

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED
ANNUAL REPORT
2025

These financial statements were internally prepared by Vee de Freitas.
These financial statements have been audited in compliance with the applicable requirements of the Companies
Act 71 of 2008.
Published 31 March 2026.

The
PENINSULA
SHARE BLOCK (PROPRIETARY) LIMITED
ANNUAL REPORT
2025

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ANNUAL
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2025

The

PENINSULA

SHARE BLOCK (PROPRIETARY) LIMITED

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

DIRECTORS

A M Schlesinger · R W Dickson · H A F Patrick · R N Dickson

NATURE OF BUSINESS

Property timesharing scheme, known as “The Peninsula”

BUSINESS ADDRESS

313 Beach Road, Sea Point 8005

POSTAL ADDRESS

P O Box 50453, Waterfront, 8002

BANKERS

Standard Bank of South Africa Limited

AUDITORS

BDO Cape Inc.

COMPANY REGISTRATION NUMBER

1938/011635/07

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The annual financial statements were approved by the directors on 31 March 2026 and signed on their behalf by:



DIRECTOR
(H A F Patrick)



DIRECTOR
(R W Dickson)

Independent Auditor's Report

To the shareholders of
The Peninsula Share Block Proprietary Limited

Opinion

We have audited the financial statements of The Peninsula Share Block Proprietary Limited (the company) set out on pages 16 to 27, which comprise the statement of financial position as at 31 December 2025, 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 material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Peninsula Share Block Proprietary Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Peninsula Share Block Proprietary Limited Annual Financial Statements for the year ended 31 December 2025", which includes the Directors' Report as required by the Companies Act of South Africa. 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 Accounting Standards 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.

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.

BDO South Africa Inc.

BDO South Africa Inc. (Apr 17, 2026 11:05:50 GMT+2)

BDO South Africa Incorporated
Registered Auditors

Bradley Jackson
Director
Registered Auditor

Date: 17 April 2026

119-123 Hertzog Boulevard
Foreshore
Cape Town, 8001

The members, **THE PENINSULA SHARE BLOCK (PROPRIETARY) LIMITED**

The directors have pleasure in presenting their report for the year ended 31 December 2025.

NATURE OF BUSINESS

The company operates a timesharing scheme in respect of the property it owns known as "The Peninsula". The ownership of a share block in the company is linked to occupation rights granted in terms of use agreements with share block holders.

REVIEW OF ACTIVITIES

The results of the company and the state of its affairs are set out in the attached financial statements.

MANAGEMENT

The policy of the company is determined by the board of directors, subject to the decisions of the company in general meetings.

In terms of a written contract, the management of the company's timesharing scheme and the related hotel operation is conducted by Peninsula Management (Proprietary) Limited a wholly owned subsidiary of Dream Hotels and Resorts (Proprietary) Ltd, part of the Leisure Options Group.

In terms of a written subcontract with Peninsula Management (Proprietary) Limited, the management of the hotel is carried out by Dream Hotels and Resorts (Proprietary) Ltd, which currently manages or markets 21 hotels, game lodges and resorts in South Africa.

Dream Vacation Club ("DVC"), which is managed by Leisure Options (Pty) Ltd, is a points-based membership club offering worldwide vacations on an exchange basis and remains the largest shareholder in the Share Block Company.

The Company's directors are set out on page 9 and those directors who are also directors of either of the two management companies or their holding company or trustees of the major shareholder are set out below:

Directors of Peninsula Management

A.M Schlesinger
R.W. Dickson
R.N. Dickson

Directors of Leisure Options

R.W. Dickson
R.N. Dickson

Directors of Dream Hotels & Resorts

R.W. Dickson
R.N. Dickson

Trustees of Dream Vacation Club

R.W. Dickson

LEVY FUND

Under the terms of their use and occupation agreements, owners are obliged to contribute to the levy fund of the company. The levy fund provides for the following:

- management and administration of the company
- repair, upkeep and management of the company's property which is used for purposes of a timesharing scheme and related hotel operations
- the discharge of any obligations of the company
- future expenditure in respect of fixed assets.

The basic weekly levies (inclusive of VAT) applicable to the four unit types are set out below.

	2025	2026
	R	R
Mini Suite	8,534	9,345
Luxury Suite	10,240	11,213
Super Luxury Suite	11,355	12,434
Royal Suite	14,250	15,603

In addition, there are supplementary seasonal weekly levies which cover additional facilities provided during peak and high season periods.

The past few year's focus was to increase the reserve to a respectable level after it dropped to less than R2.2 million in the 2024 financial year. The board decided to increase the levies by 9.5% for 2025, allowing for the transfer of R9.1 million to the reserve. The change the capital refurbishment programme from a 5-year to a 6-year cycle and savings in the operational budget of R1.1 million allowed the reserve to grow to R4.7 million at the end of the 2025 financial year. R743K of the savings was due to controlling expenditure resourcefully and R353K was attributed to capital profit on the investments in Alan Gray and Boutique Collective Investments.

There was still a necessity to increase the 2026 levies by 9.5% as the budgeted refurbishment programme for 2026 is set at R10.8 million, which includes large projects such as the painting of the external façade of the building facing Beach and Queens Roads, continuation of the upgrading of bathrooms and the next phase of Wi-Fi upgrade.

The levy fund receives "A" class levies from the timeshare owners, as reflected on the table of weekly levies set out above. It also receives "B" class levies, paid by the hotel operator from its trading income.

FINANCIAL RESULTS

The financial results of the Company are set out in the attached financial statements.

In accordance with the provisions of the Share Blocks Control Act, and in common with other timeshare operations in South Africa, this company raises an annual levy, which includes a provision for the maintenance and upkeep of the property. Asset replacement costs and major repairs to property, plant and equipment have been charged against this amount annually.

The Company adopted the International Financial Reporting Standards (IFRS) as of 2011 which requires specific accounting for Share Block companies. This required that the Property, namely Erf 1202, Sea Point West, Cape Town, measuring 5,738 square metres, be derecognized, as no future benefit is retained by the Share Block Company, because such benefits have been passed to timeshare owners who have acquired the right to occupy a specific unit for a specific period in each year. Consequently, the value of the Property is not reflected on the Statement of Financial Position of the Company.

AUDIT COMMITTEE

The report of the audit committee is included in the 2025 annual report.

SOCIAL AND ETHICS COMMITTEE

Since Peninsula Share Block Proprietary Limited has more than 500 individual shareholders, it is required in terms of Section 72(4) of the Companies Act 2008 and Regulation 43(5) of the Companies Regulations 2011, to have the above committee.

The responsibilities of this committee are as follows:

To monitor the company's activities, having regards to all legal requirements, with regard to matters relating to:

- a. Social and economic development as regards to its current and future employees.
- b. Good corporate citizenship, including sponsorship and development of its surrounding community.
- c. Protection of the environment including health and public safety.
- d. Consumer and public relations.
- e. Labour and employment relationships.

The report of the committee is included in the 2025 annual report.

MAINTENANCE AND REFURBISHMENT

Management continues to strive to maintain and improve the high standard of the building and the finishes at The Peninsula. A three-pronged programme, listed below, is in operation to meet these objectives.

1. Routine repairs and maintenance are budgeted for and expended as a normal levy expense.
2. Each suite is allocated a maintenance week between May and September. By grouping maintenance weeks within the building, management strives to ensure that any necessary maintenance refurbishment work is carried out with the minimum of inconvenience to owners and guests.

Points 1 and 2 were carried out at a total maintenance cost for the year of R1 185 411.

3. A long-term programme for refurbishment, replacement and enhancement of fixed assets is reviewed and updated annually against a 10-year capex plan. The expenditure incurred in terms of this programme is charged against the Reserve for Expenditure on Fixed Assets and amounted to R7 593 918 during 2025. This included the following programmes and additions:
 - Replacing 20 suites' sleeper couches, bedspreads, curtains, and other softs
 - Replacing carpets in 19 suites
 - Refurbishment of 8 suite bathrooms and 2 shower conversions
 - Replacing floor tiles in 10 suite balconies
 - Replacing balcony doors in 8 suites
 - Refurbishment of 9th and 11th floor passages
 - Upgrading of current Wi-Fi infrastructure (2nd phase)

FIXED ASSETS

A gross amount of R10 171 799 was transferred from the levy fund to the reserve for expenditure on fixed assets and an amount of R7 593 918 was expended against the reserve.

At the end of the 2025 financial year, the reserve amounted to R4 717 208. This reserve is adequately covered by the cash resources of the company, which amounted to R6 179 910 at the balance sheet date and 24-hour notice income fund investments of R12 903 131. The directors are committed to ensuring that the reserve for expenditure on fixed assets remains sufficient to maintain The Peninsula facilities at an appropriate level.

HOTEL OPERATIONS

The Peninsula Management Company is owned by Dream Hotels and Resorts who manage the Hotel operations on behalf of the Share Block Company and own the "B" class shares running the Food and Beverage operations within the property,

2025 showed stable but modest growth in a total room's revenue of R27 million, however this was 2.6% below budget. The Hotel did achieve an excellent average occupancy percentage of 82.1% at an average net room rate of R2 668.

Food and Beverage income for 2025 was R20.2 million, an increase to previous year of R674K, but less than budget by R1.8 million. We have been aggressive in our 2025 budget and with the consumer battling with less tangible income and greater competition in the area we have needed to strategize. This has resulted in us splitting Strolla Restaurant and reopening Faces Restaurant, thus giving an alternative dining option for Breakfast and Dinner and less confusion for guests on where inclusive meals are served.

The Food and Beverage contribution to "B" class levy income grew from R978K to R1,011K.

2025 total income was 4.1% less than budget, but 4.5% more than previous year.

The Peninsula has maintained the 4-star hotel grading from the Tourism Grading Council. The resort achieved 100% for its external ORMS audit and continues to pride itself on sustainability through its association with ERO and our established greening program.

Peninsula Management, although not achieving budgeted income, had a good year with variable expenses well controlled.

PROPERTY ENHANCEMENTS

The Peninsula has a comprehensive rolling 10-year capital refurbishment plan to ensure that it maintains its status as the Premier Timeshare Resort in South Africa. Management is willing to go through details with any shareholder when visiting the property. Please read the 2025 Newsletter explaining the new design concept on J.Z.S. Stekhoven Art Deco scheme.

The design decisions are made by a committee who meet quarterly to discuss changes and implementation of interior design, consisting of Claire Gardner (Interior Designer), Anthea Faulds, Brent Johansen, Yusuf Petersen, Reinhard Visser, and Chris Godenir.

The interior design theme selected for 2025 was a celebration of the Bokaap with artwork and colors representing the vibrant culture of the Cape. Each year the scheme selected will embrace both the Cape and the positive energy created by the people of The Peninsula. Our scheme for 2026 will reflect the art deco period which many of the buildings on the Atlantic Seaboard represent. It is named after J.Z.S. Stekhoven, the architect of the Albenor, which is the backbone of the Peninsula's current design

In 2025 we completed the soft refurbishment of 20 suites in the Bokaap design.

(003,005,105,108,205,206,211,305,307,308,405,406,504,510,608,704,705,707,710,804) The refurbishment includes replacing, artwork, sleeper couches, bedspreads, curtains and the refurbishment of barstools, ottomans, dining chairs, dressing tables and tub chairs.

In addition to the soft refurbishment, we continued with the bathroom upgrade on 8 suite bathrooms

(005x2,106x2,401x3,410x2,508x1,604x2,810x2,904x2) and 2 shower conversions (401,410), replaced carpets in 19 suites (102,110,204,210,302,303,306,308,504,505,509,602,606,609,801,806,706,709,711), replaced floor tiles on 10 suite balconies (206,301,307,403,408,502,510,601,609,711) and replaced balcony doors in 8 suites (208,214,308,311,409,508,510,809).

Our major public area projects for the year were the replacement of the pit area ceiling in the lobby, passage refurbishment and phase 2 of the Wi-Fi infrastructure.

GOING CONCERN 2025

The financial statements have been prepared on the going-concern basis in accordance with IAS 1.25–26, which requires management to assess the entity's ability to continue as a going concern for at least 12 months from the date of approval of these financial statements.

Management has evaluated the resort's ability to continue as a going concern for the 12-month period ending 31 December 2026. This assessment considered current operating performance, cash-flow forecasts, the availability of financial resources, and external market conditions affecting demand for hotel accommodation in Cape Town.

In relation to the Directors assessment of the ability of the entity to continue as a going concern, they are confident that the company will remain viable and will meet its obligations as they fall due in the ordinary course of business.

SHARE CAPITAL

The share capital of the company is divided into share blocks. The ownership of a share block confers occupation rights of the company's property, granted in terms of use agreements with share block holders, which inter-alia provide for the following:

- the granting of exclusive rights of use and occupation of accommodation for determinable periods during the year
- levy contributions

DIVIDENDS

Due to the nature of the company's operations, no dividends were declared or paid.

DIRECTORS

The directors of the company in office during the year and at the date of this report are:

A.M. Schlesinger	-	"B" class director and chairman
R.W. Dickson	-	"A" class director
H.A.F. Patrick	-	"A" class director
R.N. Dickson	-	"B" class director

SECRETARY

The secretary of the company is: Leisure Options (Pty) Ltd
310 Main Road
Bryanston 2021
Postal address: P.O.Box 786027
Sandton 2146

REPORT OF THE AUDIT COMMITTEE

1. MEMBERSHIP

The shareholders appointed the committee for the 2025 financial year at the annual general meeting in June 2026 and will be requested to approve the appointment of the chairman and members of the committee for the 2026 financial year at the annual general meeting scheduled for June 2026

The committee consists of the following independent and non-executive Directors of the company together with the company Financial Lead and the Company Compliance officer:

Weston Dickson
 Nick Dickson
 Hugh Patrick – Chairman
 Anthea Faulds – Alternative to Nick Dickson
 Vee de Freitas – Financial Lead
 Abdul Davids – Compliance Officer

The committee is satisfied that the members thereof have the required knowledge and experience as set out in section 94 (5) of the Companies Act 71 of 2008 and regulation 42 of the Companies Regulations 2011.

2. MEETINGS HELD BY THE COMMITTEE

The committee meets with the internal accounts department and external auditors on a regular basis, also without management and other directors being present, and considers its findings and recommendations, as well as other information that may be relevant in carrying out their mandate or specific tasks entrusted to it by the board. The external auditors have unrestricted access to the chairman of the committee, which ensures that their independence is not impaired.

The Audit Committee held four meetings during the year.

Attendance at the meeting is shown in the table below:

Director	20/02/2025	28/05/2025	04/09/2025	30/10/2025
Mr. Hugh Patrick	√	√	√	√
Mr. Weston Dickson	√	√	√	√
Mr. Nick Dickson	√		√	√
Mr. Vee de Freitas – Fin. Lead	√	√	√	√
Mr. Abdul Davids – Compliance Officer	√		√	√
External Auditors – Jason Glass	√			
External Auditors - Bradley Jackson	√			√
External Auditors – Chernize Bullock	√			√

3. KEY FUNCTIONS AND RESPONSIBILITIES

The Committee:

In the execution of its duties according to the requirements of the Companies Act, the committee is responsible for the discussion and determination of:

- The effectiveness of internal control systems and risk management, including information technology, as well as the quality of management information, accounting policy and reporting to share holders and other interested parties;
- The independence of the auditors and the annual fees to be paid to them;
- The extent of and fees payable for any non-audit work to be performed by the auditors;
- Any concerns or complaints relating to the accounting practice, the auditing of the financial statements and the internal financial control environment;
- Any submissions to be made to the board on matters concerning the company's accounting policies, financial control, recording and reporting;
- The accuracy of the annual financial statements as prepared by the auditors;
- Any recommendations to be made to the board or the shareholders;
- Co-operation with the Social and Ethics Committee including the attendance of the Committee Chairman at meetings of the S & E Committee;

REPORT OF THE AUDIT COMMITTEE

- Continuous review of the effectiveness of the company's IT systems.
- The financial, enterprise-wide, market, regulatory, safety and other risks and control issues, and to monitor controls designed to minimise these risks.

4. INTERNAL CONTROL AND INTERNAL AUDIT

The Committee:

- Reviewed and approved the annual internal audit plans and evaluated the independence, effectiveness, and performance of the internal audit function;
- Considered the report of the internal auditors on the company's systems of internal control including financial controls, business risks, management, and maintenance of effective internal control systems;
- Received assurances that proper accounting records were maintained and that the systems safeguarded the company's assets against unauthorized use or disposal;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in respect thereto;
- Assessed the adequacy of the performance of the internal audit function and found it satisfactory;
- Arranged that a full IT system restoration was conducted during the year. In addition, an external specialist company is employed to conduct an annual system penetration test;
- Reviewed a report on the successful implementation of the POPI Act. Provisions within the company; and
- Concluded that there were no material breakdowns in internal control.

5. FINANCIAL MANGER AND FINANCE FUNCTION

The committee:

- Considered the appropriateness of the experience and expertise of the company's financial manager and concluded that this was appropriate; and
- Considered the expertise, resources and experience of the financial function and concluded that these were appropriate.

6. EXTERNAL AUDIT

The committee:

- Nominated BDO South Africa Incorporated as auditors to the shareholders for appointment for the financial year ended December 31, 2025, of the company, and ensured that the appointment complied with legal and regulatory requirements for the appointment of an auditor;
- Approved the external audit representation letters, the audit plan, and the budgeted audit fees payable to the external auditors;
- Determined the nature and extent of all non-audit services provided by the auditors and pre-approved all non-audit services undertaken;
- Obtained assurances from the auditors that adequate accounting records were being maintained;
- Confirmed that no reportable irregularities had been identified or reported by the auditors under the Auditing Profession Act;
- Confirmed that the auditors for the year ended 31 December 2025 had not revealed any material items of concern that would need to be addressed;
- Two meetings were held with the external auditors during the year.

INDEPENDENCE OF EXTERNAL AUDITORS

The committee is satisfied that BDO Cape Incorporated is independent of the company after taking the following factors into account:

- Representations made by the auditors to the committee;

REPORT OF THE AUDIT COMMITTEE

- The auditors do not, except as external auditors or in rendering permitted non-audit services, receive any remuneration or other benefit from the company;
- The auditors' independence was not impaired by any consultancy, advisory or other work undertaken;
- The auditors' independence was not prejudiced because of any previous appointment as auditors; and
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

7. RISK MANAGEMENT AND LEGAL REQUIREMENTS

The committee

- Reviewed the company's policies on risk management, including information technology risks and found them to be sound;
- Reviewed with management legal matters that could have a material impact on the company;
- Reviewed the adequacy and effectiveness of the company's procedures to ensure compliance with legal and regulatory responsibilities;
- Considered reports provided by management, internal assurance providers and the external auditors regarding compliance with legal regulatory requirements; and

8. OPINION

The committee:

- The auditors are independent as detailed in point 6 above;
- The company's internal controls and risk management are sufficient, as detailed in point 4 above;
- The annual financial statements were prepared in accordance with international financial reporting standards (IFRS) and comply with these standards. It was recommended that the board approve the statements;
- The audit fee is reasonable taking into consideration such factors, as timing of the audit, the extent and scope of the work required, and has therefore been approved;
- There are no other matters which are to be revealed to shareholders, which have not been covered in the annual financial statements and directors' report.

9. DISCHARGE OF RESPONSIBILITIES

The committee determined that during the financial year under review it had discharged its legal and other responsibilities in terms of the Act. The Board concurred with this assessment.



H A F Patrick
Chairman – Audit Committee

REPORT OF THE SOCIAL & ETHICS COMMITTEE

Members

Chris Godenir – Chairman and Peninsula Management Director
Hugh Patrick – Peninsula Director
Anthea Faulds - Peninsula Management Director
Vee de Freitas – Peninsula Financial Lead
Brent Johansen – Peninsula Property Lead
Lwandile Makubalo – Peninsula Personnel & Committee Administrator
Kauthar Davids – Administration Office Lead
Abdullah Davids – Compliance Officer

In 2025 the Peninsula Board confirmed the above committee to comply with Legislation, and it has met 4 times over the past year with Hugh Patrick representing Share Block Directors and Anthea Faulds and Chris Godenir representing Peninsula Management Directors. Abdullah Davids the Compliance Office joined the committee in 2025.

Purpose and Role of Committee

The committee assists the board in ensuring that the company is and remains a committed socially responsible corporate citizen. The commitment to sustainable development involves ensuring that the company conducts operations in a manner that meets existing needs without knowingly compromising the ability of future generations to meet their needs. The committee's primary role is to supplement, support, advise and provide guidance on the effectiveness or otherwise of management's efforts in respect of sustainable development, social and ethics-related matters which, inter alia, include the following:

a) Health

The Peninsula offers all its employees a medical insurance scheme with the basic cover in Momentum Health for Me, where the contributions are 100% covered by The Peninsula. Every year there are free wellness sessions held over 2 days when a local clinic runs a free testing centre for TB and HIV at The Peninsula. Mental and Financial Health have now become a component of the wellness days which took place in September 2025

b) Occupational hygiene

The Peninsula Kitchen, Storerooms, Refuse Area, Bars and Change Rooms are inspected and audited 4 times a year by FCS. An independent organization specializing in hygiene. Gripp Advisory services have been appointed to annually carry out a full Food Safety and Health and Safety Audit completed each year in December, and certificate of compliance issued in 2025 we scored 100%.

c) HIV/Aids

The Peninsula has a HIV Policy document in its policies and procedures. Free HIV testing is made available for all staff by a local Clinic on the awareness day mentioned under Health.

d) Ethics management

The Peninsula has a reputation for developmental management and has achieved some great success stories over the years. This is monitored and measured through a recognized performance management system and the completion of its annual workplace skills plan. In the staff “we care” workshops at the end of the year the theme for 2025 was “Own It” and identifies any areas of concern, it is quite clear that the Peninsula is seen as their safe haven but there is a high level of stress and trauma being encountered within their home environments, areas of concern are uniforms, tip distribution and hours of work in the kitchen The company has various external and internal audits throughout the year and is compliant with all legislation. POPI regulations for the protection of personal information have been implemented and Abdulah Davids our Compliance Officer has been registered with the regulator. Our theme word for 2026 is “Legendary”.

e) Corporate social investment

Through its active Equity Committee, The Peninsula has a well-prepared CSI plan which is prepared annually. Its main charity is the SOS Children's Village in Thornton, and it actively supports its "charity starts at home program", Red Cross Children's Hospital, Musiquelaine and other worthwhile requests that meet equity criteria. We support the NPO Touching Dreams focused on funding youth learnerships in Hospitality and Collaborates to additionally raise funds for Reach for a Dream, Langkloof Orphanage and Christel House a school based in Cape Town founded by Christel De Haan founder of RCI. The Directors of Share Block agreed to support the NPO with a monthly contribution of R5300 along with the internal fund-raising initiatives, likewise the Management Company will donate R3000. Funds raised by the Peninsula will be split 33% for National, 33% for Regional and 33% ring-fenced to benefit the selected projects chosen by the Peninsula Equity Committee.

f) Environmental management

The Peninsula is supported by ERO, an environmental management company, and there is a working policy in place. There is a SEMP grading system which monitors energy, water, carbon footprint and waste. We are currently rated 5 stars on 2 categories 4.5 on the remaining 2 categories with an overall score of 4.5, our scores are proudly displayed on our website. In 2025 we started monitoring our Carbon footprint.

g) Sustainability strategy and framework

With both our 10-year capital expenditure plan and internal development plan, management have created a comprehensive framework and a sustainable business. The insurance cover and related values of buildings and its contents are regularly monitored by the Board. We are currently exploring our ability to self-insure the first one million rand of any claim to reduce our annual premium with our insurer.

h) Safety

The property in 2025 scored 100% for its external Health and Safety ORMS Audit and received a compliance certificate, this is completed annually in December. There is a strong Health and Safety Committee in place, and all incidents are investigated and preventative measures actioned.

i) Labour

The company's employment relationships, working conditions and its contribution towards the educational development of its employees is monitored through our workplace skills plan and equity committee. Wage negotiations take place with SACCAWU every year when terms and conditions are negotiated and agreed. The policy of working a 5-day week has become standard. After our annual wage negotiations were held in May with SACCAWU and the staff agreed to a tiered annual increase in July of 6.5% for employees earning under 7k and 5.5% earning between R7K and R10K and then 4% for all above 10K this followed a 1% increase in January negotiated in 2024. In 2026 it was agreed that staff will no longer receive a 100% bonus (13th cheque) and it will be reduced to 50%. The 50% loss in income will be divided into 12 monthly payments, paid with their monthly salary affectively giving team a 4.6% increase on their monthly income. The 50% bonus will be accrued monthly and paid on the 15th of December each year.

REPORT OF THE SOCIAL & ETHICS COMMITTEE

Statutory duties

- 1) To monitor the company's activities with regard to matters relating to:
 - a) Social & economic development, including the company's standing in terms of:
 - i) The 10 principles of the United Nations Global Compact.
 - ii) The OECD recommendations regarding corruption.
 - iii) The Employment Equity Act.
 - iv) The Broad Based Black Economic Empowerment Act.
 - b) Promotion of equality, prevention of unfair discrimination and reduction of corruption.
 - c) Contribution to the development of the communities in which it operates.
 - d) Recording sponsorship, donations, and charitable giving.
 - e) The environment, health and public safety including the impact of the company's activities.
 - f) Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.
 - g) Labor and employment include:
 - i) The company's standing in terms of the International Labour Organisations Protocol on decent work and working conditions.
 - ii) The company's employment relationship and its contribution towards the educational development of its employees.
- 2) To draw matters within its mandate to the attention of the board as the occasion requires.
- 3) To report, through one of its members, to the shareholders at the company's annual general meeting, on matters within its mandate.

The Committee is pleased to report that for all the above The Peninsula is compliant. It is externally and internally audited and has very acceptable scores for both Health and Safety and Food Hygiene. Its Workplace Skills Plan is completed and Workmen's Compensation, UIF and SARS are paid on time.



Chairman – C D Godenir

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

		2025	2024
		R	R
ASSETS	Notes		
CURRENT ASSETS		21,835,468	17,375,293
Inventory	4	366,675	333,864
Loans and receivables	5	532,483	38,126
Share block holders for outstanding levies	6	1,658,562	1,763,723
Other receivables	6	194,707	198,001
Investments	7	12,903,131	11,610,268
Bank balance and cash	8	6,179,910	3,431,311
TOTAL ASSETS		21,835,468	17,375,293
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES		4,717,609	2,139,728
Share capital	9	401	401
Reserve for expenditure on fixed assets	11	4,717,208	2,139,327
CURRENT LIABILITIES		17,117,859	15,235,565
Accounts payable	12	3,844,951	3,734,475
Prepaid levies		12,975,078	11,231,973
Taxation		297,830	269,117
TOTAL EQUITY AND LIABILITIES		21,835,468	17,375,293

**STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025	2024
	Notes	R	R
REVENUE	14	52,149,905	47,679,930
Operating expenses		(42,854,365)	(40,475,640)
Operating profit	15	9,295,540	7,204,290
Investment revenue		1,172,910	982,759
Profit before taxation		10,468,450	8,187,049
Taxation	16	(296,651)	(267,938)
Total comprehensive income		10,171,799	7,919,111

**STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share Capital R	Reserve for Expenditure on Assets R	Accumulated profits R	Total R
Balance at 31 December 2023	401	4,066,709	-	4,067,110
Total comprehensive income for the year	-	-	7,919,111	7,919,111
Transfer to reserve	-	7,919,111	(7,919,111)	-
Expenditure against reserve	-	(9,846,493)	-	(9,846,493)
Balance at 31 December 2024	401	2,139,327	-	2,139,728
Total comprehensive income for the year	-	-	10,171,799	10,171,799
Transfer to reserve	-	10,171,799	(10,171,799)	-
Expenditure against reserve	-	(7,593,918)	-	(7,593,918)
Balance at 31 December 2025	401	4,717,208	-	4,717,609
Notes	9	11		

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	Note	R	R
CASH INFLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	2	(4,372,482)	(4,660,155)
Interest received		222,276	38,805
Taxation paid	4	(267,938)	(263,902)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		<u>(4,418,144)</u>	<u>(4,885,252)</u>
CASH UTILISED FROM RESERVE FOR EXPENDITURE ON FIXED ASSETS		(7,593,918)	(9,846,493)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from intercompany loans		15,139,975	15,626,330
Repayment on intercompany loans		(379,314)	(606,309)
NET CASH FROM FINANCING ACTIVITIES		<u>14,760,661</u>	<u>15,020,021</u>
TOTAL CASH MOVEMENT FOR THE YEAR		2,748,599	288,276
CASH AT BEGINNING OF YEAR		<u>3,431,311</u>	<u>3,143,035</u>
CASH AT THE END OF THE YEAR		<u>6,179,910</u>	<u>3,431,311</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

1. ACCOUNTING POLICIES

Presentation of Annual Financial Statements

The annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 71 of 2008. The statements are prepared under the historical cost convention except where IFRS requires fair value measurement.

The accounting policies applied are consistent with prior periods, except for the adoption of IFRS amendments effective 1 January 2025, most notably IAS 21 amendments on lack of exchangeability.

1.1 Significant Judgements and Estimates

Preparation of financial statements requires management to make estimates and assumptions affecting reported amounts as well as related disclosures. Areas requiring significant judgement include:

Impairment of financial assets

Financial assets measured at amortised cost are assessed for impairment at each reporting date using the expected credit loss (ECL) model.

Inventory valuation

Obsolete, damaged, or slow-moving inventory is written down to net realisable value based on estimated selling prices and direct costs to sell.

Taxation

Judgement is required in assessing tax positions given the complexity of tax laws. Deferred tax assets are recognised only when it is probable that future taxable profits will be available.

Expected Credit Loss (ECL) – Trade Receivables

A lifetime ECL is applied under the IFRS 9 simplified approach. ECL modelling incorporates:

- Historical loss trends
- Forward-looking macroeconomic factors (inflation, interest rates, customer default patterns)
- Industry economic environment

1.2 Revenue Recognition

Revenue arises from:

- Levy income from Class A shareholders
- Levy income from Class B shareholders

Revenue is recognised over time as performance obligations are satisfied in accordance with IFRS 15. Revenue is measured net of VAT, discounts, and rebates.

Interest income is recognised using the effective interest rate method.

1.3 Provisions

Provisions are recognised when:

- A present legal or constructive obligation exists
- It is probable that an outflow of economic benefits will be required
- The amount can be reliably estimated

1.4 Current taxation

Current tax liabilities (or assets) represent the amount payable to (or recoverable from) tax authorities based on taxable income calculated at enacted or substantively enacted tax rates at reporting date.

1.5 Levies received

Share block owners contribute levies as per contractual arrangements. Levies are recognised as revenue over the period in which the related services are rendered.

1.6 Financial Instruments

Financial instruments are initially recognised at fair value.

Financial Assets at Amortised Cost

Includes trade receivables, other debtors, cash, and cash equivalents. Subsequent measurement is at amortised cost adjusted for ECL.

Financial instruments at cost

Unlisted equity investments whose fair value cannot be measured reliably are held at cost less impairment.

Trade Receivables / Prepaid Expenses / Creditors

Measured at nominal value less impairments (for receivables) where applicable.

1.6.1 IFRS 9 – Three-stage ECL Model for Loans

The company has adopted the general approach, which takes into account the three-stage approach, with respect to the recognition of credit losses being:

- Stage 1: 12-month ECL
- Stage 2: Lifetime ECL (significant credit deterioration)
- Stage 3: Impaired (lifetime ECL on net carrying amount)

1.7 Inventory

Inventory consists of stationery, guest and cleaning supplies listed as other consumables. A reserve for expenditure on inventory is provided for. This reserve is intended to provide for the acquisition and replacement of inventory.

2. Standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation :	Effective Date : Years beginning on or after	Expected impact :
• Lack of exchangeability - Amendments to IAS 21	01 January 2025	Unlikely there will be a material impact.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2026 or later periods:

Standard/ Interpretation :	Effective Date : Years beginning on or after	Expected impact :
• IFRS 18 - Presentation and disclosure in financial statements	01 January 2027	Unlikely there will be a material impact.
• Amendment to IAS 7 Statement of cash flows IAS 1	01 January 2026	Unlikely there will be a material impact.
• Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial statements	01 January 2026	Unlikely there will be a material impact.

3. SHARE BLOCK HOLDERS LOANS & SHAREHOLDERS' LOANS

Amounts previously recognised viz property, plant and equipment (R113,017,785) including revaluation reserve (R93,732,944) were derecognised in accordance with the guide in financial reporting by share block companies. The net difference (R19,284,841) was set off against amount due by share holders (R18,000,000) and replacement reserve (R1,284,841). The title deed is still registered under the company with the municipal valuation of R158 million.

The Company has adopted the International Financial Reporting Standards (IFRS) as of 2011 which requires specific accounting for Share Block companies. This required that the Property, namely Erf 1202, Sea Point West, Cape Town, the size of which is 5,738 square metres, be derecognized as no future benefit is retained by the Share Block Company, because such benefits have been passed to timeshare owners who have acquired the right to occupy a specific unit for a specific period in each year.

4. INVENTORY

Inventory comprises:

	2025 R	2024 R
Stationery	115,338	136,291
Cleaning materials	73,197	39,387
Guest supplies	138,220	114,734
Diesel stock	39,920	43,452
	<u>366,675</u>	<u>333,864</u>

At the reporting date no indication was noted suggesting a possible impairment of the inventory on hand and therefore no provision for obsolescence has been raised.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
 CONTINUED

5. LOANS AND RECEIVABLES	2025	2024
	R	R
Peninsula Management (Proprietary) Limited		
- Interest free loan	532,483	38,126
The above loan is unsecured and interest free. Terms of repayment: 30 days.		
	<u>532,483</u>	<u>38,126</u>

The fair values of these loans and receivables approximate their carrying amounts.
 The loan has not been impaired in the past and there is no provision for impairment considered necessary.

6. TRADE AND OTHER RECEIVABLES		
Financial instruments		
Share block holders for outstanding levies	1,658,562	1,763,723
Sundry debtors	8,000	8,000
Staff loans	1,750	1,955
Non - financial instruments		
Prepayments	184,957	188,046
	<u>1,853,269</u>	<u>1,961,724</u>

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The risk of default is also mitigated by the fact management are able to sell the timeshare weeks to defray the cost of the outstanding debt. In order to mitigate the risk of financial loss from defaults, the company only deals with reputable customers with consistent payment histories. Sufficient collateral or guarantees are also obtained when appropriate. Each customer is analysed individually for creditworthiness before terms and conditions are offered. Statistical credit scoring models are used to analyse customers. These models make use of information submitted by the customers as well as external bureau data (where available). Customer credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

Expected credit loss

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

The balance of trade receivables have been assessed on a collective basis as the items possess shared credit risk characteristics.

	2025	2025	2024	2024
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:	R	R	R	R
0 - 60 days past due: 0% (2024: 0%)	1,658,562	-	1,763,723	-
61 - 90 days past due: 0% (2024: 0%)	-	-	-	-
More than 90 days past due: 0% (2024: 0%)	-	-	-	-
	<u>1,658,562</u>	<u>-</u>	<u>1,763,723</u>	<u>-</u>

Management has assessed the outstanding debtors and does not deem it necessary to raise an allowance for expected credit losses as the end of the financial year.

7. INVESTMENTS	2025	2024
	R	R
Investment comprises:		
Income funds		
42255.30 units in Allan Gray Coronation Strategic Income Fund (Class P) (2024: 39442.99)	701,992	634,650
328946.56 units in Allan Gray Mi-Plan Enhanced Income Fund (Class A1) (2024: 305818.58)	3,186,423	3,095,923
4046744.72 units in Boutique Collective Investments Sasfin Flexible Income Fund A (2024: 3816656.28)	4,570,798	3,955,752
3607076.29 units in Boutique Collective Investments Best Blend Flexible Income Fund Class C (2024: 3405606.13)	4,443,918	3,923,943
	<u>12,903,131</u>	<u>11,610,268</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
 CONTINUED

8.	BANK AND CASH	2025	2024
	Bank and cash consists of:	R	R
	Cash at bank	6,179,910	3,431,311
		<u>6,179,910</u>	<u>3,431,311</u>
The credit quality of cash at banks and short term deposits, excluding cash on hand, that are neither past due nor impaired can be assessed with reference to external credit ratings or historic information about counterparty default rates:			
	Credit ratings		
	Standard Bank Limited (Ba1)	6,179,910	3,431,311
		<u>6,179,910</u>	<u>3,431,311</u>
9.	SHARE CAPITAL		
	Authorised and issued		
	40 040 "A" class ordinary shares of 1c each, divided into 40 040 share blocks of 1 share each	400	400
	16 "B" class ordinary shares of 5c each, comprising 1 block of 16 shares	1	1
		<u>401</u>	<u>401</u>
10.	RETAINED INCOME		
	Balance at 31 December 2023	-	
	Total comprehensive income for the year	7,919,111	
	Transfer to reserve	(7,919,111)	
	Balance at 31 December 2024	-	
	Total comprehensive income for the year	10,171,799	
	Transfer to reserve	(10,171,799)	
	Balance at 31 December 2025	<u>-</u>	
11.	RESERVE FOR EXPENDITURE ON FIXED ASSETS		
	Balance at beginning of year	2,139,327	4,066,709
	Transfer of levy fund surplus for the year	10,171,799	7,919,111
	Expenditure during the year	(7,593,918)	(9,846,493)
		<u>4,717,208</u>	<u>2,139,327</u>
The reserve for expenditure on fixed assets provides for the purchase, replacement, refurbishment and maintenance of the company's property.			
12.	ACCOUNTS PAYABLE		
	Accounts payable comprises:		
	Trade creditors	1,383,733	1,168,542
	Vat payable	463,892	403,666
	Other payables	1,997,326	2,162,267
	TOTAL	<u>3,844,951</u>	<u>3,734,475</u>
	Fair Value		
	The fair value of trade and other payables approximates its carrying amount.		

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
 CONTINUED

13. **PROVISIONS**

2025	Carrying amount at beginning of year R	Additional provisions R	Used during the year R	Carrying amount at end of year R
Annual bonus	-	1,393,512	(1,393,512)	-
	-	1,393,512	(1,393,512)	-
2024	Carrying amount at beginning of year R	Additional provisions R	Used during the year R	Carrying amount at end of year R
Annual bonus	-	1,356,429	(1,356,429)	-
	-	1,356,429	(1,356,429)	-

	2025 R	2024 R
14. REVENUE		
Revenue from contracts with customers		
Levy income	52,149,905	47,679,930

Disaggregation of revenue from contracts with customers
 The company disaggregates revenue from customers as follows:

Provision of levy generating services

Class A Levies	50,536,955	46,154,430
Class B levies	1,612,950	1,525,500
	<u>52,149,905</u>	<u>47,679,930</u>

Timing of revenue recognition

Over time recognition

Class A Levies	50,536,955	46,154,430
Class B levies	1,612,950	1,525,500
	<u>52,149,905</u>	<u>47,679,930</u>

15. **PROFIT FROM OPERATIONS**

Profit from operations is stated after:

Interest received	1,172,910	982,759
Rental charges	188,385	251,484
Employee costs	23,783,898	22,368,675

16. **TAXATION**

Except for taxation on interest income, the company is not liable for taxation on the surplus arising in the levy operating statement. Exemption from tax is claimed in terms of Section 10(1)(e) of the Income Tax Act. In determining the tax on interest income, interest earned on arrear levies is excluded and an appropriate portion of administration expenditure is claimed against interest received.

Current year	<u>296,651</u>	<u>267,938</u>
	<u>296,651</u>	<u>267,938</u>
Reconciliation of rate of taxation:		
South African normal taxation rate	27%	27%
Adjusted for:		
Disallowable expenditure	111%	133%
Exempt income	-135%	-157%
Effective rate:	<u>3%</u>	<u>3%</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
 CONTINUED

17.	RELATED PARTIES	2025	2024
	Relationship	R	R
	Shareholder - Class B shares Peninsula Management (Proprietary) Limited		
	Related party balances		
	Amount owed by related parties		
	Peninsula Management (Proprietary) Limited	532,483	38,126
	Related party transactions		
	Management fees paid to related parties		
	Peninsula Management (Proprietary) Limited	1,596,756	1,529,460
	Levies received from related parties		
	Peninsula Management (Proprietary) Limited "B" Class levies	1,612,950	1,525,500
	Peninsula Management (Proprietary) Limited "A" Class levies	5,297,004	4,399,323

The Peninsula Management (Proprietary) Limited, a subsidiary within the Dream Hotels & Resorts group of companies, manages the company's timesharing scheme and related hotel operations, for which it receives an agreed fee. As a "B" Class shareholder, it pays levies to the company out of its trading income. As an "A" Class Shareholder, it pays levies according to the weekly levy set out in the Directors' Report.

18. **FINANCIAL INSTRUMENTS**
 The company's operations expose it to a number of financial risks. A risk management programme has been established to protect the company against the potential adverse effects of these financial risks.

- 18.1 **Sensitivity analysis**
 The group exposures to various financial risks are set out below:

	2025	2024
Class of financial instrument: Carrying value	Interest rate risk	Interest rate risk
<i>Working capital balances</i>		
Other financial liability	-	-
Bank and cash	6,179,910	3,431,311
Net exposure	6,179,910	3,431,311
Class of financial instrument: Sensitivity to changes in underlying financial variables: Possible changes	Interest rate risk 1%	Interest rate risk 1%
<i>Working capital balances</i>		
Trade and loans receivable	-	-
Bank and cash	61,799	34,313
Net exposure	61,799	34,313

- 18.2 **Financial risk management**
 18.2.1 *Interest rate risk*
 Surplus cash flows exposed to interest rate risk are placed with recognised institutions and facilities which yield an acceptable rate of return.

- 18.3 **Financial liabilities**
 18.3.1 *Maturity analysis*

31 DECEMBER 2025

Contractual undiscounted liabilities	Payable in 1 to 12 months	Payable in 1 to 5 years	Total
<i>Working capital balances</i>			
Trade and loans payable	3,844,951	-	3,844,951
Financial liability	-	-	-
Net exposure	3,844,951	-	3,844,951

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

CONTINUED

18.3.1 *Maturity analysis (Continued)*

31 DECEMBER 2024

Contractual undiscounted liabilities	Payable in 1 to 12 months	Payable in 1 to 5 years	Total
<i>Working capital balances</i>			
Trade and loans payable	3,976,418	-	3,976,418
Financial liability	-	-	-
Net exposure	3,976,418	-	3,976,418

18.3.2 *Liquidity risk management*

The company maintains sufficient cash and ensures that funds remain available through an adequate amount of credit facilities.
 The company manages its liquidity requirements by monitoring forecast cash flows.

18.3.3 *Capital management*

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern.

During 2025, the company's strategy, which was unchanged from 2024, was to maintain a debt free structure and maintain enough capital to ensure the availability of working capital.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025
 CONTINUED

19. **FINANCIAL INSTRUMENT DISCLOSURE**

31 DECEMBER 2025		Notes	Loans and receivables R	Available for sale R	Financial liabilities at amortised cost R	Non financial instruments R	Total R
ASSETS							
CURRENT ASSETS			2,200,795	19,083,041	-	551,632	21,835,468
Inventory	4		-	-	-	366,675	366,675
Loan receivable	5		532,483	-	-	-	532,483
Share block holders for outstanding levies	6		1,658,562	-	-	-	1,658,562
Other receivables	6		9,750	-	-	184,957	194,707
Investments	7		-	12,903,131	-	-	12,903,131
Bank balance and cash	8		-	6,179,910	-	-	6,179,910
TOTAL ASSETS			2,200,795	19,083,041	-	551,632	21,835,468
LIABILITIES							
CURRENT LIABILITIES			-	-	(3,381,059)	(13,736,800)	(17,117,859)
Accounts payable	12		-	-	(3,381,059)	(463,892)	(3,844,951)
Prepaid levies			-	-	-	(12,975,078)	(12,975,078)
Taxation			-	-	-	(297,830)	(297,830)
TOTAL LIABILITIES			-	-	(3,381,059)	(13,736,800)	(17,117,859)
CAPITAL AND RESERVES							4,717,609
31 DECEMBER 2024							
ASSETS							
CURRENT ASSETS			1,811,804	15,041,579	-	521,910	17,375,293
Inventory	4		-	-	-	333,864	333,864
Loans receivable	5		38,126	-	-	-	38,126
Share block holders for outstanding levies	6		1,763,723	-	-	-	1,763,723
Other receivables	6		9,955	-	-	188,046	198,001
Investments	7		-	11,610,268	-	-	11,610,268
Bank balance and cash	8		-	3,431,311	-	-	3,431,311
TOTAL ASSETS			1,811,804	15,041,579	-	521,910	17,375,293
LIABILITIES							
CURRENT LIABILITIES			-	-	(3,330,809)	(11,904,756)	(15,235,565)
Accounts payable	12		-	-	(3,330,809)	(403,666)	(3,734,475)
Prepaid levies			-	-	-	(11,231,973)	(11,231,973)
Taxation			-	-	-	(269,117)	(269,117)
TOTAL LIABILITIES			-	-	(3,330,809)	(11,904,756)	(15,235,565)
CAPITAL AND RESERVES							2,139,728

20. **EVENTS AFTER THE REPORTING DATE**

No abnormal events have taken place after the reporting date.

21. **CONTINGENCIES AND COMMITMENTS**

The major capital commitment for 2026 are listed below:

- Replacing 18 suites' sleeper couches, bedspreads, curtains, and other softs
- Replacing carpets in 12 suites
- Refurbishment of 8 suite bathrooms and 3 shower conversions
- Replacing floor tiles in 7 suite balconies
- Replacing balcony doors in 7 suites
- Refurbishment of 8th floor passage
- Upgrading of current Wi-Fi infrastructure - cabling into rooms
- Painting of the exterior walls of the building facing Beach and Queens Roads
- Purchase of new Quantum

**NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED
 31 DECEMBER 2025**

	2025 R	2024 R
1.	The following convention applies to figures other than adjustments	
	- Outflows of cash are represented by figures in brackets	
	- Inflows of cash are represented by figures without brackets	
2.	CASH GENERATED BY SHARE BLOCK OPERATIONS	
	Profit / (Loss) before taxation	8,187,049
	Adjusted for:	
	Changes in fair value	(222,641)
	Interest income	(982,759)
	Non-cash income statement items	(14,146,721)
	(14,906,511)	(14,146,721)
	(5,953,200)	(7,165,072)
3.	CHANGES IN WORKING CAPITAL	
	Decrease (increase) in inventories	(110,173)
	Decrease (increase) in trade and other receivables	1,603,999
	Increase (decrease) in trade and other payables	1,011,091
	(4,372,482)	(4,660,155)
4.	TAXATION PAID	
	Taxation receivable (payable) at beginning of year	(265,081)
	Per levy operating statement	(267,938)
	Taxation payable (receivable) at end of year	269,117
	(267,938)	(263,902)

LEVY OPERATING STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025
 Levy fund established in terms of Section 13 of the Share Blocks Control Act.

	2025 R	2024 R
INCOME		
Levies		
- A class shareholders	50,536,955	46,154,430
- B class shareholders	1,612,950	1,525,500
Interest received	1,172,910	982,759
	<u>53,322,815</u>	<u>48,662,689</u>
EXPENDITURE		
ADMINISTRATION	2,875,166	2,502,154
Auditors' remuneration	126,950	100,907
Payroll administration	84,600	80,892
Bank charges	45,024	46,453
Insurance	1,247,382	1,061,378
Levy collection fee	7,241	219
Credit card commissions	216,491	196,996
License fees	521,732	408,610
Postage, printing and stationery	385,785	373,016
CSOS levies	52,800	52,800
Subscriptions	85,251	81,839
Donations	63,600	63,600
Television licenses	38,310	35,444
PROPERTY	8,258,563	7,689,993
Electricity	3,902,003	3,525,636
Rates	2,562,663	2,401,020
Sewerage	659,178	675,512
Refuse	257,719	243,963
Water	877,000	843,862
MAINTENANCE	1,185,411	1,200,896
Building	387,262	381,541
Computer	179,859	170,942
Electrical and mechanical	128,402	132,875
Elevators	92,013	5,360
Grounds and gardens	117,441	119,914
Indoor plants	22,176	57,936
Laundry equipment	71,705	62,140
Motor vehicles	53,693	59,371
Painting materials	-	73,214
Pest control	79,373	76,813
Pool	37,270	34,538
Telephone and PABX	-	6,900
Television	16,217	19,352
Balance carried forward	12,319,140	11,393,043

**LEVY OPERATING STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2025**

Levy fund established in terms of Section 13 of the Share Blocks Control Act.

	2025 R	2024 R
Balance brought forward	12,319,140	11,393,043
SUNDRY & OPERATIONAL	5,319,370	5,306,220
Cartage and transport	9,501	7,271
Flowers	81,560	81,752
Guest entertainment	916,187	906,927
Guest supplies	766,049	776,784
Laundry/cleaning supplies	590,471	615,564
DSTV	484,709	483,906
Wireless services	178,717	180,974
Petrol and travelling	265,407	322,044
Replacement of operating equipment	238,579	239,946
Security	1,788,190	1,691,052
RENTAL CHARGES	188,385	251,484
Photostat rental	143,188	199,387
Vehicle rental	45,197	52,097
SALARIES AND WAGES	23,783,898	22,368,675
Administration	6,240,931	5,861,196
Casual wages	356,102	270,959
Sunday pay	730,207	708,913
Front office	7,805,390	7,337,503
Housekeeping & Laundry	6,657,707	6,318,815
Repairs and maintenance	1,993,561	1,871,289
MANAGEMENT FEES	1,596,756	1,529,460
CAPITAL (PROFIT) / LOSS ON INVESTMENT	(353,184)	(373,242)
TOTAL EXPENDITURE	42,854,365	40,475,640
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	10,468,450	8,187,049
TAXATION ON INVESTMENT INCOME (note 16)	(296,651)	(267,938)
GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS	10,171,799	7,919,111

**LEVY OPERATING STATEMENT & BUDGET
 FOR THE YEAR ENDED 31 DECEMBER 2025 AND 31 DECEMBER 2026**

	Budget 2025 R	Actual 2025 R	Budget 2026 R
INCOME			
Levies			
- A class shareholders	50,536,955	50,536,955	55,338,800
- B class shareholders	1,751,925	1,612,950	1,721,315
Interest received	1,267,660	1,172,910	1,232,877
	53,556,540	53,322,815	58,292,992
EXPENDITURE			
ADMINISTRATION	2,790,451	2,875,166	3,101,504
Auditor's remuneration	108,984	126,950	139,200
Payroll administration	84,600	84,600	89,676
Bank charges	49,200	45,024	48,600
Insurance	1,160,799	1,247,382	1,345,748
Legal & consulting fees	60,000	-	60,000
Levy collection fee	7,540	7,241	7,200
Credit card commissions	186,000	216,491	199,200
License fees	507,624	521,732	570,540
Postage, printing and stationery	386,400	385,785	393,000
CSOS levies	52,800	52,800	52,800
Subscriptions	84,600	85,251	93,636
Donations	63,600	63,600	63,600
Television licenses	38,304	38,310	38,304
PROPERTY	8,352,984	8,258,563	9,046,777
Electricity	3,952,080	3,902,003	4,257,872
Rates	2,538,188	2,562,663	2,767,319
Sewerage	706,064	659,178	699,159
Refuse	244,563	257,719	260,568
Water	912,089	877,000	1,061,859
MAINTENANCE	1,359,972	1,185,411	1,264,156
Building	397,000	387,262	418,000
Computer	179,400	179,859	191,088
Electrical and mechanical	138,000	128,402	141,000
Elevators	129,636	92,013	102,600
Grounds and gardens	127,800	117,441	135,000
Indoor plants	24,840	22,176	23,520
Laundry equipment	70,200	71,705	72,000
Motor Vehicles	44,520	53,693	44,520
Painting materials	44,000	-	-
Pest control	80,220	79,373	85,032
Pool	34,800	37,270	34,800
Telephone and PABX	72,960	-	-
Television	16,596	16,217	16,596
Balance carried forward	12,503,407	12,319,140	13,412,437

**LEVY OPERATING STATEMENT & BUDGET
 FOR THE YEAR ENDED 31 DECEMBER 2025 AND 31 DECEMBER 2026**

	Budget 2025 R	Actual 2025 R	Budget 2026 R
Balance brought forward	12,503,407	12,319,140	13,412,437
SUNDRY & OPERATIONAL	5,593,145	5,319,370	5,749,741
Cartage and transport	6,840	9,501	7,800
Flowers	81,380	81,560	85,800
Guest entertainment	949,000	916,187	975,050
Guest supplies	821,040	766,049	810,000
Laundry/cleaning supplies	620,400	590,471	633,000
DSTV	498,691	484,709	522,000
Wireless services	181,056	178,717	181,056
Petrol and travelling	347,170	265,407	328,415
Replacement of operating equipment	243,600	238,579	258,000
Security	1,843,968	1,788,190	1,948,620
RENTAL CHARGES	218,004	188,385	568,533
Photostat rental	155,004	143,188	117,828
Software rental	-	-	383,205
Vehicle rental	63,000	45,197	67,500
SALARIES AND WAGES	24,220,040	23,783,898	25,381,414
Administration	6,279,817	6,240,931	6,551,173
Casual wages	310,300	356,102	339,905
Sunday & public holiday pay	760,854	730,207	802,606
Front office	8,072,331	7,805,390	8,200,981
Housekeeping & Laundry	6,786,950	6,657,707	7,390,113
Repairs and maintenance	2,009,788	1,993,561	2,096,636
MANAGEMENT FEES	1,596,756	1,596,756	1,649,449
CAPITAL (PROFIT) / LOSS ON INVESTMENT	-	(353,184)	-
CONTINGENCY	12,000	-	12,000
TOTAL EXPENDITURE	44,143,352	42,854,365	46,773,574
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	9,413,188	10,468,450	11,519,418
TAXATION FOR THE YEAR	(342,268)	(296,651)	(332,877)
GROSS TRANSFER TO RESERVE FOR EXPENDITURE ON FIXED ASSETS	9,070,920	10,171,799	11,186,541

LEVY EXPENSE SUMMARY

Expense Category	Budget 2025		Actual 2025		Budget 2026	
	Average per unit per day R	Percentage of total levy %	Average per unit per day R	Percentage of total levy %	Average per unit per day R	Percentage of total levy %
Administration	69.69	5	71.81	5	77.46	5
Property	208.62	16	206.26	15	225.94	15
Maintenance	33.97	3	29.61	2	31.57	2
Sundry & operational	139.69	10	132.85	10	143.60	10
Rental	5.44	0	4.70	0	14.20	1
Salaries & wages	604.90	45	594.00	44	633.90	45
Management fees	39.88	3	39.88	3	41.20	3
Contingency	0.30	0	0.00	0	0.30	0
Total expenditure	1102.48	82	1079.11	80	1168.17	80
Surplus transferred to reserve for expenditure on fixed assets	235.09	18	261.45	20	287.70	20
TOTAL	1337.58	100	1340.56	100	1455.87	100