5

FINANCIALS

Upholding financial resilience to enable impact

Our financial resilience directly impacts our ability to fund operations, rescue services and deliver community-based drowning prevention programmes. We implement strict financial oversight and cost management strategies while maintaining our funding sources through proactive stakeholder engagement.

This chapter includes:

Independent auditor's report

The following independent auditor's report is an extract from the audited Annual Financial Statements of the National Sea Rescue Institute NPC for the year ended 31 December 2025. The full Annual Financial Statements, including all notes and supplementary information, are available on request from the NSRI. Page references in the auditor's report below relate to the full Annual Financial Statements as signed by the auditor on 15 May 2026.

To the Members of the National Sea Rescue Institute of South Africa NPC

Opinion

We have audited the annual financial statements of National Sea Rescue Institute of South Africa NPC (the company) set out on pages 8 to 25, which comprise the statement of financial position as at 31 December 2025; and the statement of comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of National Sea Rescue Institute of South Africa NPC as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual 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 "National Sea Rescue Institute of South Africa NPC annual financial statements for the year ended 31 December 2025", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 26 to 28. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 annual financial statements

The directors are responsible for the preparation and fair presentation of the annual 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 of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.

Cecil Kilpin & Co.
Chartered Accountants (SA)
Registered Auditors
Per Partner: Sidney Schonegevel

Century City

15 May 2026

Summarised financial statements

Statement of financial position as at 31 December 2025

	2025 R	2024 R
Assets		
Non-current assets		
Property, plant and equipment	322 709 975	322 260 410
Investment property at fair value	12 231 089	12 231 089
Other financial assets	163 453	238 893
	335 104 517	**334 730 392**
Current assets		
Inventories	7 157 471	6 834 860
Trade and other receivables	85 694 180	40 852 360
Other financial assets	75 440	75 440
Cash and cash equivalents	28 626 563	8 354 165
	121 553 654	**56 116 825**
Total assets	**456 658 171**	**390 847 217**
Equity and liabilities		
Equity		
Accumulated funds	443 114 589	376 909 983
Liabilities		
Current liabilities		
Trade and other payables	13 543 582	13 937 234
Total equity and liabilities	**456 658 171**	**390 847 217**

Detailed income statement

	2025 R	2024 R
Income		
Grants	5 470 337	6 255 934
National Department of Transport	4 677 250	4 476 500
Western Cape Department of Local Government	100 000	391 000
Public bodies	693 087	1 388 434
Donations and bequests	37 599 004	26 503 074
Companies	8 245 929	6 159 605
Individuals	11 691 259	5 539 382
Legacies and bequests	6 705 822	6 967 526
Shipping levies	2 515 800	1 329 820
Trusts	8 440 194	6 406 741
Public bodies	–	100 000
Call centre	142 772 834	140 283 053
Sale of goods	7 191 947	6 909 406
Service income	8 893 376	11 319 487
Sundry income (insurance claims and municipal account recoveries)	354 040	1 088 262
Events	4 629 508	4 127 542
Surplus on sale of assets	10 121 415	977 836
Investment revenue	2 711 299	851 544
Rental income	1 601 658	1 671 688
Income	**221 345 418**	**199 987 826**
Distributions received	47 000 000	20 000 000
Total income	**268 345 418**	**219 987 826**
Expenditure (refer to page 128)	**(202 140 812)**	**(186 638 948)**
Surplus for the period	**66 204 606**	**33 348 878**

Summarised financial statements continued

	2025 R	2024 R
Expenditure		
Banking costs	2 238 016	2 423 231
Boat running	6 518 218	6 197 575
Cost of goods sold	2 992 442	2 996 591
Depreciation and amortisation	18 749 613	17 221 161
Employee costs	105 505 838	101 711 484
Information communication technology	3 783 349	3 521 748
Insurance	2 863 562	2 586 259
Marketing expenditure	11 417 602	7 356 902
Office expenditure	9 903 380	10 373 804
Professional fees	8 446 192	6 753 192
Property expenses	13 390 927	9 405 602
Station expenditure	6 524 843	6 705 759
Travel and accommodation (volunteer training)	9 806 830	9 385 640
Total expenditure	**202 140 812**	**186 638 948**

Community Programmes Instructor and Station 20 Shelly Beach volunteer, Nkazimulo Nyawose, teaching survival swimming.