

DURBAN POINT WATERFRONT MANAGEMENT ASSOCIATION NPC

Registration Number: 1998/001781/08

Financial Statements

for the year ended 31 December 2025

Durban Point Waterfront Management Association NPC
Registration number: 1998/001781/08
Financial Statements for the year ended 31 December 2025

General Information:

Country of incorporation and domicile	South Africa
Nature of business and principal activities	It is a management association whose main business is to look after the interests of the property owners within the Durban Point Waterfront Precinct and to ensure that the common public areas are adequately maintained.
Directors	Mr Bevarah Soban Baabu Gangaraju Mr Poovanesan Neville Pillay Mr Vinesh Rajkumar Ramdass (resigned on 18 September 2025) Mr Dustin Jack Hayman Mr Mahomed Riaz Moosa (appointed on 26 June 2025)
Registered office	15 Timeball Boulevard Rocpoint House Durban KwaZulu-Natal 4001
Business address	15 Timeball Boulevard Rocpoint House Durban KwaZulu-Natal 4001
Postal address	P O Box 38073 Point 4069
Bankers	First National Bank
Auditor	Moore Durban Chartered Accountants (SA) Registered Auditor
Secretary	Ngubane & Co.
Managing Agent	Tsebo Smart Proprietary Limited
Company registration number	1998/001781/08
Level of assurance	These financial statements have been audited in compliance with the requirements of the Companies Act No. 71 of 2008.
Preparer	The financial statements were internally compiled under the supervision of: Aneesa Mitha (Financial Controller)
Issued	25 June 2026

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Directors' Responsibilities and Approval

The directors acknowledge that they are required by the Companies Act No. 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the IFRS for SMEs[®] Accounting Standard as issued by the International Accounting Standards Board. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

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

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

The financial statements and supplementary information set out on pages 7 to 21, which have been prepared on the going concern basis, were approved by the board on 25 June 2026 and signed on its behalf by:

Mr Poovanesan Neville Pillay

Mr Bevarah Soban Baabu Gangaraju

Independent Auditor's Report

To the members of Durban Point Waterfront Management Association NPC

Opinion

We have audited the financial statements of Durban Point Waterfront Management Association NPC set out on pages 8 to 20, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Durban Point Waterfront Management Association NPC as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008.

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.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 20 to the financial statements which indicates that at 31 December 2025, the company incurred operating deficits amounting to R 2,025,551 (2024: R 5,699,443). These conditions indicate the existence of factors that may cast doubt on the company's ability to continue as a going concern. Management has prepared the financial statements on the going concern basis and has undertaken an assessment of the company's ability to continue operating for the foreseeable future. Based on the evidence obtained and the information available to us at the date of our report, we are satisfied that the use of the going concern basis of accounting remains appropriate.

Other information

The directors are responsible for the other information. The other information comprises the directors' report as required by the Companies Act No. 71 of 2008 and detailed statement of surplus or deficit, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act No. 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

Moore Durban
Chartered Accountants (SA)
Registered Auditor

Per: Sachin Akash Rampersad CA(SA), RA
Senior Audit Manager

25 June 2026
Durban

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Directors' Report

The directors submit their report on the financial statements of Durban Point Waterfront Management Association NPC for the year ended 31 December 2025.

1. Nature of business

It is a management association whose main business is to look after the interests of the property owners within the Durban Point Waterfront Precinct and to ensure that the common public areas are adequately maintained.

2. Review of financial results and activities

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

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

3. Directors

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

Mr Bevarah Soban Baabu Gangaraju
Mr Poovanesan Neville Pillay
Mr Vinesh Rajkumar Ramdass (resigned on 18 September 2025)
Mr Dustin Jack Hayman
Mr Mahomed Riaz Moosa (appointed on 26 June 2025)

4. Events after the reporting period

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

5. Going concern

The entity incurred a loss for the year ended 31 December 2025 of R2 025 551 (2024: R5 699 443) and continues to experience recurring operating losses and negative cash flows from operating activities. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern.

In assessing the appropriateness of the going concern basis, management has considered the entity's ability to continue operations for the foreseeable future. The entity continues to receive grant income and is implementing strict cost containment measures. In addition, management has initiated legal proceedings to recover significant outstanding debtor balances. Management has also prepared detailed budgets and cash flow forecasts for the next financial year, which indicate a reduction in operating losses.

Based on these assessments, the directors are satisfied that the company will have access to adequate financial resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

The directors have further considered whether there are any other material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern and have concluded that, while the conditions noted above exist, appropriate mitigating actions are in place. The directors are not aware of any material non-compliance with statutory or regulatory requirements, nor of any pending changes in legislation that would materially impact the entity's ability to continue as a going concern.

6. Legal matters

The directors are aware of the ongoing legal matter for the recovery of levies from four of the levy payers. The four mentioned legal matters have been raised as a provision as described in notes 3 and 18 to the financial statements.

7. Auditor

Moore Durban was reappointed as auditor for the 2025 financial period (2024: Moore Durban).

8. Managing Agent

The managing agent of the association is Tsebo Smart Proprietary Limited, with its postal and business addresses as follows:

Postal address

P O Box 3486
Randburg
2125

Business address

Tsebo Office Park Block C
Chislehurst
Sandton
2196

9. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 25 June 2026. No authority was given to anyone to amend the financial statements after the date of issue.

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Statement of Financial Position

Figures in Rand	Note	2025	2024
Assets			
Non-current assets		449 132	607 908
Plant and equipment	2	449 132	607 908
Current assets		5 943 596	8 121 625
Trade and other receivables	3	2 263 391	1 851 679
Cash and cash equivalents	4	3 680 205	6 269 946
Total assets		6 392 728	8 729 533
Funds and Liabilities			
Funds		3 686 200	5 711 750
Accumulated surplus		3 686 200	5 711 750
Liabilities		2 706 528	3 017 783
Current liabilities		2 706 528	3 017 783
Trade and other payables	5	2 657 816	2 667 707
Current tax payable		48 712	350 076
Total funds and liabilities		6 392 728	8 729 533

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Statement of Comprehensive Income

Figures in Rand	Note	2025	2024
Revenue	6	17 845 537	14 441 179
Other income	7	672 904	467 253
Operating expense		(22 145 296)	(22 010 227)
Operating deficit	8	(3 626 856)	(7 101 795)
Interest income	9	1 662 000	1 764 412
Deficit before income tax		(1 964 856)	(5 337 383)
Income tax	10	(60 695)	(362 060)
Total comprehensive deficit for the year		(2 025 551)	(5 699 443)

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Statement of Changes in Funds

Figures in Rand	Accumulated surplus	Total funds
Balance as at 01 January 2024	11 411 193	11 411 193
Total comprehensive deficit for the year	(5 699 443)	(5 699 443)
Balance as at 01 January 2025	5 711 750	5 711 750
Total comprehensive deficit for the year	(2 025 551)	(2 025 551)
Balance as at 31 December 2025	3 686 200	3 686 200

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Statement of Cash Flows

Figures in Rand	Note	2025	2024
Cash flows from operating activities			
Cash receipts from members and grants		14 913 370	12 079 605
Cash paid to suppliers		(12 358 266)	(18 664 983)
Cash used in operations	12	<u>(2 555 104)</u>	<u>(6 585 378)</u>
Interest received		350 199	1 764 412
Income tax paid		<u>(362 061)</u>	<u>(335 552)</u>
Net cash flows used in operating activities		<u>(2 566 966)</u>	<u>(5 156 518)</u>
Cash flows from investing activities			
Acquisition of plant and equipment	2	<u>(22 776)</u>	<u>(316 999)</u>
Net cash flows used in investing activities		<u>(22 776)</u>	<u>(316 999)</u>
Total cash movement for the year		(2 589 742)	(5 473 517)
Cash at beginning of year		6 269 946	11 743 463
Cash at end of year	4	<u>3 680 205</u>	<u>6 269 946</u>

Accounting Policies

General information

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

Nature of business

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

Registered office:

15 Timeball Boulevard
Rocpoint House
Durban
KwaZulu-Natal
4001

1. Basis of preparation and summary of significant accounting policies

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

1.1 Significant judgements and sources of estimation uncertainty

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

Key sources of estimation uncertainty

Impairment testing:

The company reviews and tests the carrying value of property, plant and equipment when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value considerations. These calculations require the use of estimates and assumptions.

Provisions:

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of provision for doubtful debts have been made under note 3 and 18.

1.2 Plant and equipment

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

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

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

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

Accounting Policies

1.2 Plant and equipment (continued)

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

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

1.3 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

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

1.4 Income tax

Current tax assets and liabilities

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

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

Income tax expense

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

1.5 Lease agreements

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease rentals in respect of operating leases are charged against profit in a systemic manner to ensure matching of revenue and cost.

1.6 Impairment of assets

The carrying value of the assets is reviewed at each reporting date to assess whether there is any indication of impairment.

If any such indication exists, the recoverable amount of the asset is estimated. Where the carrying value exceeds the estimated recoverable amount, such assets are written down to their estimated recoverable amount and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

1.7 Equity

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

Accounting Policies

1.8 Provisions and contingencies

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

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

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

1.9 Revenue

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

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

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

Government grants are recognised as other income in surplus or deficit over the periods in which expenses are recognised.

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

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

1.11 Interest income

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

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Notes to the Financial Statements

Figures in Rand	2025	2024
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2. Plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Boat	129 244	(93 619)	35 625	129 244	(82 364)	46 880
Furniture and fixtures	34 168	(34 168)	-	34 168	(34 168)	-
IT equipment	117 106	(112 199)	4 907	117 106	(91 425)	25 681
Office equipment	38 798	(29 582)	9 216	38 798	(28 636)	10 162
Plant and machinery	1 356 759	(957 375)	399 384	1 333 983	(808 798)	525 185
Total	1 676 075	(1 226 943)	449 132	1 653 299	(1 045 391)	607 908

Reconciliation of plant and equipment - 2025

	Opening balance	Additions at cost	Depreciation	Total
Boat	46 880	-	(11 255)	35 625
IT equipment	25 681	-	(20 774)	4 907
Office equipment	10 162	-	(946)	9 216
Plant and machinery	525 185	22 776	(148 577)	399 384
	607 908	22 776	(181 552)	449 132

Reconciliation of plant and equipment - 2024

	Opening balance	Additions at cost	Depreciation	Total
Boat	59 542	-	(12 662)	46 880
IT equipment	43 711	8 400	(26 430)	25 681
Office equipment	10 452	3 477	(3 767)	10 162
Plant and machinery	423 940	305 122	(203 877)	525 185
	537 645	316 999	(246 736)	607 908

3. Trade and other receivables

Trade receivables	13 217 265	9 953 223
Less: Provision for doubtful debts (Refer to note 18)	(11 597 959)	(8 404 601)
Creditors with debit balances	237 763	119 665
Deposits	183 392	183 392
Sundry debtors	222 931	-
	2 263 391	1 851 679

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	455 393	652 835
Short-term deposits	3 224 812	5 617 111
	3 680 205	6 269 946

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Notes to the Financial Statements

Figures in Rand	2025	2024
5. Trade and other payables		
Trade payables	1 695 509	1 735 473
Debtors with credit balances	602 207	415 740
Accruals	102 584	170 600
Deposits received	126 500	313 500
Value-Added Tax	131 016	32 394
	<u>2 657 816</u>	<u>2 667 707</u>
6. Revenue		
Levies received from property owners	14 372 493	11 097 429
Levies received from primary development - DPDC	800 000	800 000
Grant income	2 673 044	2 543 750
	<u>17 845 537</u>	<u>14 441 179</u>
7. Other income		
Operating costs recovery	305 485	284 309
Sundry income	367 419	182 944
	<u>672 904</u>	<u>467 253</u>
8. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Operating lease charges		
Rent	<u>491 545</u>	<u>450 564</u>
9. Interest income		
Interest income on call account	329 132	722 326
Interest income on members accounts	1 332 868	1 042 086
	<u>1 662 000</u>	<u>1 764 412</u>

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Figures in Rand	2025	2024
10. Income tax		
Major components of the income tax expense		
Current taxation		
South African normal tax - current year	48 711	362 060
South African normal tax - prior year under-provision	11 984	-
	<u>60 695</u>	<u>362 060</u>
Reconciliation of the income tax expense		
Reconciliation between accounting deficit and income tax		
Deficit before income tax	<u>(1 964 856)</u>	<u>(5 337 383)</u>
Income tax at the applicable tax rate of 27% (2024: 27%)	(530 511)	(1 441 093)
Income tax effect of adjustments on taxable income		
Non-taxable levy income	(4 096 573)	(3 212 306)
Non-taxable income	(721 722)	(1 212 599)
Non-deductible expenditure	5 411 017	6 241 558
Prior period under-provision	11 984	-
Section 10(1)(e) exemption	<u>(13 500)</u>	<u>(13 500)</u>
	<u>60 695</u>	<u>362 060</u>
No provision has been made for income tax on levies as the association is exempt from income tax on members' contributions in terms of Section 10(1)(e) of the Income Act No. 58 of 1962, as amended. Income tax is provided on income from other sources to the extent that the income exceeds R50 000.		
11. Auditor's remuneration		
Audit fees	87 500	81 000
12. Cash used in operations		
Deficit before income tax	(1 964 856)	(5 337 383)
Adjustments for:		
Depreciation	181 552	246 736
Interest income	(1 662 000)	(1 764 412)
Changes in working capital:		
Trade and other receivables	900 089	(43 392)
Trade and other payables	(9 889)	313 073
	<u>(2 555 104)</u>	<u>(6 585 378)</u>
13. Commitments and contingent liabilities		
At year end, the Association had no capital commitments or contingent liabilities. Refer to note 14 for disclosure of the operating lease balance.		

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Notes to the Financial Statements

Figures in Rand	2025	2024
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14. Operating lease commitments

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. The Association has two operating lease agreements at year end. The details of the agreements are summarised below:

Agreement 1:

Office space was leased from Durban Point Development Company Proprietary Limited (DPDC) at monthly rental of R 20 129 (2024: R 18 638) payable in advance. The rental shall be escalated by the rate of the Consumer Price Index. The lease period in terms of the agreement is from 01 January 2026 to 31 December 2026. The lease is renewed annually.

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

Less than one year	241 548	207 084
One to five years	-	223 651
More than five years	-	-
Total undiscounted lease liabilities as at 31 December	241 548	430 735

Agreement 2:

Office space for the Control Room was leased from Durban Point Development Company Proprietary Limited (DPDC) at monthly rental of R 26 354 (2024: R 21 780) payable in advance. The rental shall be escalated by the rate of the Consumer Price Index. The lease period in terms of the agreement is from 01 October 2025 to 30 September 2026. The lease is renewed annually.

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

Less than one year	237 186	178 200
One to five years	-	196 020
More than five years	-	-
Total undiscounted lease liabilities as at 31 December	237 186	374 220

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Notes to the Financial Statements

Figures in Rand	2025	2024
15. Related parties		
Relationships		
Related party relationships exist between Durban Point Waterfront Management Association and the following companies during the year:		
Entity	Nature of relationship	
Durban Point Development Company Proprietary Limited (DPDC)	Property Developer - owner of the land in the Point Precinct presently being developed.	
eThekwini Municipality	Contributor of the Grant-In-Aid	
Durban Infrastructural Development Trust	50% shareholding in DPDC	
Point Precinct Trust	Owner of certain parcels of land, deemed public zones, that is managed contractually by DPWMA	
Rocpoint Proprietary Limited	50% shareholding in DPDC	
Point Bay Body Corporate	Dustin Jack Hayman is a director of DPWMA and also a trustee on the Body Corporate	
The Sails Body Corporate	Vinesh Ramdass is a director of DPWMA and also a trustee on the Body Corporate (resigned on 18 September 2025)	
Tsebo Smart	Mr Neels de Bruin (Operations Manager at DPWMA) who is a member of key management personnel at Durban Point Waterfront Management Association is also the relations manager of Tsebo Smart, who provides facilities management services to Durban Point Waterfront Management Association NPC.	
Related party balances		
Amounts included in trade receivables		
Durban Point Development Company Proprietary Limited	220 029	5 114
eThekwini Municipality	1 553 550	1 607 478
Tsebo Smart Proprietary Limited	12 442	12 173
Amounts included in trade payables		
Durban Point Development Company Proprietary Limited	-	(20 381)
eThekwini Municipality	(50 086)	(15 857)
Point Bay Body Corporate	(102 685)	-
Tsebo Smart Proprietary Limited	(1 513 595)	(1 646 067)
The Sails Body Corporate	(156 172)	(123 456)
Related party transactions		
Levy income		
Durban Point Development Company Proprietary Limited	800 000	800 000
The Sails Body Corporate	1 879 509	1 069 285
Point Bay Body Corporate	910 556	703 068
Expenses		
Tsebo Smart Proprietary Limited	(18 420 234)	(18 786 768)
Recoveries		
Durban Point Development Company Proprietary Limited	305 485	284 309
City contributions		
eThekwini Municipality	2 673 044	2 543 750

Notes to the Financial Statements

Figures in Rand	2025	2024
16. Government contribution		
The City is required to pay a contribution to DPWMA in relation to maintenance services provided by DPWMA on behalf of the City. The non-refundable contribution covers services such as road infrastructure maintenance, cleaning, landscaping etc.		
Grant received	2 673 044	2 543 750
17. Levy shortfall		
Total income for the year	20 180 441	16 672 844
Less: Interest income	(1 662 000)	(1 764 412)
Less: Grant income from eThekweni Municipality	(2 673 044)	(2 543 750)
Less: Total expenses	<u>(22 145 296)</u>	<u>(22 010 227)</u>
	<u>(6 299 900)</u>	<u>(9 645 545)</u>
18. Provision for doubtful debts		
Levy payers	<u>11 597 959</u>	<u>8 404 601</u>
	<u>11 597 959</u>	<u>8 404 601</u>

A provision for doubtful debts was raised for four levy payers who were in arrears to the value of R 11 597 959 (2024: R 8 404 601). The accounts have been handed over to legal for collection. Interest has been levied in accordance with company policy.

19. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2024: R nil).

20. Going concern

The entity incurred a loss for the year ended 31 December 2025 of R2 025 551 (2024: R5 699 443) and continues to experience recurring operating losses and negative cash flows from operating activities. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the entity's ability to continue as a going concern.

In assessing the appropriateness of the going concern basis, management has considered the entity's ability to continue operations for the foreseeable future. The entity continues to receive grant income and is implementing strict cost containment measures. In addition, management has initiated legal proceedings to recover significant outstanding debtor balances. Management has also prepared detailed budgets and cash flow forecasts for the next financial year, which indicate a reduction in operating losses.

Based on these assessments, the directors are satisfied that the company will have access to adequate financial resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

The directors have further considered whether there are any other material uncertainties that may cast significant doubt on the entity's ability to continue as a going concern and have concluded that, while the conditions noted above exist, appropriate mitigating actions are in place. The directors are not aware of any material non-compliance with statutory or regulatory requirements, nor of any pending changes in legislation that would materially impact the entity's ability to continue as a going concern.

21. Events after the reporting period

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

22. Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 25 June 2026. No authority was given to anyone to amend the financial statements after the date of issue.

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Detailed Statement of Surplus or Deficit

Figures in Rand	2025	2024
Revenue	17 845 537	14 441 179
Levy income	15 172 493	11 897 429
Grant income	2 673 044	2 543 750
Other income	2 334 904	2 231 665
Interest income	1 662 000	1 764 412
Operating costs recovery	305 485	284 309
Sundry income	367 419	182 944
	20 180 441	16 672 844
Operating expenses		
Auditor's remuneration	87 500	81 000
Bank charges	3 364	3 186
Cleaning	1 074 486	955 367
Computer expenses	9 307	115 265
Consulting fees	7 800	8 838
Depreciation	181 552	246 736
Doubtful debts provision	3 193 358	2 687 325
Interest and penalties	-	28
Insurance	163 559	152 530
Landscaping expenses	1 194 771	1 410 192
Legal expenses	3 531	8 095
Management fees	4 694 093	4 412 201
Operating costs for recovery	305 485	284 309
Printing and stationery	17 862	21 841
Rent	491 545	450 564
Repairs and maintenance	2 069 206	2 264 085
Secretarial fees	6 413	4 063
Security	7 344 697	7 615 184
Staff welfare	16 863	12 126
Telephone and fax	35 215	37 831
Water and electricity	1 244 689	1 239 461
	22 145 296	22 010 227
Deficit before income tax	(1 964 856)	(5 337 383)