

DURBAN AUTOMOTIVE CLUSTER **ANNUAL REPORT** **2024**

Creating and supporting a globally competitive
KZN Automotive industry

Prepared By:



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LETTER FROM THE CHAIRPERSON



The Durban Automotive Cluster (DAC) continues to serve as a key catalyst for growth, resilience, and transformation in KwaZulu-Natal's automotive sector. As Chairperson, I am proud to reflect on the strides we've made over the past year—particularly in the face of significant uncertainty across our industry. From disruptions in the local steel supply to shifting international trade dynamics and evolving domestic market share, it is clear that we are navigating a complex landscape. In this context, the role of the DAC has never been more important.

Our strength lies in our ability to foster collaboration, pool resources, and unlock shared value. I'm pleased to report that membership has grown to over 70 firms, including 28 newly welcomed SME Associate Members—affirming the DAC's value as a platform for collective progress.

Strategic Partnerships

Over the past year, we've deepened our relationship with eThekweni Municipality, not only meeting but exceeding the goals set through our funding partnership. Our continued collaboration with the Toyota Wessels Institute for Manufacturing Studies (TWIMS) has also flourished through a series of shared learning engagements and participation in the TWIMS Thailand Study Tour alongside industry leaders and academics.

We also launched a new partnership with Dizani Consulting to amplify the reach and results of our Manufacturing Excellence Programme—ensuring that our members continue to benefit from cutting-edge insights and practical support.

Driving Sustainability

Recognising the increasing importance of sustainability in securing future growth and export competitiveness, the DAC has taken an active role in preparing the sector for emerging disclosure and compliance requirements. Our sustainability initiative—developed in collaboration with leading academics and corporate partners—has helped member firms begin the journey towards carbon neutrality. Notably, this work is being driven in partnership with Toyota South Africa as part of our dedicated Decarbonisation Programme, supporting suppliers to align with global sustainability benchmarks.

Skills Development & Manufacturing Excellence

A core focus of the DAC remains the development of technical and leadership capabilities across the manufacturing workforce. This year, 75 participants completed our Emerging Leadership Development Programme, and 41 completed the Team Leader Development Programme. These interventions have not only strengthened individual competencies but also yielded tangible results—generating R7.5 million in savings through practical workplace implementation. In 2025, we will launch a new three-month Efficiency Improvement Programme. Three participating member firms will open their doors to share results and insights through factory visits and webinars, allowing the entire cluster to learn and grow together.

Transformation Through Enterprise Development

In 2024, we hosted our second Business Accelerator Programme, funded by Toyota South Africa and leading tier 1s. This initiative is designed to connect high-potential Black-owned SMEs with structured finance, mentoring, and market access opportunities. At the June 2024 Dragon's Den, 12 SMEs pitched their capabilities—resulting in 19 commercial opportunities identified. Nine of these have already progressed to delivery stage, unlocking an estimated R105 million in revenue over the next five years.

The DAC has continued to offer direct mentorship and support to these SMEs, helping stabilise operations and implement targeted improvements aimed at sustainable growth and scale.

Financial Position

The cluster remains in a strong financial position, closing the year with revenue of R 5,200,642. This provides a solid foundation for continued delivery and strategic innovation in the year ahead.

Appreciation

I would like to extend my sincere thanks to the Executive Committee for their vision and dedication, and to all our members for their active participation and commitment to the DAC's programmes. A special thank you goes to eThekweni Municipality for its continued support in advancing the cluster's impact.

As we look to the future, the DAC remains committed to building a globally competitive, inclusive, and sustainable automotive sector in KwaZulu-Natal. We are excited for what lies ahead and confident in our collective ability to shape it.



Andrew Velleman

Chairperson,
Durban Automotive Cluster

REMARKS BY THE FUNDER



The automotive manufacturing industry remains one of KwaZulu-Natal's most vital economic drivers, with eThekweni at the heart of this dynamic value chain. The collaboration between the Durban Automotive Cluster (DAC) and eThekweni Municipality is not only strategic—it's essential. Together, we are addressing complex regional challenges and laying the groundwork for sustainable job creation within the sector.

In our efforts to tackle unemployment, manufacturing plays a crucial role in unlocking opportunity. It offers young people access to meaningful, well-paying jobs while simultaneously fostering technological advancement and industrial growth. As a transformative force, the manufacturing sector is uniquely positioned to uplift marginalised communities and contribute to a more inclusive economy. Its powerful economic multipliers also reinforce eThekweni's status as a critical employment hub. The DAC has continued to align closely with the needs of the industry by rolling out targeted training programmes that boost employee productivity and leadership capacity. These initiatives—ranging from operator training to emerging leadership development—are ensuring our workforce is well-prepared to meet the evolving demands of the modern automotive industry. At the same time, the DAC is building digital and electronic skills within the sector, equipping our talent pool for the future of manufacturing.

Through knowledge-sharing forums and productivity improvement programmes, the DAC is also helping firms in KwaZulu-Natal stay ahead of global trends in manufacturing excellence. These shared learning initiatives empower the industry to drive continuous innovation and competitiveness.

We are especially encouraged by the DAC's consistent delivery and impact throughout 2024. The Business Accelerator Programme, in particular, stands out as a powerful platform for supplier development. By supporting high-potential Black-owned SMEs, this initiative has opened doors to market access and commercial success—ensuring a more inclusive and locally grounded automotive value chain. It's a true example of what public-private collaboration can achieve when united by a common vision.

As eThekweni Municipality, we remain firmly committed to supporting the Durban Automotive Cluster. We look forward to building on the successes of the past year and continuing to work together to unlock growth, foster transformation, and drive meaningful economic development in our region.



Takalani Rathiyaya

Economic Development Unit,
eThekweni Municipality

IN FOCUS: THE STATE OF THE INDUSTRY

State of the South African and KwaZulu-Natal Automotive Industry

2024 Industry Review and Outlook

The year 2024 presented a cautiously optimistic outlook for the South African automotive industry. Following years of disruption—stemming from the COVID-19 pandemic, the July 2021 social unrest, and the April 2022 floods—the operating environment began to stabilise. While 2023 was marked by record levels of electricity loadshedding (332 days), encouragingly, 2024 saw a 254-day suspension of loadshedding starting 26 March. In addition, political uncertainty surrounding national elections was largely alleviated following the formation of a Government of National Unity. These developments helped restore investor sentiment and supported a modest rebound in business confidence.

Despite these improvements, the industry continues to face significant structural challenges. Ageing infrastructure, elevated municipal tariffs, and subdued economic growth have constrained domestic demand and, in turn, production output. While KwaZulu-Natal (KZN) remains a compelling destination for automotive investment—given its proximity to port infrastructure and manufacturing capabilities—the absence of a coordinated provincial automotive strategy has limited its potential.

Emerging global sustainability requirements and the accelerating shift toward electric vehicles (EVs) present additional complexities. These transitions often require coordinated responses across government and industry stakeholders to ensure long-term competitiveness and market access.

Compounding the challenges is continued uncertainty regarding the operational stability of ArcelorMittal South Africa (AMSA), a critical supplier of automotive-grade steel. At the same time, the growing influx of imported vehicles—particularly those from non-local OEMs—is reshaping local market dynamics and exerting pressure on domestic producers.





SOUTH AFRICAN OEM VEHICLE PRODUCTION (2018–2024 AND OUTLOOK)

Total South African vehicle production declined to 593,508 units in 2024, down from 627,000 units in 2023 (Autostats, 2025). While this marks a setback, the cumulative output over the 2018–2024 period stands at 3.9 million units, reflecting the industry's underlying resilience.

Looking ahead, production volumes are forecast to recover, with 2025 and 2026 expected to reach 633,000 and 668,000 units respectively (naamsa, 2025). Light vehicles (passenger cars and light commercial vehicles) remain the dominant category, comprising 94.5% of total production over the period.

Exports remain a critical driver of growth, accounting for approximately 65% of total production. Although South Africa's share of global vehicle production remains modest at 0.65% (OICA, 2024), it has shown a steady upward trajectory from 0.58% in 2020, underscoring gradual global integration.

However, the export story is mixed at a provincial level. While national exports grew by 24,000 units, KZN's export volumes declined sharply from 75,000 in 2023 to 41,000 in 2024. This resulted in a drop in the province's share of national exports from 19% to 10.6%. Nonetheless, export volumes are expected to increase nationally, with projections of 410,000 and 431,000 units in 2025 and 2026, maintaining a two-thirds share of total production.

KwaZulu-Natal OEM Vehicle Production (2018–2024)

Vehicle production in KZN experienced a significant decline in 2024, falling to 125,000 units from 177,000 in 2023. This also fell short of the 2022 level of 129,000 units, which had been affected by the temporary closure of the Toyota plant following the province's floods. Still, 2024 volumes were higher than any year between 2018 and 2021.

From 2018 to 2024, KZN contributed a cumulative total of 976,000 units to national output—representing nearly 25% of all vehicles produced in South Africa. As with the national trend, light vehicles made up 94.9% of provincial production over this period.

However, KZN diverges from the national profile in its export focus. Only 38.5% of KZN-assembled vehicles were exported, meaning that a substantial 68% of vehicles manufactured in the province were sold in the domestic market. This highlights the province's critical role in supporting local vehicle availability and affordability.

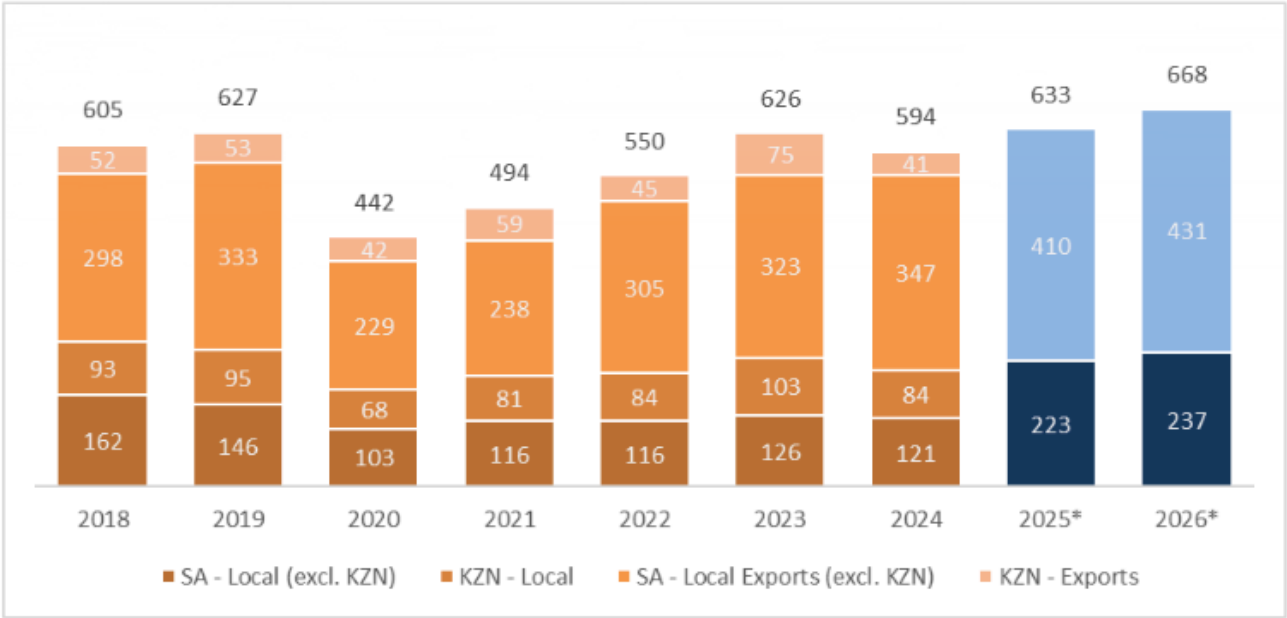
Despite the decline in exports and output in 2024, the outlook for KZN remains positive. Projected growth over the medium term is expected to re-establish the province's strategic role in national automotive manufacturing. The region's continued relevance will depend on its ability to enhance investment readiness, secure raw material inputs, and adapt to emerging global standards on emissions and electric mobility.





In summary, while the South African and KwaZulu-Natal automotive sectors continue to operate in a complex environment, there are clear signs of resilience and recovery. Strategic coordination, infrastructure renewal, and proactive industry-government collaboration will be critical to ensure the sector remains a key driver of industrial growth, job creation, and export competitiveness in the years ahead.

Number of Vehicles Produced from 2018 to 2024, including 2025 and 2026 forecast



* Forecast
Source: AutoStats / NAAMSA (2025)

Key Metrics

	Global	South Africa	KwaZulu-Natal
Total vehicle production	92 504 338	599,755	388,114
Global %		0.65%	0.42%
Export %		65.39%	10.63%

SKILLS DEVELOPMENT PROGRAMME



HIGHLIGHTS

Skills Year in Review 2024



Over R7.5 million

Saved by the class of 2024 through learners' practical improvement initiatives



116 employees

Are empowered to implement changes for the better of their work



100% of Learners

Would recommend this course to a friend or colleague



100% of Learners

Identified a problem to solve immediately after the training



TLDP

41 operator trained, achieving 262 competencies



ELDP

75 manager trained, achieving 347 competencies

Skills Development Programme

The Durban Automotive Cluster's Skills Development Programme made strong strides in 2024, training 116 participants across the Emerging Leaders and Technical & Leadership Development Programmes. Learners tackled real-world business challenges—unlocking an estimated R7.5 million in annual savings through change initiatives, waste reduction, and process optimisation.

Beyond skills, the programme nurtured a high-performance culture with monthly leadership awards and celebrated milestones at the 2023 graduation ceremony. With new courses launching in 2025, the DAC remains firmly committed to growing talent and advancing excellence across the industry.

Celebrating Skills and Success

The DAC Skills Graduation brought together 53 attendees from 13 companies in a vibrant celebration of growth, learning, and leadership.

A standout moment was the presence of our key funders, with Takalani from eThekweni Municipality delivering an inspiring keynote on the power of continuous learning to drive personal and organisational transformation.



Award Highlights



Yoshi Master Award – Rishad Sheik Adam (MAHLE Behr SA)

Rishad's dedication, leadership, and proactive approach made him a standout in the DAC programme. Always ahead of the curve, his commitment and example set the bar for excellence.



Firm Recognition Award – MAHLE Behr SA

With 16 employees trained through DAC's programmes, MAHLE Behr's investment in people development stands as a model for the industry—proving that continuous learning is key to competitive advantage.



SHARED LEARNING REPORT



2024: A Year of Shared Insight and Innovation

In 2024, the Durban Automotive Cluster (DAC) delivered a powerful knowledge-sharing programme that helped members navigate the fast-evolving automotive landscape. Kicking off the year, a webinar on renewable energy tackled load-shedding, rising costs, and compliance—equipping manufacturers with actionable strategies for resilience and sustainability.

Throughout the year, DAC hosted targeted sessions on supply chain optimisation, absenteeism management, and lean manufacturing. Highlights included “Project Present,” a lean-based absenteeism strategy now adopted by several members, and Bell Equipment’s “War on Waste” journey—showcasing how staff-led initiatives drive productivity.

A standout moment was the four-part webinar series with global lean expert Mike Hoseus, who unpacked Toyota’s 4P organisational model and its relevance for South African manufacturers. Members also gained international insight from Professor Kriengkrai Techakanont on Thailand’s shift to New Energy Vehicles, sparking robust local dialogue on future industry pathways.

Sustainability remained front and centre, with deep dives into Net Zero compliance and ESG reporting frameworks, co-hosted with the Durban Chemicals Cluster and TWIMS. Meanwhile, Green Thread Manufacturers impressed the cluster with a data-led, six-month turnaround that highlighted the power of employee-driven operational efficiency.

Through these sessions, DAC not only fostered shared learning but strengthened the competitiveness of KZN’s automotive industry. Looking ahead, DAC remains committed to equipping its members with the knowledge, tools, and networks to thrive in a rapidly changing global market.

HERE'S A GLIMPSE INTO SOME OF OUR SESSIONS

COMPETITIVENESS | GREEN MANUFACTURING

PRACTICAL STEPS FOR SUCCESSFULLY IMPLEMENTING RENEWABLE ENERGY SOLUTIONS WITHIN YOUR ORGANISATION

GUIDELINES FROM POINT SOLAR

Wednesday, 31 January 2024
11:00 – 12:00

POINT SOLAR



Effectively managing absenteeism yields benefits for both employees, fostering a healthier and more productive work environment.



Introduction to session (1)

Most important element of a firm's Lean Journey

Leadership Commitment: Strong commitment and active involvement from top management are essential for the success of a Lean Journey. Leaders must champion the Lean philosophy, provide resources, and actively participate in improvement activities.

Employee Involvement: Employees at all levels should be actively engaged and empowered to contribute to the Lean Journey. Their input, ideas, and feedback are crucial for identifying improvement opportunities and driving change.

Continuous Improvement (Kaizen): Continuous improvement is at the core of Lean. Organisations should foster a culture of continuous learning and improvement, encouraging small, incremental changes to processes, systems, and practices.

Value Stream Mapping: Understanding the end-to-end process and identifying value-added and non-value-added activities is crucial. Value stream mapping helps in visualising the current state, identifying waste, and developing future state plans for improvement.

Waste Reduction: Lean focuses on identifying and eliminating waste in all forms, including overproduction, waiting, unnecessary transportation, overprocessing, excess inventory, defects and rework, and talent/unused talent. Reducing waste improves efficiency, quality, and customer satisfaction.



Bolestering the Adoption of the 4Ps Culture Framework Within Organisations

Series Facilitated by Internationally Recognised Thought Leader: Mike Hoseus
Manufacturing Meetup

UPCOMING SESSIONS

19 JUNE Session 2 4Ps Culture Process
10 JULY Session 3 4Ps Culture People
21 AUG Session 4 4Ps Culture Problem Solving

06 JUNE

Session 1

4Ps Culture: Purpose on 06 June 2024

Click here to register



14:00-15:00

Sustainability disclosures

Mastering the art of sustainability disclosures – everything manufacturers need to know

In support of



Shared Learning Event
12 September 2024



4P's of The
Toyota Production System

Mike Hoseus

Author, President, Lean Culture Enterprises
Executive Director, Center for Quality People & Organizations (CQPO)
mike.hoseus@gmail.com or 859-499-2235

In-Person Event
Breakfast Seminar

Hosted by the Durban Automotive Cluster and TWIMS
Wednesday, 2 October 2024

From LCVs to NEVs: Thailand's recent automotive value chain developments

Guest Speaker: Prof. Kriengkrai Techakanont, Faculty of Economics, Thammasat University, Bangkok, Thailand

Facilitator: Prof. Justin Barnes, Toyota Wessels Institute of Manufacturing Studies' Manufacturing Ambassador and an Associate Professor at the Gordon Institute of Business Science, University of Pretoria.

Price: (No Charge) Includes breakfast

Time: 7:30am to 10:15am

Venue: TWIMS CAMPUS, 74 Everton Rd, Kloof



Clusters' Manufacturing Meetup series presents:
Green Thread's 6-month profit turnaround



2024

THE YEAR IN REVIEW

23

years

of adding value to
automotive
manufacturers



70

Member firms



14 BEST-PRACTICE

Shared Learning sessions
with 1350 participants



3

Firm-level
improvement
projects
launched,
yielding initial
gains in scrap
management,
performance
monitoring,
and
process/layout
efficiency,
respectively



Decarbonisation system and programme developed in
partnership with TSAM



41

Team leader
competencies trained



75

Emerging leader
competencies trained



OUR STORIES

Buyani's Precision Fix Saves Thousands at Aveng Trident Steel

When Buyani Ngcobo joined the Team Leader Development Programme (TLDP), he set his sights on one nagging issue on the production line: a small, recurring error that was costing big. Every week, a batch of parts was being cut 2mm too short, creating R9,000 in waste and frustration.

Determined to make a difference, Buyani rolled up his sleeves and applied the problem-solving tools he'd learned. His investigation led to an unlikely culprit: an oil leak in the guillotine tank. What followed was textbook lean thinking in action—tightened bolts, refilled oil, system tests, and daily leak checks added to the operator routine.

The results? Zero defects. Full compliance. And massive weekly savings. Even more impressive, Buyani's intervention only cost R3,600 to implement. But the real win was his leadership—rallying his team, improving awareness, and boosting production efficiency. A true showcase of how empowered learners can drive real-world impact.

Highlights



R9,000 Weekly Waste Eliminated.

Buyani tackled a costly 2mm cutting error on the line, saving R9,000 per week through targeted intervention.



Root Cause Resolved.

Using lean problem-solving, he traced the issue to a guillotine oil leak—then fixed it with a R3,600 solution.



Zero Defects Achieved.

Process changes and operator checks led to full compliance and a defect-free production run.



OUR STORIES

Andile's Assembly Overhaul Boosts Quality and Saves Big at Commercial Auto Components

When Andile Khoza took on his lean problem-solving project, he wasn't just fixing a flaw—he was protecting the company's reputation. At Commercial Auto Components, faulty stone guard assemblies were sneaking out the door—missing critical parts and frustrating customers. The fallout? Costly returns, rework, delays, and disappointed fitters. Andile's response was methodical and masterful. He introduced a new check sheet process, developed detailed work instructions, and established a clear SOP for packing. Every component was now double-checked—first by the assembler, then by a team leader—before heading to the customer.

The change was dramatic. Reworks were eliminated. Deliveries became more reliable. And customers took notice. The fix, which cost around R6,200 per bull bar, is now saving the company an estimated R4,500 on every unit delivered.

Andile's project proved that when skilled workers are empowered, they don't just solve problems—they transform systems.

Highlights



Customer Complaints Eliminated.

Andile resolved a critical quality issue in stone guard assemblies, restoring customer trust and satisfaction.



Reliable Deliveries Achieved.

New SOPs, check sheets, and double-checking processes ensured defect-free products reached customers on time.



R4,500 Saved Per Unit.

A R6,200 fix per bull bar now delivers consistent savings of R4,500 on every unit delivered.



VOICE OF OUR MEMBERS

Sugeshnee Naidoo, Enermous Investments CC



"Since joining the cluster, we have been part of various training programmes which has helped improve and motivate staff and management. We have also been exposed to various other opportunities on improving our standards and we have been introduced to many potential customers."



Takalani Rathiyaya, eThekweni Municipality



"Initiatives like the DAC Accelerator, in collaboration with the government, play a pivotal role in supporting industry, helping them seize opportunities for sustainable growth. I am excited to see the talent that will emerge from the 2024 Accelerator and am confident that, in alignment with the programme's track record of success, this year will be no exception."

Collen Matshavha, GUD Holdings



"So far I find the course so interesting and knowledge empowering and an eye opening to build continuous improvement in daily basis, upon problem solving, identify waste and customer drivers"



2024 EXECUTIVE COMMITTEE

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



ANDREW VELLEMAN

CFAO / Toyota Tsusho Africa
Exco Chairperson

MARK GUTRIDGE

Brink Towing Systems
Executive Member

ALEX HOLMES

Hesto Harnesses
Exco Director

JUDITH SERAFIM

Invusa Interior Trim
Executive Member



THEUNIS ROOTMAN

Toyota South Africa Motors
Exco Director

NIGEL WARD

Toyota South Africa Motors
OEM Representative

PAUL VERMAAK

Hesto Harnesses
Executive Member

MICHAEL WALDBURGER

Toyota South Africa Motors
OEM Representative

RUSSELL CURTIS

eThekweni Municipality
Funder

RIAZ HAFJEJEE

Riaz Haffejee
Nominated Industry
Representative



RAVESH GAVENDER

eThekweni Municipality
Funder

MEGHAN KING

BMA
Chief Facilitator

TAKALANI RATHIYAYA

eThekweni Municipality
Funder

SABRINA LOUBSER

BMA
Facilitator

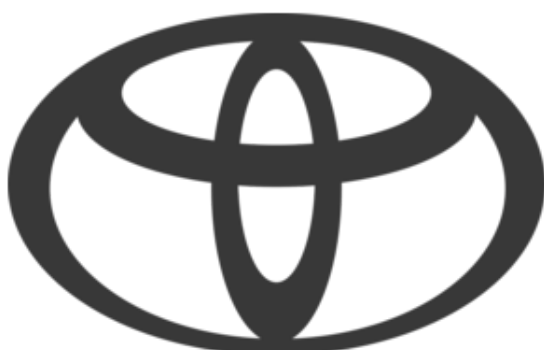


OUR PARTNERS

The DAC expresses gratitude to eThekweni Municipality and all supporting partners for 2023:



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



TWIMS

Governance and Compliance



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

MEMBER LISTING

Organisation
eThekweni Municipality
Adventure Automotive Products
Aeroklas Duys
Allied Steel Rode
Aunde South Africa
Trident Steel Africa
Bell Equipment
Brace Able Manufacturing
BRINK Towing Systems
Brits Nonwoven
BTI Industries
Commercial Auto Components
Enermous
Expert Automotive Trim
Federal-Mogul Powertrain (Driv)
Feltex Automotive Trim
Feltex Fehrer
Freudenberg Nonwovens
GUD Holdings
Hesto Harnesses
Horizon Components
Hulamin
HW Schmidt Industries
Imvusa Interior Trim
L&J Tools and Engineering
Lumen Special Cables
MAHLE Behr South Africa
MAXE
Natal Gaskets
Pressure Die Caskets (PDC)
Ramsay Engineering

Organisation
Smiths Manufacturing
Sumitomo Rubber SA
Scott Bader
Thekwini Wire
Toyota Boshoku SA
Toyota Gosei
Toyota SA Motors
Toyota Tsusho Africa
Wavepaper
Webroy
Zululand Filters
First National Battery
Springmaster
Azib Technologies
BAP SA
GST Automotive Safety SA (Pty) Ltd
Notefull Engineering
AGP MANUFACTURING (PTY)LTD
API Solutions Int (Pty) Ltd
Dimphe Engineering
Electri-Coal Technologies
FEASIBLE PLASTICS
GFROCE EMPLOYMENT SOLUTIONS
IJ Components Manufacturers
IMS TOOL AND DIE (PTY) LTD
Ithemba Africa Trading
JAY BROWN ENGINEERING
JOYPHIL ENGINEERING (PTY) LTD
KCM Environmental Services

Organisation
Lighthouse Engineering & Inspections
Mechgen
MOTEC AUTOMOTIVE
Sirius Manufacturing
Sizundawo Engineering
Spot-On Fire Controls (Pty) Ltd
ST Projects Pty Ltd
Too-See Engineering
X-Haulted Trading and Projects
Yenza Africa Pty Ltd



2024 AWARDS

These awards recognise the meaningful contributions of the following firms and individuals towards the growth of the cluster and industry in 2024.

TOYOTA BOSHOKU SOUTH AFRICA	Localisation Leadership Award
TOYOTA SOUTH AFRICA MOTORS	Automotive Industry Collaboration Excellence Award
HESTO HARNESSES	Localisation and SME Development Award
SIRIUS MANUFACTURING	Industry Gamechanger
ENERMOUS INVESTMENTS	Industry Gamechanger
EXPERT AUTOMOTIVE TRIM	Industry Gamechanger
BELL EQUIPMENT	Lean Leadership Excellence Award
FELTEX AUTOMOTIVE	Skills Development Champion Award
ETHEKWINI MUNICIPALITY	Funder Appreciation Award
CFAO SOUTH AFRICA	Executive Leadership of the Cluster
BRINK TOWING	Continuous Improvement & Productivity Mastery Award



CLUSTER INFORMATION



Who We Are:

A representative group of over 70 automotive manufacturers are supported through the programmes and projects of the Durban Automotive Cluster.

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

Contact Us :



Phone Number
+27 031 764 6100



Email Address
dac@bmanalysts.com



Fax
+27 (0) 86 607 4510



Post Box Address
**PostNet Suite 10139
Private Bag X7005
Hillcrest
3650
South Africa**



Website
www.dbnautocluster.org.za

DURBAN AUTOMOTIVE CLUSTER NPC
(Registration number 2005/035247/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provision of cluster-based development and support to the automotive sector.
Directors	P Vermaak A G Holmes A P Velleman M J Gutridge
Registered office	Block B, Bellevue Campus 5 Bellevue Road Kloof 3610
Postal address	Postnet Suite 10139 Private Bag X7005 Hillcrest 3650
Bankers	Investec Bank Limited
Auditors	Forvis Mazars Registered Auditor
Company registration number	2005/035247/08
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: MJ Cassan Chartered Accountant (S.A.)
Issued	16 April 2025

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
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The reports and statements set out below comprise the annual financial statements presented to the directors:

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Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Directors' Responsibilities and Approval

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

The annual financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the company's cash flow forecast for the year to 31 December 2025 and, in the light of this review and the current financial position, they are satisfied that the company has access to adequate resources to continue in operational existence for the foreseeable future.

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

The annual financial statements set out on pages 8 to 16, which have been prepared on the going concern basis, were approved by the board on 16 April 2025 and were signed on its behalf by:


A G Holmes


A P Velleman

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

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

forvismazars.com/za



Practitioner's Compilation Report

To the Directors of Durban Automotive Cluster NPC

We have compiled the accompanying financial statements of Durban Automotive Cluster NPC based on information you have provided. These financial statements comprise the statement of financial position of Durban Automotive Cluster NPC as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the IFRS for SMEs Accounting Standard, the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the IFRS for SMEs Accounting Standard, the Companies Act of South Africa and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

Forvis Mazars

Forvis Mazars
MJ Cassan
16 April 2025
Durban

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

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

forvismazars.com/za



Independent Auditor's Report

To the Directors of Durban Automotive Cluster NPC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Durban Automotive Cluster NPC set out on pages 9 to 16, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Durban Automotive Cluster NPC as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Continued-/

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Durban Automotive Cluster NPC Annual Financial Statements for the year ended 31 December 2024", 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 for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Continued-/

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

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

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

FORVIS MAZARS

Forvis Mazars
Partner: Shaneal Doolabh
Registered Auditor
16 April 2025
Durban

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Durban Automotive Cluster NPC for the year ended 31 December 2024.

1. Nature of business

Durban Automotive Cluster NPC was incorporated in South Africa with interests in the provision of cluster based development and support to the automotive sector. The company operates in South Africa.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS for SMEs Accounting Standard, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

3. Directors

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

P Vermaak
A G Holmes
A P Velleman
M J Gutridge

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

4. Events after the reporting period

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

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Auditors

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

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Financial Position as at 31 December 2024

Figures in Rand	Notes	2024	2023
Assets			
Current Assets			
Trade and other receivables	2	69,090	293,124
Cash and cash equivalents	3	200,849	521,968
		<u>269,939</u>	<u>815,092</u>
Total Assets		<u>269,939</u>	<u>815,092</u>
Equity and Liabilities			
Equity			
Accumulated surplus		<u>197,404</u>	<u>111,938</u>
Liabilities			
Current Liabilities			
Trade and other payables	4	<u>72,535</u>	<u>703,154</u>
Total Equity and Liabilities		<u>269,939</u>	<u>815,092</u>

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Comprehensive Income

Figures in Rand	Notes	2024	2023
Revenue	5	5,200,642	4,012,542
Other income	6	103,254	-
Operating expenses		(5,236,692)	(3,959,380)
Operating surplus	7	67,204	53,162
Investment revenue	9	18,262	9,422
Surplus for the year		85,466	62,584

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 January 2023	49,354	49,354
Surplus for the year	62,584	62,584
Balance at 01 January 2024	111,938	111,938
Surplus for the year	85,466	85,466
Balance at 31 December 2024	197,404	197,404

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Statement of Cash Flows

Figures in Rand	Notes	2024	2023
Cash flows from operating activities			
Cash (used in) generated from operations	11	(339,381)	335,620
Interest income		16,120	9,422
Net cash from operating activities		(323,261)	345,042
Cash flows from investing activities			
Interest Income		2,142	-
Total cash movement for the year		(321,119)	345,042
Cash and cash equivalents at the beginning of the year		521,968	176,926
Total cash at end of the year	3	200,849	521,968

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Accounting Policies

1. Basis of preparation and summary of significant accounting policies

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

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

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

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include trade receivables and trade payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Trade and other payables

Trade payables are recognised initially at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in bank and is initially recognised at fair value plus transaction costs and subsequently at amortised cost.

1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Government funding is accrued by referring to the amount specified in the agreement undertaken in respect of funding between the municipality and the cluster.

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

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
2. Trade and other receivables		
Trade receivables	7,222	23,055
Prepayments	-	182,993
Value added taxes	61,868	87,076
	<u>69,090</u>	<u>293,124</u>
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	<u>200,849</u>	<u>521,968</u>
4. Trade and other payables		
Trade payables	<u>72,535</u>	<u>703,154</u>
5. Revenue		
Membership fees	1,320,233	1,299,538
eThekweni Municipality	2,880,409	2,601,504
Other project income	1,000,000	111,500
	<u>5,200,642</u>	<u>4,012,542</u>
6. Other income		
Decrease in provision for bad debts	<u>103,254</u>	<u>-</u>
7. Operating surplus		
Operating surplus include the following expenses:		
Competitiveness	462,050	871,372
Employee productivity	458,813	1,146,688
Increase in provision for bad debts	59,752	103,254
Investment attractiveness	2,677,444	1,076,531
Management and administration	769,265	530,522
Sector strategy	648,406	193,604
Talent pipeline	39,113	-
	<u>5,114,843</u>	<u>3,921,971</u>
8. Auditor's remuneration		
Fees	<u>39,630</u>	<u>35,325</u>
9. Investment revenue		
Bank	<u>18,262</u>	<u>9,422</u>

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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10. Taxation

Non provision of tax

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

11. Cash (used in) generated from operations

Net surplus before taxation	85,466	62,584
Investment income	(18,262)	(9,422)
Changes in working capital:		
Trade and other receivables	224,034	(242,280)
Trade and other payables	(630,619)	524,738
	<u>(339,381)</u>	<u>335,620</u>

12. Related parties

Relationships

Entity under common management B and M Analysts Proprietary Limited

Related party balances and transactions with entities with control, joint control or significant influence over the company

Related party balances

Amounts included in trade payables owing to related parties

B and M Analysts Proprietary Limited 62,987 693,608

Trade payables are paid within 30 days.

Related party transactions

Amounts paid to related parties

B and M Analysts Proprietary Limited 5,055,090 3,818,717

B and M Analysts Proprietary Limited acts as an anchor service provider distributing a portion of funds to additional third party contractors.

13. Directors' and prescribed officer's remuneration

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

14. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Notes to the Annual Financial Statements

15. Events after the reporting period

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

16. Financial assets by category

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

2024

	Financial assets at amortised cost	Total
Trade and other receivables	7,222	7,222
Cash and cash equivalents	200,849	200,849
	208,071	208,071

2023

	Financial assets at amortised cost	Total
Trade and other receivables	23,055	23,055
Cash and cash equivalents	521,968	521,968
	545,023	545,023

17. Financial liabilities by category

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

2024

	Financial liabilities at amortised cost	Total
Trade and other payables	72,535	72,535

2023

	Financial liabilities at amortised cost	Total
Trade and other payables	703,154	703,154

Durban Automotive Cluster NPC
(Registration number: 2005/035247/08)
Annual Financial Statements for the year ended 31 December 2024
Detailed Income Statement

Figures in Rand	2024	2023
Revenue		
Membership fees	1,320,233	1,299,538
eThekweni Municipality	2,880,409	2,601,504
Other project income	1,000,000	111,500
	5,200,642	4,012,542
Other income		
Decrease in provision for bad debts	103,254	-
Operating expenses		
Auditor's remuneration	39,630	35,325
Bad debts	80,015	-
Bank charges	2,204	2,084
Competitiveness	462,050	871,372
Employee productivity	458,813	1,146,688
Increase in provision for bad debts	59,752	103,254
Investment attractiveness	2,677,444	1,076,531
Management and administration	769,265	530,522
Sector strategy	648,406	193,604
Talent pipeline	39,113	-
	5,236,692	3,959,380
Operating surplus	67,204	53,162
Investment income	18,262	9,422
Surplus for the year	85,466	62,584