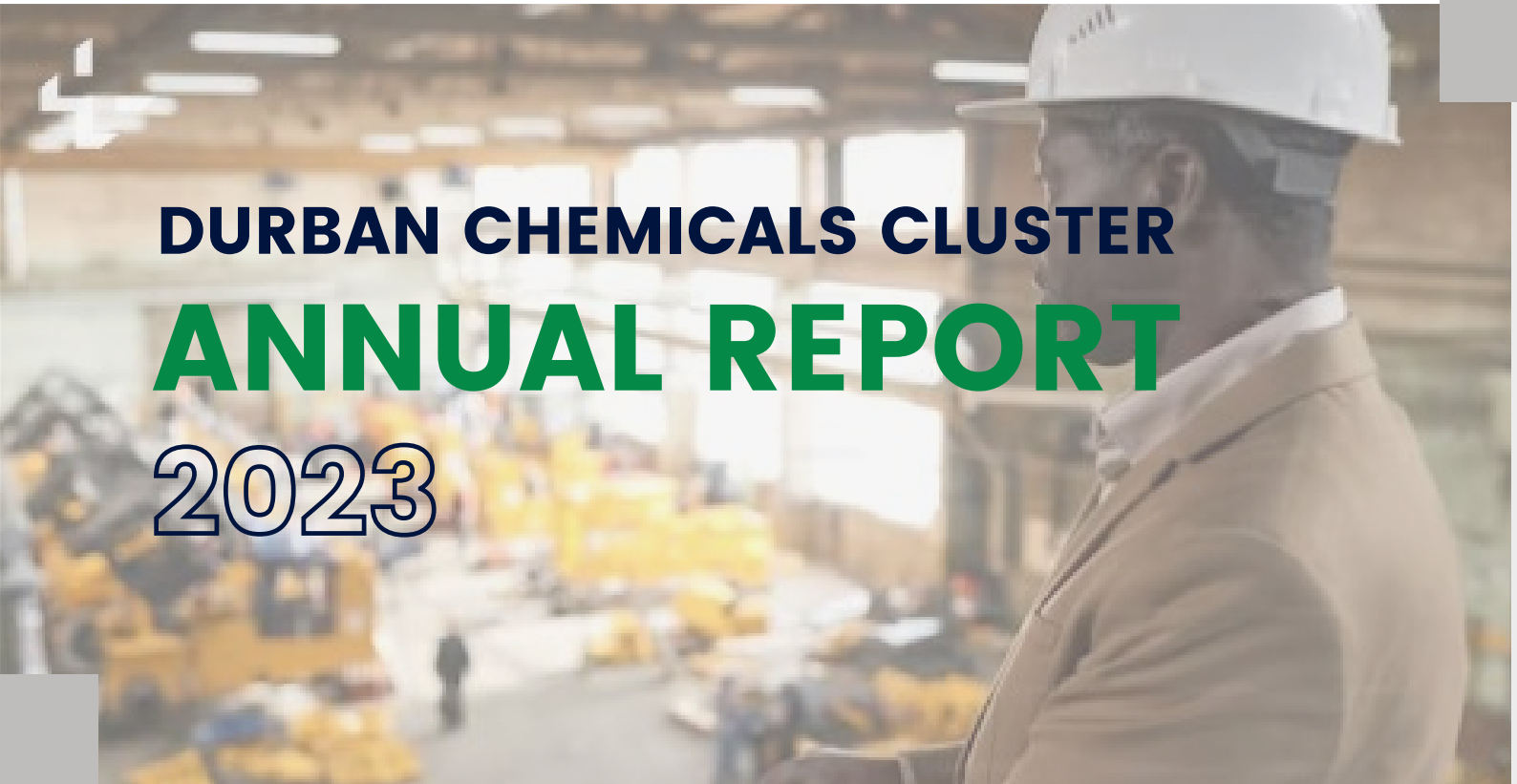




DURBAN CHEMICALS CLUSTER **ANNUAL REPORT** **2023**

Prepared By:



Table of Contents

01	Contents Page
02	Letter from the Chairperson
03	Letter from the City
04	Reflections
06	2023/2024 Year in Review
08	Our Highlights & Impact
13	Excellence Awards
14	The Executive Committee
15	Governance and Compliance
16	Our Partners
17	Member Listing
19	Cluster Contact Information

LETTER FROM THE CHAIRPERSON



It is my privilege to present the Durban Chemicals Cluster's 2023/2024 Annual Report. This past year has been one of growth, innovation, and resilience for our sector. Despite the many challenges faced both locally and globally, the DCC has remained steadfast in its mission to drive competitiveness, collaboration, and sustainable growth within the chemicals industry.

The ongoing economic shifts and global supply chain disruptions have emphasised the need for agility and innovation in our sector. As a Cluster, we have worked tirelessly to foster an environment where businesses can adapt and thrive, supported by our robust network of industry partners and stakeholders. We have seen remarkable strides in strengthening our local value chains, promoting green initiatives, and advancing skills development that aligns with the future needs of the chemicals industry.

This year, we successfully upgraded 12 Black SMEs, furthering our commitment to inclusivity and industry-wide growth. The DCC talent pipeline programme, *Project Asambe*, was launched in partnership with SA German Chamber of Commerce. This initiative aims to address the skills gap in the chemicals sector, while tackling the broader unemployment crisis in South Africa, providing training and employment opportunities for young aspiring professionals. We are deeply grateful to CHIETA for funding this vital project, which plays a crucial role in supporting the development of future talent in our industry through applying the principle of the German Dual System of Education.

Through our skills development programme, we trained 82 operators and capacitated 117 managers, equipping them with the tools needed to drive operational efficiency and leadership within their organisations. In our efforts to enhance the industry's sustainability and competitiveness, we rolled out the KPI study, designed to align key performance indicators with the strategic business plan drivers of our members. This study is critical in helping us monitor the health of the industry and ensure that we are meeting our growth and performance goals.

A key focus of the Cluster has been addressing critical port challenges; a major issue for our members. In response, we rolled out the export study, a significant step forward in understanding and resolving export logistics bottlenecks. This initiative puts the Cluster at the forefront of tackling these challenges, providing valuable insights that will help streamline the export processes for our members and improve overall industry competitiveness.

Our 12 Manufacturing Meet-Up sessions continued to deliver immense value, covering key topics such as Artificial Intelligence, Machine Learning, and supply chain issues. The 4P Culture series with Mike Hoseus focusing on lean practices and building strong organisational culture, attracted nearly 200 attendees and was so successful that we have extended the series into 2024/2025. Additionally, the Bell Equipment hybrid event introduced members to Bell's "War on Waste" (WOW) lean practices, providing valuable insights into improving operational efficiency and reducing waste.

These initiatives have empowered our members to stay ahead of industry trends and equipped them with the knowledge to navigate an evolving business landscape. As we reflect on this year's achievements, I would like to extend a special thank you to our core funder eThekweni Municipality for their unwavering commitment to the Cluster and for their ongoing support. Their investment in the Durban Chemicals Cluster has been instrumental in enabling our growth, and we are grateful for their partnership in driving the development of the local chemicals industry.

Transformation does not just happen within the sector at large. Within the executive committee team of the DCC, we have also increased the diversity of representation, where some of our Accelerator alumni, are now serving the cluster as part of the executive committee.

I would also like to express my sincere gratitude to CHIETA for their support in funding the Talent Pipeline project, as well as our members for their dedication, the leadership team for their strategic guidance, and our partners for their continued support. Together, we have laid a strong foundation for the future, and I am confident that the Durban Chemicals Cluster will continue to be a leading force in the transformation and growth of the South African chemicals industry. Looking ahead, we are poised to tackle new challenges and embrace the opportunities that lie before us. By fostering collaboration, embracing innovation, and maintaining our focus on sustainability, we will continue to drive our industry forward. Thank you for your continued trust and partnership.



Rudi van Niekerk

Chairperson, DCC
Regional General Manager,
H&R Africa

LETTER FROM THE CITY



As we reflect on the accomplishments of the Durban Chemicals Cluster over the past year, I am pleased to extend my heartfelt congratulations and support on behalf of the Economic Development Unit (EDU) of eThekweni Municipality. The 2023/2024 fiscal year has been marked by significant achievements and progress within the cluster, underscoring its pivotal role in advancing the chemicals industry in our region.

The Durban Chemicals Cluster has demonstrated remarkable resilience and innovation, navigating global economic shifts and supply chain disruptions with agility and strategic foresight. Key highlights from this year include:

1. Talent Pipeline Project Development:

The launch of *Project Asambe*, the DCC talent pipeline programme in partnership with AHK, has been a notable achievement. This initiative, funded by CHIETA, addresses the skills gap in the chemicals sector while contributing to the broader effort to combat unemployment in South Africa. The programme provides critical training and employment opportunities for young professionals, fostering the development of future industry leaders.

2. Skills Development:

Through a comprehensive skills development programme, the cluster has successfully trained 82 operators and capacitated 117 managers. These efforts are instrumental in enhancing operational efficiency and leadership capabilities within the sector.

3. Black SME Development:

This year, the cluster made significant strides in promoting inclusivity by upgrading 12 Black SMEs. This initiative highlights the cluster's commitment to fostering diversity and growth within the industry, providing these businesses with the resources and support needed to thrive.

4. Sustainability and Competitiveness:

The KPI study and export study have been pivotal in aligning key performance indicators with strategic business objectives and addressing export logistics challenges. These studies contribute to improved industry health and competitiveness.

5. Industry Engagement:

The 11 Manufacturing Meet-Up sessions and the 4P culture series with Mike Hoseus have provided valuable insights into key industry topics, including Artificial Intelligence, Machine Learning, and lean practices. The Bell Equipment hybrid event has also contributed to operational efficiency and waste reduction through lean practices.

The support of the Economic Development Unit has been crucial in enabling the Durban Chemicals Cluster to achieve these milestones. Our partnership continues to be a driving force in the growth and development of the local chemicals industry. We are proud to support the cluster's initiatives and remain committed to fostering an environment that promotes innovation, collaboration, and sustainability.

I would like to extend a special thank you to the Durban Chemicals Cluster for their dedication and hard work. Additionally, we are grateful to CHIETA for their support in funding the Talent Pipeline project and to all stakeholders who have contributed to the cluster's success.

As we look to the future, we are excited about the opportunities and challenges that lie ahead. Together, we will continue to drive the growth and transformation of the South African chemicals industry.

Thank you for your continued trust and partnership.



Councillor Thembo Ntuli

Economic Development and
Planning Committee,
eThekweni Municipality

REFLECTIONS

UNDERSTANDING THE IMPACT OF THE AFRICA CONTINENTAL FREE TRADE AGREEMENT

"The Durban Chemicals Cluster is conducting a study to explore the impact of the African Continental Free Trade Agreement (AfCFTA) on the local chemicals sector. This initiative aims to assess both the opportunities and challenges the agreement might present for DCC members. The insights from the study will guide the development of future strategic initiatives and recommendations to government bodies. To ensure a comprehensive understanding, the DCC plans to gather input from key industry stakeholders through interviews, focusing on how AfCFTA may shape the industry's future.

As the most industrialised country in Africa, South Africa stands to gain from the AfCFTA through strategically positioning their chemical exports to service the emerging markets in Africa, a 1.2 billion strong African market.

However, with free trade and increased competition this will also present challenges in the form of competitors as small, less efficient firms will be outcompeted by larger, more competitive players. The administrative burden and compliance costs may deter firms from participating in this opportunity. Therefore, this project aims to highlight specific market opportunities given the South African chemical industry, and DCC's profile. Trade data is analysed for the continent and covers chemicals in chapters 27 – 39, with deep dives into 3 key subsectors relevant to DCC, Consumer Chemicals (HS33), Plastics (HS39) and Tanning or dyeing Extracts, Tannins, Dyes, Pigments & Paints (HS32). Through identifying their competitive advantage, these sectors stand to gain some of the African market valued at \$152 Billion."

DEVELOPING THE NEXT GENERATION OF CHEMICALS OPERATORS

"*Project Asambe* is the DCC Talent Pipeline initiative established in partnership with the German Chamber of Commerce. Inspired by the German dual vocational training model, it is an innovative initiative designed to address the critical skills gaps in South Africa's chemicals industry. This programme integrates both theoretical learning and hands-on experience to develop job-ready, skilled professionals who can immediately meet industry demands. By adopting an earn/learn model, *Project Asambe* allows students to participate full-time, earning an income while they gain technical education and on-the-job training.

At the core of *Project Asambe* is an industry-driven curriculum developed with input from key stakeholders in the chemicals sector. This ensures that the programme's graduates are equipped with both the theoretical knowledge and practical skills required by employers. In addition to technical training, the programme emphasises holistic development through mentorship, fostering a sense of professionalism, commitment, and work readiness among learners. The project also plays a vital role in addressing South Africa's high youth unemployment rate by providing practical training opportunities that bridge the gap between under-skilled youth and the chemicals industry. This initiative reflects DCC's commitment to enterprise development and regional collaboration, benefiting not just individual companies, but the wider chemicals industry at large."



Meghan King
Chief Facilitator,
Durban Chemicals Cluster



Sabrina Loubser
Associate,
Durban Chemicals Cluster

REFLECTIONS CONTINUED

HOW HAS THE DCC CONTRIBUTED TO FOSTERING SUSTAINABILITY?

"The DCC worked with industry to unpack and educate members on the landscape of sustainability disclosure frameworks and the impact that this will have on the sector in South Africa. From this, it has become clear that there is a business imperative to measure and disclose the sustainability activities in key areas that are material to chemical companies.

Additionally, the cluster investigated the impact of sustainability legislation and requirements in the key export markets of Europe and the USA from the CBAM and CSRD legislation in the EU and the Inflation Reduction Act in the USA. This investigation provided a clearer picture for local chemical companies to prepare for a future environment where disclosures on sustainability will be required for compliance with regulations or for continued access to certain markets. The cluster is preparing its firms for the transition towards a more sustainable way of doing business."



O'Neill Marais
Facilitator,
Durban Chemicals Cluster



2023 IN REVIEW



- Manufacturing Meetup: Unleash the Power of AI and Machine Learning
- DCC Skills Champion Session: Enhance the effectiveness of our skills programmes to drive Learning & Development (L&D) initiative
- Team Leader Development Programme launch
- Emerging Leadership Development Programme launch

Jul



- 2023 Accelerator: Supporting Growth onboarding session
- Emerging Leadership Development Programme: Circle Peer Learning – online sessions with former executives to collaborate on change management
- Manufacturing Meetup: 6S adherence as a fundamental of Lean manufacturing at Smiths Manufacturing – In-Person Factory Tour

Aug



- Emerging Leadership Development Programme: Circle Peer Learning Session – Change management training and core leadership skills for business improvement in manufacturing
- 2022/2023 Annual General Meeting: Unlocking Sustainable Energy Solutions

Sep



- Factory tour and online webinar Manufacturing Meetup: Equator Belts sustainability framework
- Manufacturing Meetup: Building Company Culture via Purpose, Process, People, and Problem Solving with Mike Hoseus
- DCC Skills Champion Session: A network of Skills Champions fostering growth and collaboration in the learning and development ecosystem
- 2023 DCC Accelerator – Capacity Building event
- DCC Problem Solving Training: Lean techniques tailored for the chemicals industry

Oct



- DCC Project Asambe Launch: Bridging the skills gap by developing a world-class talent pipeline
- DCC Accelerator Dragons' Den Event: Connecting SMEs with Industry Giants in the Chemicals Sector
- H & R Lean Training Programme: Leveraged Lean Fundamentals and problem-solving techniques to identify issues and implement impactful solutions
- Manufacturing Meetup: MAHLE Behr Factory Tour – Insights into Their Continuous Improvement Strategy

Nov



- DCC Accelerator FY22-23 graduation

Dec

2024 IN REVIEW



- 2024 DCC Accelerator Growth Onboarding Session: Supported SMEs to unlock growth with customers, whilst still managing daily operations and challenges
- Manufacturing Meetup: Joined by Ryno Lemmer, CEO of Point Solar, shared steps for manufacturers to adopt renewable energy to cut costs, boost sustainability, and counter load-shedding

Jan



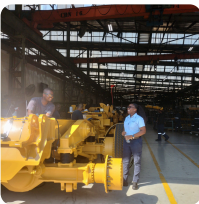
- CHIETA Training: Two-Day Business Strategy Workshop – Empowering Chemicals SMEs with Accredited Training and Planning Tools
- Manufacturing Meetup: Joined by Dave Watts and Rudi van Niekerk to explore strategies for South African firms to tackle supply chain challenges and minimise port disruptions

Feb



- Manufacturing Meetup: Attendance Excellence session – experts shared data-driven strategies to reduce absenteeism through effective employee wellness and engagement

Mar



- Manufacturing Meetup: Factory Tour and Online Webinar – Bell Equipment shared its Lean 'War on Waste' journey, focused on boosting efficiency and productivity through waste elimination and continuous improvement

May



- Manufacturing Meetup: 4P Event with Mike Hoseus – Session 1: We explored purpose within the 4Ps Culture Framework, led by Mike Hoseus, to align teams around a meaningful organisational mission
- Manufacturing Meetup: 4P Event with Mike Hoseus – Session 2: We explored process in the 4Ps Culture Framework, focusing on optimising workflows for greater efficiency and continuous improvement

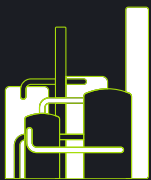
Jun



OUR HIGHLIGHTS & IMPACT

In partnership with our members, in 2023 we achieved:

**16
YEARS**



Of adding
value to the
Chemicals
sector

134
Members



12 SMMES

Provided with upgrading
opportunities and
aligned to customer
requirements.



**OVER
R11.2 MILLION**

Saved through
learners' practical
improvement
programmes through the Skills
Development
programme!



**OVER
R6.4
MILLION**

In new
commercial
opportunities
unlocked
for black-
owned
SMEs



82 OPERATOR

Skills development
competencies
achieved



117 LEADERSHIP

Skills development
competencies
achieved



117 MEMBERS WERE EXPOSED TO 11 SHARED LEARNING SESSIONS

With an **88%** average value rating and **94%** of participants were able to
derive one new idea from these sessions



Our members participated in several key programmes throughout the year, namely our SME Accelerator programmes, Skills Development initiatives, *Project Asambe* launch and Shared Learning events.

SME BUSINESS ACCELERATOR



The SME Business Accelerator, supported by the eThekweni Municipality in partnership with the Durban Chemicals Cluster, focuses on identifying and developing high-potential SMEs to become strategic suppliers for major industrial companies. It achieves this by assessing the supply needs of leading firms, connecting them with qualified SMEs, and implementing improvement plans to unlock business opportunities. The programme also assists large enterprises in optimising their B-BBEE spend and achieving meaningful transformation. Recently, it has emphasised supporting black-owned SMEs, fostering their growth and market access, particularly in the local chemicals industry.

SMME Business Accelerator Spotlight

Dilex Purification – Itu Rangaka



This 100% Black-owned business, based in New Germany, KwaZulu-Natal, specialises in processing hydrocarbon and hazardous waste. Since joining the Accelerator programme in October 2022, the company has progressed through intensive screening and capacity-building phases, ultimately crafting a strong business pitch tailored to customer needs. Dilex impressed several major customers, including FFS Refiners, H&R Africa, NCS South Africa, Sherwin-Williams, and SAPREF, during the DCC's annual "Dragons' Den" event. They were recognised as the "Best Environmental Sustainability Solution" and awarded a R25,000 cash prize. Now a cluster member, Dilex will continue receiving mentorship and support through the Accelerator to stabilise operations, scale production, and meet customer demands.

Dilex unlocked the opportunity to supply waste processing services to FFS Refiners and NCS South Africa, with discussions ongoing to finalise commercial agreements. Additionally, they secured a scheduled trade permit with the support of the eThekweni Municipality, a key step towards obtaining a waste transport permit, which will help expand their services and create further commercial opportunities in the local chemicals industry.

Voice of Our Members

"Brilliant event, excited to see some focus for businesses in the chemical cluster."

Raven Govender, Director of IMC Precision Plastics

"It was an eye-opener. Content shared was relevant and exceeded my expectations. It was also great to meet and communicate with other entrepreneurs."

Lungani Nene, Director of Spot-On Fire Controls

SKILLS DEVELOPMENT PROGRAMME

In 2023, significant progress was made in leadership and operator training across various firms. Team leaders were trained in key areas such as Operations Management, Innovation, Strategy and Change Management, Project Management, and Leadership and People Management. Through the Emerging Leader Development Programme (ELDP), learners applied their skills to real workplace problems, generating over R150,000 in savings and preventing potential firm closures. Collectively, the leadership skills training helped identify an estimated R5 million in annual savings through change management initiatives. Monthly ELDP mentoring sessions also supported several ongoing practical projects. Looking ahead, the 2024 leadership training began in April, with participants from 11 firms.

For operators, training focused on Lean principles, waste reduction, 6S implementation, and team engagement, resulting in notable improvements. In total, operators completed 102 competencies, and practical assignments identified R2 million in annual savings. The TLDP Blitz courses empowered DCC operators at H&R to collectively identify over R5 million in savings. The year also saw strong interest in training programmes, with 58 members attending the 2023 Skills Graduation and 14 firms participating in training, while 10 firms enrolled in the 2024 TLDP programme. The year's initiatives had a significant impact on operational efficiency and cost savings across participating firms.

Skills Development Programme Spotlight

BASF, Lethiwe Zondi

Lethiwe identified a significant issue of inventory waste within her department, particularly concerning consumables like Petri dishes. This excess inventory led to increased costs due to prolonged storage and damage to stored items. To address this, she applied lessons from the TLDP course and implemented a 'pull' system, ensuring that stock levels aligned more closely with the production plan.



20% Reduction

As a result, the department saw a 20% reduction in the number of Petri dishes stored on-site each month



Reduced Cost

This not only freed up valuable space but also reduced costs associated with both storage and damage.



R22 080 Annual Savings

The change led to monthly savings of R1,840, totaling R22,080 annually.



Additional Savings

Lethiwe plans to further track stock damage and anticipates additional savings moving forward.

Skills Development Programme Spotlight

H&R – Moses Hlengwa

Moses tackled the problem of frequent boiler breakdowns, which occurred roughly twice a week, causing significant costs due to the need for external contractors and increased overtime to maintain production. His target was to reduce the breakdowns by 50% to minimise expenses and operational disruptions. The proposed solution was to upskill employees with key boiler maintenance skills, allowing the team to handle routine maintenance internally and reduce reliance on costly contractors.



5% Reduction

Initial results from daily internal maintenance efforts showed early success, with a 5% reduction in breakdowns and a 4% decrease in overtime



Reduced Cost

The one-time cost of the intervention was estimated at R220,000, with potential monthly savings of R100 000, making the long-term upskilling project a cost-effective strategy for improving operational efficiency.

Voice of Our Members

"Communication with regards to waste reduction principles (TIMWOODS) has become a norm in the workplace with it being mentioned almost daily. This has shown leadership qualities in the learners by introducing ways to encourage efficient productivity."

Rushendran Naidoo,
API Solutions International

"Doing the ELDP Circle course taught me to plan my projects better. Rather spend few extra days in the planning phase, achieving confidence in the design, than correcting process snags later during construction which tends to take longer and cost more money"

Lumeshni Pillay,
AlcoNCP

"The course is very important to me as an acting Team Leader – it gives me useful information. I like that it states facts because most of the things that I learnt I know because our team leaders used to discuss with our team in our daily meetings"

Nkanyiso Majoka,
Kansai Plascon



SHARED LEARNING



The DCC's Shared Learning Programme is designed to support and enhance industry-driven events within the chemicals sector, aiming to improve key performance metrics and inspire participants. It fosters a collaborative environment to enrich learning and knowledge sharing through various initiatives. The Manufacturing Meetups offer online webinars for networking and strategy exchange with industry experts, while Hybrid Events combine in-person and online interactions to broaden impact. Factory Tours provide insights into leading manufacturing practices. Participants benefit from learning directly from distinguished leaders and best practice firms, both local and international, recognised for their operational excellence and innovation.

Voice of Our Members

"All manufacturing plants need to prioritise sustainability initiatives and its impressive to see how Equator Belts have made it part of the value system."

Equator Belts Sustainability Journey

Kumaren Naidoo, Safripol

"It was really good and insightful. Learning about systems that have worked well over the years, is a privilege. Managers are coaches. PDCA is good practice for taking an informal system to a formal system". Thank you for presenting an interesting topic that has highlighted some new ways of thinking and approaching people management"

4P Session 1: Purpose

**Leannette Moodley,
Associated additives**

"Excellent insights! The leaders work for the people, and not vice -verse."

**Manufacturing Meetup:
4P Culture framework**

Morgan Murefu, AlconCP

AWARDS

The cluster acknowledges and appreciates the active involvement received from member firms. In recognition of their outstanding dedication and contributions to all cluster initiatives, as well as their unwavering and enduring support for industrial development in KZN, the following members are being honoured with awards for 2023/2024:

NCS

Localisation Award

Awarded for their commitment to developing high-potential enterprises, suppliers and Black industrialists into strategic partners to strengthen the South African chemical value chain

**PULSE CONTROL
SYSTEMS**

Industry Game Changer

Dedication to scaling their business and diversifying their offering in response to customer and industry needs

BASF

Contribution to Industry Development

Awarded for their contribution to sector development through supporting Export Market Studies, Port Regulatory Assessments and executive oversight of the cluster

SHERWIN WILLIAMS

Localisation Award

Awarded for their commitment to developing high-potential enterprises, suppliers and Black industrialists into strategic partners to strengthen the South African chemical value chain

H&R

Outstanding Engagement in Shared Learning

Awarded for participating in the most shared learning sessions, demonstrating a commitment to collaborative growth and knowledge exchange.

KLIA

Industry Game Changer

Dedication to scaling their business and diversifying their offering in response to customer and industry needs

ALCONCP

High Commitment to Skills Development

Awarded for successfully training 12 learners on the DCC cluster skills programmes, as well as hosting training on site

DILEX PURIFICATIONS

Industry Game Changer

Dedication to scaling their business and diversifying their offering in response to customer and industry needs

**ETHEKWINI
MUNICIPALITY**

Funder Appreciation Award

In recognition of exceptional support and financial contribution to the advancement and success of the eThekweni Furniture Cluster.





2023 EXECUTIVE COMMITTEE

Senior executives from member firms and officials from the eThekweni Municipality make up the DCC's Executive Committee. The Executive Committee provides strategic oversight and programmatic direction for the cluster.

RUDI VAN NIEKERK

H & R South Africa
Exco Chair

TREVOR I'ONS

NCS South Africa
Exco Director

THEMBANI MAZIBUKO

Vopak
Exco Nominated Industry
representative (Storage)

ITU RANGAKA

Dilex Purification
Exco Nominated SME
Representative

VERUSHA MALAPERMAL

BASF
Exco Nominated Industry
representative (Storage)

SUNTOSH BALCHUND

API Solutions
Exco Nominated SME Representative

DAVID LOMBARD

Valspar
Exco Nominated Industry
representatives

VIJAY PRAMJEE

Engen Oil
Exco Member

CLAUDE DU PLESSIS

Gold Reef Chemicals
Exco Member

KARISHMA RAMCHARAN

The dtic
Exco Member

CLAUDY STEYN

The dtic
Exco Member

HILTON LAZARUS

IDC
Exco Member

TAKALANI RATHIYAYA

eThekweni Municipality
Funder

RAVESHVA GOVENDER

eThekweni Municipality
Funder

MEGHAN KING

BMA
Chief Facilitator

Governance and Compliance



- Registered as Non-Profit Company.
- Memorandum of Incorporation (MOI) that entrenches Public-Private Partnership (PPP) model transparent governance and clear accountability.
- Clear business plan and accompanying implementation plan.
- Memorandum of Agreement (MOA) governing relationship with primary funder.
- Performance management and reporting systems that are effective and efficient.
- Financial control systems that are effective, efficient and transparent.
- Adequate solvency and liquidity provisions.
- Clean, unqualified annual financial audit.
- Risk management practices that are effective, efficient and transparent.
- Competition Law checklist and related safeguards.
- Procurement systems that are effective, efficient and transparent.
- Service Level Agreement (SLA) governing relationship with facilitation service provider.
- Capacity to comply with funding agreements.
- Compliance with the Companies Act; The Income Tax Act; Consumer Protection Law; the Public Finance Management Act and the Municipal Finance Management Act.
- Broad-Based Black Economic Empowerment (B-BBEE) level 4 contributor and 100% of expenditure can therefore be claimed as Preferential Procurement.



OUR PARTNERS

The DCC expresses gratitude to eThekweni Municipality and all strategic partners for 23/24



Deutsche Industrie- und Handelskammer für das südliche Afrika
Southern African-German Chamber of Commerce and Industry



UNIVERSITY OF
KWAZULU-NATAL
INYUVESI
YAKWAZULU-NATALI

MEMBER LISTING

FIRM	CONTACT
AlcoNCP	031 560 1135
Associated Additives	031 468 1562
BASF Agricultural Specialities	031 769 2003
BASF Coating Services	021 555 9819
BASF Construction Chemicals	031 904 7860
BASF SA	041 401 1000
Buckman Laboratories	031 736 8935
Dow Advanced Materials	031 716 5916
Engen Refinery	031 460 3306
Gold Reef Speciality Chemicals	031 910 7500/2
H&R SA	031 466 8700
Isegen	0319133200
Kansai Plascon	031 451 3200
Lee Chem	031 209 7351
KZN Resins	031 461 3884
NCS	031 713 0600
Ocean Plastics	0313310099
Paperkem	031 713 3200
Safripol	031 450 4145
Sancryl Chemicals	031 902 1422
Sapref	031 480 1911
Scott Bader	031 736 8500
Sika Chemicals	031 792 6500
Steritech	031 702 7656
Sun Chemical	031 913 3000
The Flint Group	031 700 4222
Valspar (Sherwin-Williams)	031 459 8400
Vopak Chemicals	031 466 9200
Engen Petroleum Limited	021 403 4312
FFS Refiners	031 459 5300



FIRM
Amatshesizwe Projects
API Solutions International
Dilex Purification
Glons Group
KCM Environmental Services
KLIA Business and Technology Solutions
Quality Inspection & Engineering Services
Gotec Investment CC
Silokotho Training primary Cooperative
AEIM Chemicals
Cleanfest
Getshi Trading
Isihlonti Oil & Fuel Distributors Pty Ltd
Kangolized Couriers
kapoko trading Enterprise 28cc
Manline Energy (Pty) Ltd
Misugeda Group
Mzungezwa Holdings pty ltd
New Frontier Chemicals
Njoms Solutions
Omari Chemicals
Techno Energy Petroleum
Thembane Chemicals
Thola ukuthi trading and projects
Thulubheke Investments
Ugodo Heath and Safety Consultants Inc
Protea Chemicals
Aerosol Canners
Chemay
Chemsol Adhesives
Drizit
Elba Chemicals
Illovo Sugar Group
Isibani Legacy Technologies
Isivuno Soya Mince
Melton Adhesives
MHI Risk Engineers
Mondi Limited
Powafix
Rheochem
Sankahla Agricultural Co-operative limited
Sanqaba Trading
SI Group
Purichem
Qubuka Trading Enterprise
RN Liquids
Rocky brands & Marketing
Saretec
Sebotech
Thulasizwe Global Projects
Titirheleni Mhluri Holdings
Tiure Skin

FIRM
Syaqhuba Biotech Environmental Solutions
Thebe Unico
Veolia Water Technologies
Witon Chemicals
Albert Park Pharmacy
AD Coatings
African Memories
AfriEco
AziB Technologies
Bantek Engineering
BAP SA
Convolution Engineering
Chemweb Chemicals
Chwama Industrial and Household Chemicals
D Chem
Dlamini Chemicals
Emakheni Cleaning and Industrial Services
Eunicia Trading
Freshmo Brands Pty Ltd
Foi Science
Gamamboh Engineering
Gotec
HiTech Industrial Services
Innosa Projects
Insulated Truck Bodies
Investeach Lerakat
Isijumbana Project Primary Co Operative
Kuhlekonke Enterprise
Klenz Chemicals
Ku Green Hands
LignOrganic
Makhi Holdings
Mamoa Skincare
Mankesa Electrical and construction
National Adhesives
Natural Route Agri-Tech Solutions
Nhlobozonke
Opti-Process
Olumiyo construction and Suppliers
Oplene Group
Pixie Pro Paint
Phumla Horizons
Phosela Trading
Sebotech
Siyandile Cleaning
Shangase Brands
Silokotho Trading Primary Cooperative
Sne Natural Skincare
Ubuhlebozalo
Transoil Woman
Tshiwo Cleaning Products

CONTACT US



About the Durban Chemicals Cluster (DCC)

Established over a decade ago, the Durban Chemicals Cluster is the primary driver of investment, growth, competitiveness and transformation in the KwaZulu-Natal chemicals manufacturing industry.

A representative group of over 100 chemicals manufacturers are supported through the programmes and projects of the Durban Chemicals Cluster.

Driven by a team of leading chemicals manufacturers, and supported by eThekweni Municipality, the cluster creates space for the industry to share knowledge, develop critical skills, enable local sourcing and unlock catalytic industrial development projects to support industry-wide growth and expansion.

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DURBAN CHEMICALS MANUFACTURING CLUSTER NPC
(Registration number 2008/025461/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Clustering programme for chemical manufacturers in Kwa-Zulu Natal
Directors	Rudolf Jacob Francois Van Niekerk Trevor Andrew l'Ons Verusha Arjoon Malapermal
Registered office	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Business address	Block B Bellevue Campus 5 Bellevue Road Kloof 3610
Auditors	Forvis Mazars Registered Auditor
Company registration number	2008/025461/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: MJ Cassan Chartered Accountant (SA)
Issued	17 October 2024

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Index

The reports and statements set out below comprise the annual financial statements presented to the board of directors:

	Page
Directors' Responsibilities and Approval	3
Practitioner's Compilation Report	4
Independent Auditor's Report	5 - 7
Directors' Report	8 - 9
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 15
Notes to the Annual Financial Statements	16 - 19
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	20

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs® Accounting Standard. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5 to 7.

The annual financial statements set out on pages 8 to 19, which have been prepared on the going concern basis, were approved by the board of directors on 17 October 2024 and were signed on its behalf by:



Rudolf Jacob Francois Van Niekerk



Trevor Andrew l'Ons

Forvis Mazars, Ridgeside Office Park
21 Richefond Circle, Umhlanga Ridge
Durban, 4319

Tel: +27 31 818 9000
Email: office.za.dur@forvismazars.com
forvismazars.com/za



Practitioner's Compilation Report

To the Directors of Durban Chemicals Manufacturing Cluster NPC

We have compiled the accompanying annual financial statements of Durban Chemicals Manufacturing Cluster NPC based on information you have provided. These financial statements comprise the statement of financial position of Durban Chemicals Manufacturing Cluster NPC based as at 30 June 2024, the statement of comprehensive income, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these annual financial statements in conformity with the basis of accounting as set out in conformity with the IFRS for SMEs Accounting Standard. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence, and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these annual financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these annual financial statements are prepared in conformity with the IFRS for SMEs Accounting Standard.

A handwritten signature in black ink that reads "Forvis Mazars".

Forvis Mazars
MJ Cassan
17 October 2024
Durban

Independent Auditor's Report

To the Directors of Durban Chemicals Manufacturing Cluster NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Durban Chemicals Manufacturing Cluster NPC set out on pages 10 to 19, which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Durban Chemicals Manufacturing Cluster NPC as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Continued-/

Material Uncertainty Related to Going Concern



We draw attention to note 13 of the financial statements which indicates that the company has incurred a total comprehensive loss of R292,425 for the year ended 30 June 2024 and, as of that date, the company's current liabilities exceed its current assets by R255,905. As stated in note 13, these events or conditions, indicate that a material uncertainty exists which may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Durban Chemicals Manufacturing Cluster NPC Annual Financial Statements for the year ended 30 June 2024", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on page 19, which we obtained prior to the date of the report. The other information does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Continued-/

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

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

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

Forvis Mazars

Forvis Mazars
Partner: S Doolabh
Registered Auditor
17 October 2024
Durban

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Durban Chemicals Manufacturing Cluster NPC for the year ended 30 June 2024.

1. Nature of business

Durban Chemicals Manufacturing Cluster NPC was incorporated in South Africa. The company is engaged in the provision of cluster-based development and support to the chemical industry. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

3. Directors

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

Changes

Rudolf Jacob Francois Van Niekerk

Trevor Andrew l'Ons

Maurice Daniel Souchon

Resigned 25 July 2024

Verusha Arjoon Malapermal

Appointed 25 July 2024

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

We draw attention to the fact that the company has incurred a total comprehensive loss of R 292,424 for the year ended 30 June 2024 and, as of that date, the company's current liabilities exceeds its current assets by R 255,903. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and, therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to apply for additional funding for the ongoing operations of the company.

The directors have reviewed the company's cash flow forecast for the 2025 financial year and in light of this review, they are satisfied that the company has access to adequate financial resources to continue in operational existence for the foreseeable future. The company has funding secured from eThekweni Municipality for the period ending 30 June 2026. Subsequent to the year end, the eThekweni Municipality made a tranche payment to the company. Furthermore, income from members in the form of membership fees is received annually. Accordingly, the annual financial statements have been prepared on a going concern basis.

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

Forvis Mazars will continue in office as auditors for the company for the 2025 financial year.

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Statement of Financial Position as at 30 June 2024

Figures in Rand	Notes	2024	2023
Assets			
Current Assets			
Trade and other receivables	3	281,473	1,189,358
Prepayments	2	91,270	104,314
Cash and cash equivalents	4	200,562	483,624
		<u>573,305</u>	<u>1,777,296</u>
Total Assets		<u>573,305</u>	<u>1,777,296</u>
Equity and Liabilities			
Equity			
Accumulated (deficit) / surplus		<u>(255,905)</u>	<u>36,520</u>
Liabilities			
Current Liabilities			
Trade and other payables	5	<u>829,210</u>	<u>1,740,776</u>
Total Equity and Liabilities		<u>573,305</u>	<u>1,777,296</u>

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Statement of Comprehensive Income

Figures in Rand	Notes	2024	2023
Revenue	6	6,267,144	8,289,844
Operating expenses		(6,577,767)	(8,302,585)
Operating deficit	7	(310,623)	(12,741)
Investment revenue	8	18,198	13,081
(Deficit)/Surplus for the year		(292,425)	340

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Statement of Changes in Equity

Figures in Rand	Accumulated (deficit) / surplus	Total equity
Balance at 01 July 2022	36,180	36,180
Surplus for the year	340	340
Balance at 01 July 2023	36,520	36,520
Deficit for the year	(292,425)	(292,425)
Balance at 30 June 2024	(255,905)	(255,905)

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
Cash (used in) / generated from operations	10	(301,260)	227,663
Interest income		16,006	-
Net cash from operating activities		(285,254)	227,663
Cash flows from investing activities			
Interest Income		2,192	13,081
Total cash movement for the year		(283,062)	240,744
Cash and cash equivalents at the beginning of the year		483,624	242,880
Total cash at end of the year	4	200,562	483,624

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the IFRS for SMEs Accounting Standard, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

1.2 Financial instruments

Initial recognition

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments. The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are measured initially at fair value, including transaction costs for those that are not at fair value through surplus or deficit. Transaction costs on financial instruments at fair value through surplus or deficit are recognised immediately in surplus or deficit.

Subsequent Measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses from changes in fair value being included in surplus or deficit for the period. Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risk and rewards of ownership. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Impairment of financial instruments

At the end of each reporting period, the entity assesses whether there is objective evidence of impairment of financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the entity recognises an impairment loss in surplus or deficit immediately.

1.2 Financial instruments (continued)

Effective interest rate

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of a debt instrument to the net carrying amount on initial recognition.

Trade and other receivables

Trade and other receivables are classified as receivables.

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in surplus or deficit within operating expenses. When the trade receivables is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other payables

Trade and other payables are classified as financial liabilities at amortised cost.

Trade and other payables are initially measured at fair value, less any transaction costs and subsequently measured at amortised cost using effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value. These are classified as receivables.

1.3 Revenue

Revenue is measured at the fair value of membership fees received or receivable excluding value added tax.

Government funding is recognised when received by reference to the amount specified in the agreement undertaking in respect of funding entered into between the government and the cluster.

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

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
2. Prepayments		
Prepayment	91,270	104,314
3. Trade and other receivables		
Trade receivables	176,208	697,215
Value added taxes	43,765	85,370
Accrued income	61,500	406,773
	281,473	1,189,358
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Investec Current Account	167,771	453,025
Investec Investment Account	16,495	15,214
Investec Cash Management Account	16,296	15,385
	200,562	483,624
5. Trade and other payables		
Trade payables	829,210	1,740,776
6. Revenue		
CHIETA Funding	511,260	562,963
Membership Fees	1,027,499	985,668
Other Project Income	1,750,000	4,202,458
eThekwin Municipality	2,978,385	2,538,755
	6,267,144	8,289,844
7. Operating deficit		
Operating deficit include the following expenses:		
Competitiveness	348,933	887,425
Employee productivity	553,980	1,594,892
Investment confidence	3,974,516	4,259,295
Management and administration	887,866	343,930
Sector Strategy	605,306	284,413
Supplier development	-	900,141
Talent pipeline	173,660	-
	6,544,261	8,270,096
8. Investment revenue		
Interest revenue		
Bank	18,198	13,081

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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9. Taxation

Non provision of tax

No provision has been made for 2024 tax as the company is exempt from South African normal tax in terms of Section 10(1)(d)(iv)(bb) of the Income Tax Act.

10. Cash (used in) / generated from operations

Net (deficit) / surplus before taxation	(292,425)	340
Interest income	(18,198)	(13,081)
Changes in working capital:		
Trade and other receivables	907,885	(1,044,155)
Prepayments	13,044	449,348
Trade and other payables	(911,566)	835,211
	(301,260)	227,663

11. Related parties

Relationships

Entity under common management B and M Analysts Proprietary Limited

Related party balances and transactions with other related parties

Related party balances

Amounts included in trade payables owing to related parties

B and M Analysts Proprietary Limited 829,208 1,740,774

Trade payables are paid within 30 days.

Related party transactions

Amounts paid to related parties

B and M Analysts Proprietary Limited 6,544,261 7,369,955

12. Directors' and prescribed officer's remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

13. Going concern

We draw attention to the fact that the company has incurred a total comprehensive loss of R 292,424 for the year ended 30 June 2024 and, as of that date, the company's current liabilities exceeds its current assets by R 255,903. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and, therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to apply for additional funding for the ongoing operations of the company.

The directors have reviewed the company's cash flow forecast for the 2025 financial year and in light of this review, they are satisfied that the company has access to adequate financial resources to continue in operational existence for the foreseeable future. The company has funding secured from eThekweni Municipality for the period ending 30 June 2026. Subsequent to the year end, the eThekweni Municipality made a tranche payment to the company. Furthermore, income from members in the form of membership fees is received annually. Accordingly, the annual financial statements have been prepared on a going concern basis.

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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13. Going concern (continued)

The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company

14. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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15. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2024

	Financial assets at amortised cost	Total
Trade and other receivables	176,208	176,208
Cash and cash equivalents	200,562	200,562
	376,770	376,770

2023

	Financial assets at amortised cost	Total
Trade and other receivables	697,215	697,215
Cash and cash equivalents	483,624	483,624
	1,180,839	1,180,839

16. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2024

	Financial liabilities at amortised cost	Total
Trade and other payables	829,210	829,210

2023

	Financial liabilities at amortised cost	Total
Trade and other payables	1,740,776	1,740,776

Durban Chemicals Manufacturing Cluster NPC
(Registration number: 2008/025461/08)
Annual Financial Statements for the year ended 30 June 2024
Detailed Income Statement

Figures in Rand	2024	2023
Revenue		
CHIETA Funding	511,260	562,963
Membership Fees	1,027,499	985,668
Other Project Income	1,750,000	4,202,458
eThekweni Municipality	2,978,385	2,538,755
	6,267,144	8,289,844
Operating expenses		
Accounting fees	-	(1,200)
Auditors remuneration	31,370	27,983
Bad debts	-	3,648
Bank charges	2,136	2,057
Competitiveness	348,933	887,425
Employee productivity	553,980	1,594,892
Investment confidence	3,974,516	4,259,295
Management and administration	887,866	343,930
Sector Strategy	605,306	284,414
Supplier development	-	900,141
Talent pipeline	173,660	-
	6,577,767	8,302,585
Operating deficit	(310,623)	(12,741)
Investment income	18,198	13,081
(Deficit)/Surplus for the year	(292,425)	340