



ctfa

COSMETIC TOILETRY & FRAGRANCE
ASSOCIATION OF SOUTH AFRICA

**ANNUAL
REPORT
2023**

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The CTFA is the cosmetic and personal care industry's voice in South Africa, committed to maintaining high quality and safety of cosmetic and personal care products.



MISSION

To support and develop a sustainable and respected South African cosmetic and personal care industry by proactively stimulating actions and developing tools that contribute to its growth and the progress of its members, while promoting consumer safety.

KEY ROLES

- Promote a responsible industry by requiring compliance with prevailing legislation, and voluntary linked requirements pending regulatory finalisation.
- Prioritise member interests through the leveraging of industry, scientific, business and regulatory expertise in developing common positions, and advocating for these interests.
- Be the cosmetic and personal care industry's voice during engagements with all Stakeholders including government, the media and advocacy groups.
- Advocate for the most favourable economic and regulatory operating environment through the promotion of best practice and accountability both from its members and other stakeholders.
- Align and optimise the South African cosmetic and personal care industry with global regulatory standards towards regulatory mutual recognition.
- Consider and engage on policies and legislation with stakeholders at an early stage of development.
- Promote social responsibility through the activities of the Look Good Feel Better Programme.

CTFA BOARD

THE ROLE OF THE CTFA BOARD:

- To define key deliverables for CTFA
- To review CTFA objectives
- To be proactive on current issues
- To seek ways to improve the industry
- To set direction and pace
- To ensure that the publicity and marketing of CTFA is effective
- To represent the industry at senior government levels

2023



Warren van Niekerk
Chairperson
Beiersdorf Consumer Products (Pty) Ltd



Serge Sacre
L'Oreal South Africa (Pty) Ltd



Nizam Kalla
Vice-Chairperson
Amka Products (Pty) Ltd



Tarryn Gordon-Bennett
Haleon South Africa (Pty) Ltd



John Knowlton
Cosmetic Solutions



Wayne van Wyk
Vantage Specialty Chemicals (Pty) Ltd



Muzi Nkosi
Avon Justine (Pty) Ltd



Adelia Pimentel
Executive Director
CTFA

CHAIRPERSON'S REPORT

Warren van Niekerk
Chairperson



The year in focus was a whirlwind of activity both from a business and social perspective. The economy grew by 0.6% and the South African cosmetic market displayed consistent growth regardless of the constrained economy. Socially, South Africans were once again united when the Springboks proved that they are the undisputed world's best.

On the other hand, our country's old foes such as load-shedding and the water crisis remain on the forefront. Nevertheless, South Africa has made tremendous strides in the form of numerous successful solar and wind farms, and despite global economic challenges, South Africa's economy continued to demonstrate its resilience.

Despite a challenging year at the CTFA the Board, under the operational leadership of Adelia made some significant strides in furthering the cause of the CTFA, our industry, and our members. In this regard, I will make mention of some highlights:

- Our new Vice-chairperson, Mr. Nizam Kalla was elected. The CTFA and its board of directors wishes Nizam all the very best in his new role.
- The CTFA was audited for the first time as a registered Non-Profit Company and its various committees were duly established.
- Interaction with government authorities both locally, regionally and internationally reaped various benefits for all. Stakeholder engagement continued to ensure the cosmetic and personal care industry thrives in the legislative and compliance space.
- 2023 was a successful year for CTFA both financially and with regards to member retention and growth.

- I am delighted to confirm that the CTFA will continue its relationship with its Corporate Social Responsibility partner, Look Good Feel Better (LGFB), an amazing non-profit organisation that supports cancer patients during their darkest times. In this regard, it is a very special year for LGFB, as it turns 20!

Looking forward, there is no doubt that 2024, like years preceding it, will bring its own challenges. Despite the challenges we may face, the CTFA will continue to leverage its local, international and African regulatory footprint, continue to engage the National Department of Health on the long-awaited promulgation of the cosmetic regulations, and of course, champion the causes that affect our members.

A highlight is the fact that the CTFA turns 30 this year! This milestone would not have been possible without our valued members' ongoing support.

With the support of our industry, our valued members and my fellow directors, I am confident that 2024 will be a year full of success and celebration – and we look forward to walking the journey with you.

In closing, I would like to thank my fellow directors and all our valued members for your ongoing support and wish you all the very best for the year to come.

EXECUTIVE DIRECTOR'S REPORT

Adelia Pimentel



The cosmetic and personal care industry continued to face considerable external pressure as global and local economic uncertainty prevailed, however, amongst our Association's greatest strengths is the unwavering commitment to build and grow our capabilities to ensure the industry's future success.

In pursuance of the ongoing commitment to industry, the CTFA remained focused on achieving the highest standards in service delivery to all our members by adhering to the relevant codes of best practice, accountability, responsibility and integrity.

In 2023 the local and international regulatory environment continued to develop with ongoing updates, discussions and mandates, which included an anticipated engagement with the National Department of Health's Deputy Director General, regarding the still pending promulgation of the published redraft of the Regulations relating to Labelling, Advertising and Composition of Cosmetics, R.1469, December 2017. The result, however, was somewhat lack lustre, as insufficient capacity and skills in the National Department of Health were presented as reasons for non-promulgation in the short term.

For the foreseeable future it seems the industry will remain self-regulated by following European best practice through the CTFA Compendium. However, as an industry association, CTFA will keep creating awareness of the pending promulgation and promoting various options to government to streamline compliance overall.

CTFA's portfolio is broad and involves stakeholder engagement with both domestic and international organisations and national government departments. Closer involvement with policy and legislation of the Department of Forestry, Fisheries and the Environment (DFFE) during 2023 was a strategic decision,

due to the increased activity from the Department that has resulted in widening the scope of the content CTFA advises members on.

The parliamentary Portfolio Committee along with the National Department of Agriculture, Land Reform and Rural Development and other departments were active on the Animal Protection Amendment Bill that has been put on hold for now.

CTFA became part of the Technical Committee on Hemp and Cannabis - this bodes well for industry's participation and advocacy initiative going forward - development of innovative products are desperately needed to contribute to the economy and South Africa's unique basket of products it can offer the world.

In 2023 the CTFA made the strategic decision to become a member of the Advertising Regulatory Board (ARB) to ensure the continuous inclusion and enforcement of the CTFA Cosmetic Code in its guise as Appendix B by the ARB.

Regionally CTFA interacted with the Botswana Regulatory Authority (BoMRA) regarding the Botswana Medicines and Related Substances (MRS) Bill.

Rwanda FDA regulators advised of the imminent updating of their cosmetic legislation and subsequent advocacy interventions were and continue to be undertaken by the CTFA.

The African Organisation for Standardisation



(ARSO), whose mandate is to harmonise African standards and conformity assessment procedures in order to reduce technical barriers to trade, remained a focal area for CTFA during 2023.

The International Organization for Standardization (ISO) is an international standard development organisation composed of representatives from the national standards organisations of member countries. South Africa is a member of ISO through the South African Bureau of Standards (SABS). Internationally, four technical workgroups at ISO were active and South Africa was represented twice in the year with CTFA being key to South Africa's positioning.

A myriad of policy and legislative updates took place during 2023 that CTFA focused on. These included important themes such as; microplastics, allergens, UV filters (homosalate), greenwashing, and changes to the Scientific Committee on Consumer Safety (SCCS) guides for cosmetics safety testing in Europe. In China, updates continued with publication and enforcement of the technical guideline for children's cosmetics and Good Manufacturing Practice certification by exporting countries. CTFA informed its members on the ongoing developments regarding the Modernization of Cosmetics Regulations Act of 2022 (MoCRA), the most significant expansion of the US Food and Drug Administration's (FDA) authority to regulate cosmetics.

Updates are set to continue into the new year. With clean sustainability remaining a core concern worldwide, much of the trends and regulatory changes are in some way linked to the welfare of the consumer, animals, and environment. Microplastic regulations, fragrance allergens and constituents, per- and polyfluorinated substances, skin lightening substances and animal testing will all feature in 2024.

The advancement in technology is growing exponentially, and companies are embracing its use in almost all spheres. Artificial Intelligence (AI) and Augmented/Virtual Reality

(A/V R) have become common terms, and it is just beginning. We look forward to seeing the progress in this space in the coming year.

In 2023, the newly constituted CTFA Technical Committee and its sub-committees became active and a new era was heralded. Currently, the various subcommittees, where the granular detail of specific topics discussed, are: the Cosmetic Regulations Review, Sun care, Advertising Regulatory Board, microbiome and haircare. Experts give voluntarily of their time to assist and guide the industry via the CTFA.

2023 brought in a significant number of new members seeking CTFA services, these constituted mostly of small and medium sized entities who needed assistance in becoming and staying compliant within a very fluid industry.

The CTFA welcomed Glen Malherbe, as the CTFA Head: Policy & Regulatory Affairs from October 2023. He has worked in the chemical industry for over 11 years and brings with him many years of policy and legislative experience. The addition to the CTFA team ensures that we remain a dynamic, dedicated and service centric team whose focus is the members and industry growth.

Look Good Feel Better (LGFB) is a global network of 27 countries, including South Africa, that has collectively served more than 2.1 million people living with cancer since the programme began in 1989. The programme makes a huge difference in the lives of people fighting the debilitating effects of cancer. A heartfelt thank you to the CTFA members that support this worthy cause.

In conclusion, a sincere thank you to the CTFA directors, member companies and all stakeholders who have collaborated over the last 29 years in ensuring CTFA remains a reliable industry partner. Together we are stronger!

Adelia Pimentel | Executive Director

FINANCE REPORT

Lloyd Viljoen
Auditors



The period under review, 2023, was a financially successful year for the CTFA. With sound financial management the Association met the approved budget and reported a surplus. This was mainly due to the primary source of revenue generated from fees levied to member companies, well managed expenses and savings on positions which were either not filled or filled later in the year, most notably the appointment of one senior staff member in October 2023.

The Non-Profit Company's (NPC) primary focus during the year under review continued to be on lobbying, advocacy and member services. The strategic decision to position the CTFA as a leader in the regulatory space whilst keeping it financially healthy was a continuous objective.

Income was generated mainly from membership, which grew by 4.4% over the prior year. A total of nine new members joined CTFA, the total membership being 112 companies. Interest received from investments generated a R500 558 increase in income versus the previous year. This boded well for the Association in closing the year above budget and in a surplus of R2 433 776.

Overall, expenses were well maintained by the NPC with

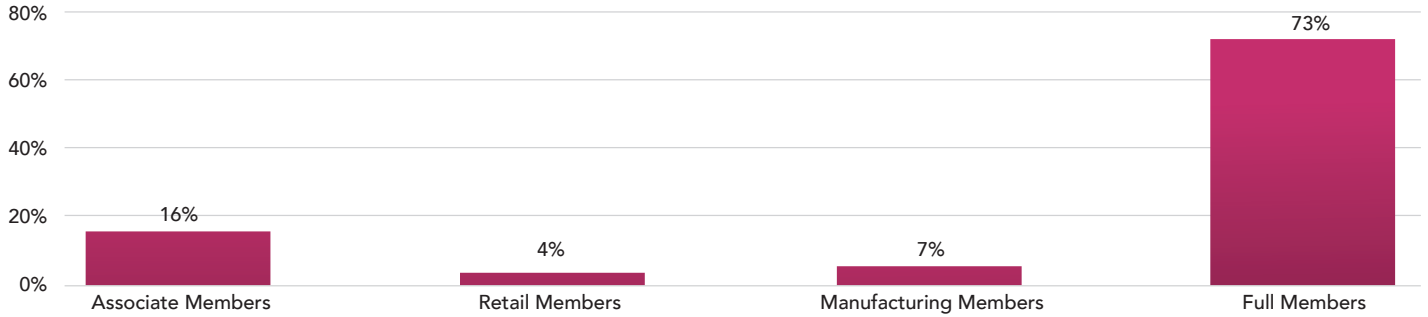
operating expenses reflecting a slight decrease over the prior year, totalling R4 870 992 for 2023 versus R4 973 260 for the 2022 financial year. A total of 51 members enjoyed the early settlement refund benefit during the 2023 financial year.

Despite some challenges faced during the year, 2023 was a year of membership introspection and stable financial results. The CTFA will continue investing back into the organisation for the benefit of members.

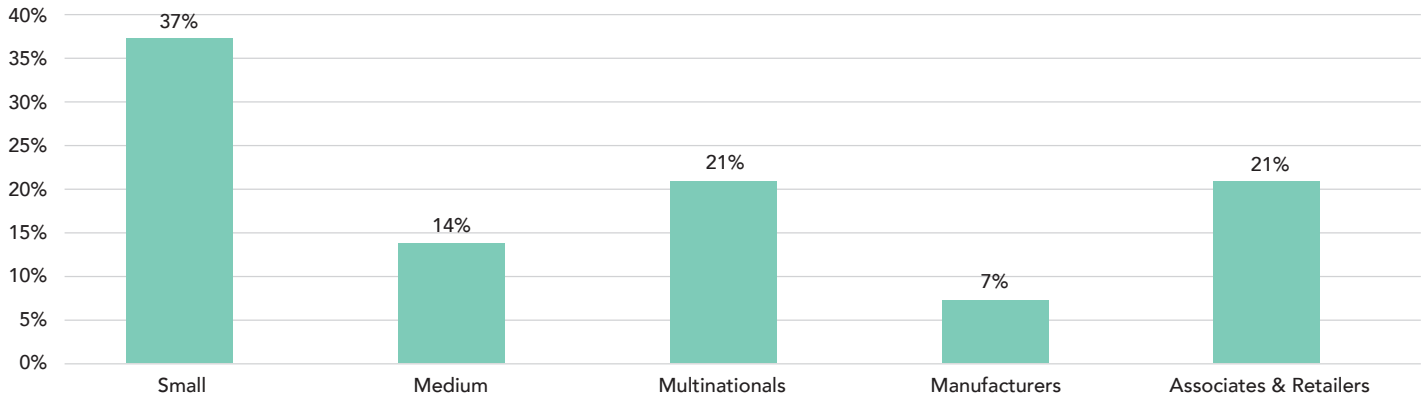
Watermans have expressed willingness to continue as auditors for the next financial year and a resolution proposing their reappointment will be submitted at the forthcoming Annual General Meeting.

Lloyd Viljoen | Auditors

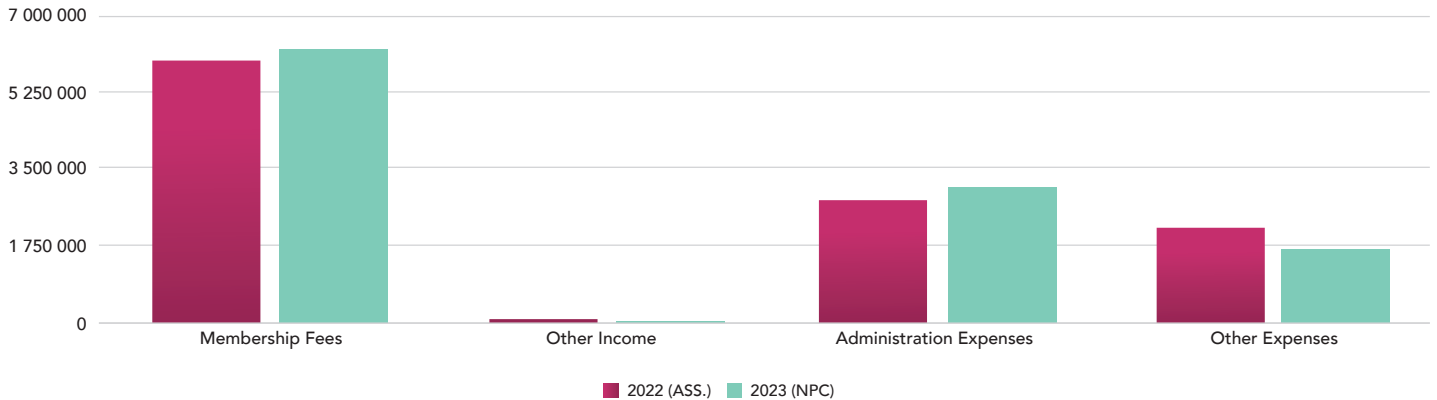
2023 MEMBER CATEGORIES



2023 MEMBER COMPANIES



REVENUE VS EXPENSES



REGULATORY AFFAIRS



Glen Malherbe
Head: Policy & Regulatory Affairs

One of CTFA's roles is to improve technical, regulatory and policy awareness within the industry and to communicate the importance of compliance in a constantly evolving regulatory framework. As such CTFA's advisory services and training programmes are a key component of the services we offer. In 2023 Dr Glen Malherbe joined Nadia Rashid as part of the regulatory team, this means that members can now benefit from two experts who are versed in regulatory affairs and policy.

LOCAL STAKEHOLDER ENGAGEMENT

NATIONAL DEPARTMENT OF HEALTH (NDOH)

The National Department of Health published the redraft of the Regulations relating to Labelling, Advertising and Composition of Cosmetics, R.1469 in December 2017. Since then CTFA has been engaging with the department and with the Deputy Director-General but it continues to be reported that there is no capacity at the department. CTFA will continue in its quest to gain traction on the promulgation of the draft regulations, and is exploring new strategies in this regard.

DEPARTMENT OF FORESTRY, FISHERIES AND THE ENVIRONMENT (DFFE) Draft Prior Informed Consent Regulations – Domestication of the Rotterdam Convention

The DFFE published draft Regulations aimed at domesticating the Rotterdam Convention on the Prior Informed Consent Procedure (PIC) for Certain Hazardous Chemicals and Pesticides in International Trade. Implementation of the Regulations will result in a process being required by importing and/or exporting companies to obtain consent from the national authority of the country being traded with, before trade takes place with listed chemicals. Importantly this is irrespective of whether the country is a party to the Convention or not.

The draft published for public comment on 24 October 2023 still contained some concerns,

including:

- mercury, trace amounts and the scope of the Regulations: the draft Regulations listed mercury and anything containing mercury as a chemical subject to the Regulations. The listing is of potential interest to the sector because the principle of trace, unintentional quantities of listed chemicals being present in raw materials and products was not taken into account directly, but has been provided for at least in the short term; and
- transitional provisions: no transitional compliance timeframe was included in the draft Regulations for when there are updates (primarily additions) to Annexure I (that lists chemicals subject to the Regulations - aligned with Annex III of the Rotterdam Convention and its processes) and/or the Regulations.

CTFA's TCCOM reviewed the list of chemicals that are likely to be subject to the Regulations, to determine if:

- i) there were any other chemicals of interest from a raw material and/or product perspective when it comes to trade with any country, other than mercury;
- ii) any of the chemicals were of indirect interest to the industry/supply chain; and
- iii) there were any other concerns or areas requiring clarity.

CTFA submitted input to the DFFE for consideration and awaits a bilateral engagement with the Department.



Nadia Rashid
Technical & Regulatory Manager

Minamata Convention on Mercury and the Draft Mercury Management Regulations for South Africa

South Africa is a party to the Minamata Convention that seeks to control mercury supply and trade; reduce the use, emission and release of mercury; raise public awareness; and build the necessary institutional capacity towards positive impacts on the environment and health. The fifth Conference of the Parties (CoP) was held from 30 October – 3 November 2023 – marking 10 years since the establishment of the Treaty.

Amongst the issues that were tabled, the African Group (that includes South Africa) proposed that as of 2025, no mercury should be allowed in cosmetics. Ultimately, this was one of the resolutions of the CoP that is concerning given that the accepted threshold for unintentional mercury in cosmetics is currently less than 1 ppm.

To meet its obligations, South Africa is developing the National Regulations for the Management of Mercury in South Africa. The Regulations will regulate mercury from a number of perspectives, including through phase-outs and prohibitions of processes and products containing mercury. Although the most recent resolution regarding no mercury level being permitting in cosmetics is not included in draft Regulation at this time, it could be expected in future revisions.

CTFA is following developments in the international and domestic policy and regulatory arenas and awaits a bilateral meeting with the Department of Forestry, Fisheries and the Environment (DFFE) to discuss the draft Regulations, the principle of intentional addition and trace levels of unintentional mercury content, as well as outcomes from the CoP as they relate to mercury in cosmetics.

SOUTH AFRICAN HEALTH PRODUCTS REGULATORY AUTHORITY (SAHPRA) Draft Guideline for Borderline Products

The South African Health Products Regulatory Authority (SAHPRA), an entity of the national Department of Health, published the draft Guideline for Borderline Products in 2022 for stakeholder comment. "The Guideline is intended to provide guidance to applicants on borderline products and outline the

process for product designation requests by applicants. It represents SAHPRA's current thinking on the safety, quality and efficacy of medicines and the safety, quality and performance of medical devices." Although it is clear that cosmetics and personal care products are not intended to be included in the scope of the Guideline and are not in the scope of SAHPRA as a whole, SAHPRA defines a "borderline product" to include "a product for which the regulatory pathway for a... cosmetic... is not clear until the classification status thereof is decided by the Regulatory Authority and the product is designated to a particular regulatory pathway...". This means that if there is any doubt whether a product meets the legal definition of "cosmetic", SAHPRA may have to decide on its regulatory pathway.

CTFA found a number of challenges with the intention of the Guideline and its draft content. During the development of its submission of comments to SAHPRA, CTFA collaborated with other industry bodies to ensure that industry was united in its positions.

CTFA awaits feedback from the legal resources within SAHPRA regarding the legal status of the Guideline. In November 2023, CTFA requested that its comments and queries be responded to prior to the finalisation of the Guideline, in order to update industry and consider the available options for the way forward.

SOUTH AFRICAN BUREAU OF STANDARDS (SABS)

CTFA represents the cosmetic and personal care industry at the SABS TC217.

During 2023 SABS updated the following standards:

SANS 289:2022 - Labelling requirements for prepackaged products (prepackages) and general requirements for the sale of goods subject to legal metrology control. This standard covers the requirements normally regulated by the legal metrology legislation and the requirements for the labelling of prepackaged products with respect to: the identity of the product, the name and place of business of the manufacturer, packer, distributor, importer or retailer, and the net quantity of the product. It also covers general requirements for the sale of goods and prescribed sizes in which certain products are packaged.



SANS 10393:2022 - Hair care products - General requirements. This standard specifies important labelling requirements for hair care products to ensure the safe use thereof.

SANS 18415:2022 - Cosmetics - Microbiology - Detection of specified and non-specified microorganisms. This document gives general guidelines for the detection and identification of specified microorganisms as well as for the detection and identification of other kinds of aerobic mesophilic non-specified microorganisms, in cosmetic products.

ADVERTISING REGULATORY BOARD (ARB)

The Advertising Code of Practice – Appendix B was updated in 2023. The update was undertaken considering international



best practice and input from CTFA's ARB Sub-committee of industry experts. The update included advertising guidelines on substantiation of "Dermatologically/Dermatologist" claims for cosmetic products.

AFRICA – REGIONAL FOCUS

In 2023 CTFA continued to build relationships with various African regulators and engaged on matters of regulatory reform, especially where these stand to affect the export of cosmetic products from South Africa.

BOTSWANA (BoMRA)

In November 2022 BoMRA held a meeting to update stakeholders on the developments and current state of cosmetic regulations in Botswana; the European framework was chosen as their regulatory base model. May

2023, saw the introduction of the Regulatory Information Management System known as BRIMS, with both public and private access.

In September 2023 a stakeholder engagement was held to discuss comments put forth regarding the Botswana Medicines and Related Substances (MRS) Bill. CTFA submitted comments which were discussed at this forum.

The most notable developments at this engagement were;

- confirmation that cosmetics do not need to be registered;
- classification of cosmetics (general use cosmetics and special use cosmetics) - the proposal to delete the clause was put forth and was noted;
- it was noted after consideration of points

put forth which highlighted the stifling effects of the use of positive and negative lists, that the list would be made broader.

Further engagement is foreseen.

RWANDA FOOD AND DRUG AUTHORITY (RFDA)

CTFA met with the Rwanda FDA (RFDA) regulators in December 2023, regarding the imminent updating of their cosmetic legislation. The advocacy intervention addressed the challenge of ordinary versus medicated cosmetics - the latter requiring registration.

CTFA is engaging with RFDA to further address the potential trade barrier.

AFRICAN ORGANISATION FOR STANDARDISATION (ARSO)

ARSO's mandate is to harmonise African standards, conformity assessments and procedures in order to reduce technical barriers to trade and therefore promote intra-African and international trade as well as enhance the industrialisation of Africa.

Of the current 87 Technical Committees, ARSO TC40 - Cosmetics and personal care products, relates to our industry. CTFA together with representatives from the South African Bureau of Standards and the Department of Trade Industry and Competition (the dtic's) Cosmetics Desk represented South Africa and are part of the ARSO TC40 Cosmetics Technical Committee.

The year was pivotal for the work and way forward of the ARSO TC40. Virtual meetings that were held during October and November 2023 increased the momentum of the African standard harmonisation process with participating countries being requested to provide a list of the standards that were relevant in the cosmetic and personal care field. South Africa advocated for the consideration of ISO standards for adoption as harmonised African standards and future use, but the overall principle was not taken forward. The Work Plan for the review of the standards is expected to be ongoing, with initial standards being reviewed up to the end of 2024.

The African standards harmonisation timeline is foreseen to go beyond 2030 and CTFA will be a part of this important journey.

INTERNATIONAL FOCUS INTERNATIONAL ORGANIZATION FOR STANDARDISATION (ISO) TC217

Technical Committee 217 “Cosmetics” is an ISO Committee that deals with standardisation. CTFA is proud to be the key SABS stakeholder for this Committee in South Africa. There are currently four active, relevant Working Groups (WG) under the TC217. At the most recent 22nd annual ISO meeting held in November 2023, some resolutions made included:

- WG 1: Microbiological standards and limits
 - transform ISO/Technical Report 19838:2016 (Ed. 1) Microbiology - Guidelines for the application of ISO standards on Cosmetic Microbiology into a technical specification;
- WG 3: Analytical methods
 - Technical Standard 22176:2020 Cosmetics - Development of a global approach for validation of quantitative analytical methods into an international standard;
- WG 4: Terminology
 - future development of ISO 16128 Parts 1 and 2 that deal with providing an international definition of naturalness by establishing guidelines on technical definitions and criteria for natural and organic cosmetic ingredients, respectively; and
- WG 7: Sun protection test methods
 - consideration of test methods and the development of standards relating to sun protection products.

INTERNATIONAL LEGALLY BINDING INSTRUMENT ON PLASTIC POLLUTION

The United Nations Environment Assembly resolved in 2022, at its fifth meeting, to establish an international instrument to deal with the increase in plastic pollution that is negatively impacting the environment. Two International Negotiating Committee meetings have been held per year as well as numerous intersessional meetings, to negotiate and develop the draft text of the Treaty. It is noteworthy that the scope of the Treaty is very likely to increase to even include microplastics and chemicals of concern used in plastics. It is planned that the text of the Treaty will be finalised during the fifth International Negotiating Committee meeting to be held in late 2024, for party countries

(including South Africa) to begin planning for implementation through the development of National Action/Implementation Plans.

Amongst the elements being considered for inclusion in the Treaty that are relevant to the cosmetics and personal care industry are intentionally added microplastics and packaging.

MULTISTAKEHOLDER COMMITTEE ON CHEMICALS MANAGEMENT (MCCM)

CTFA's membership of the MCCM continues to provide access to DFFE and other government entities' consideration of chemicals management matters, along with those of other sectors of the economy and non-governmental organisations. This will allow proactive consideration of policy and regulatory matters that may impact the industry, as well as potential impacts being identified and engaged on with government in order to influence outcomes that could lead to increased regulation.

STRATEGIC APPROACH TO INTERNATIONAL CHEMICALS MANAGEMENT

The International Conference on Chemicals Management held its fifth meeting during 2023 that incorporated negotiations towards a renewed Strategic Approach to International Chemicals Management. This international agreement, although voluntary, is expected to be implemented by party countries that includes South Africa. Several of the topics have relevance to the cosmetics sector such as Endocrine Disrupting Chemicals, Lead, Nanotechnology and Manufactured Nanomaterials, Perfluorinated Chemicals, and Chemicals in Products. The MCCM is already working towards appointing consultants to further the initial work that was undertaken on some of the topics, and to begin new research on others.

The CTFA will remain abreast of developments in order to alert members to possible policy positions being crafted by the Department and to obtain input thereon for written submissions to be provided and bilateral engagements held.

TRAINING 2023

A key service offered by CTFA is member

training. In a continuously evolving regulatory environment, CTFA aims to improve regulatory knowledge within the industry, assist members with interpretation of regulatory concepts and communicate the importance of regulatory compliance. That year saw CTFA host successful virtual training sessions covering a wide range of core concepts in the cosmetic and personal care industry.

Consumer Survey, Regulatory Changes and Potential Business Impact Training – 28 February 2023

The CTFA are the voice of the cosmetics and personal care industry in South Africa. To promote good working practices and provide guidance to our members, that helps to ensure that companies stay abreast of regulatory changes so that the consumer has access to a wide variety of safe products, CTFA kicked off the year with this training.

This aimed to provide a better understanding of how and why regulatory changes take place, where to find the information and what can be done to try and stay ahead of the curve. This information session focused on Scientific Committee on Consumer Safety opinions; World Trade Organization Notifications - Regulatory Alerts; and regulatory changes that appear in the Cosmetic Compendium Annexes and Actions & Potential Impacts – Short and Long term.

Standards and Best Practice Workshop – 30 March 2023

SABS is a major player in the regulatory landscape. Locally, South African standards are used daily in practice and this includes both mandatory and non-mandatory standards, to ensure products of industry are of a high quality and can be showcased on the world stage. Percy Sibanda, the Chairperson of SABS TC217 delved into SABS' role, the development of standards for industry use and how these merge with regulatory expectations.

Jaco Marneweck, Senior Manager Inspections at National Regulator for Compulsory Specifications, Legal Metrology Division, focused on the role the NRCS plays in the cosmetic and personal care industry. Jaco provided the correct interpretation of specifications for local manufacturers, brand owners, distributors, and importers of cosmetic and personal care products. He also covered

the requirements for e-mark certification.

Good Manufacturing Practice Part 1 & 2 – 28 & 29 June 2023

The safety of cosmetic products is, and should be, of paramount importance to brand owners, manufacturers, raw material suppliers and regulators. The International Organization for Standardization (ISO) published ISO 22716:2007 as guidance for the safe manufacturing of cosmetic products under a GMP regime. Similar to regulators in several countries and regions, the SABS has adopted this standard under the South African National Standards portfolio for cosmetic products. Furthermore, the NDoH's draft regulations require that the principles of this Standard be implemented for local compliance. By ensuring local compliance, this Standard will additionally contribute to enabling trade of products outside of South Africa. ISO 22716 provides a comprehensive approach that assists in building on the foundation of an existing basic or established quality management system for those engaged in the manufacturing, packaging, testing, storage, and transportation of finished cosmetic and personal care products.

CTFA provided in-depth two day training by Dershana Jackson (L'Oréal) and Nadia Rashid (CTFA) to promote an understanding of GMP across the entire cosmetic and personal care products supply chain, from source to market. The training covered the entire GMP standard and detailed how to prepare, implement, and inspect premises for GMP compliance, the various departments involved in the process and how one can customise the processes to suit a company's individual layout. It also aimed to increase the understanding of how to interpret the Standard and imparted key learnings to make the journey to GMP compliance an achievable task. The experts also touched upon the navigation of the constant changes that companies must implement in the wake of changing legislation globally and locally, including in the area of sustainability, which many companies have integrated into their business strategy.

Compendium Update – 13 July 2023

CTFA held a Compendium Update session in July 2023. The presentation began with the regulatory framework in South Africa and how the CTFA Compendium fits into the overall

framework. The history of the Compendium and the detail of how it evolved over the years was covered. Each Section and Annex was then explained in detail including the process of how the Compendium is updated.

The year saw many updates to the Compendium. In an effort to support members by keeping them informed, CTFA was proud to introduce the Annex Change Document at the presentation. This document is printable and available to members on the CTFA website. It contains affected Annexes and substances that have regulatory changes with respective implementation dates with a simplified colour-coded key. The document is updated when local dates have been ratified by the CTFA TCCOM and notifications are sent out alerting members to the updates.

Safety Assessor Seminar – 31 August 2023

CTFA has a Memorandum of Understanding with the German Cosmetic, Toiletry, Perfumery and Detergent Association (IKW) regarding Safety Assessor seminars and hence CTFA and IKW offer one seminar per year for safety assessors and those interested in the constantly evolving topics of safety assessments. Training was offered by IKW/DGK (German Society for Scientific and Applied Cosmetics) and was held together with CTFA. Training featured one local and three international speakers including Belinda Berry, branch CEO for Lisam South Africa, Dr. Jens Burfeindt, Scientific Coordinator for IKW, Dr. Frederike Wiebel, Corporate Vice President Scientific Solutions for Henkel KGaA Germany, and Dr. Dagmar Bury, Associate Director at L'Oréal France.

Belinda Berry focused on best practice for the preparation of safety assessments of cosmetic products in South Africa where she highlighted the importance of safe products as this is a requirement of the local Consumer Protection Act. She also detailed the Product Information File and the Safety Assessment Report contents.

Dr. Burfeindt presented on the features of the IKW Safety Assessor education programme for safety assessors including the various courses available, requirements for students and outcomes regarding certification.

Dr. Wiebel provided an in depth look at systemic toxicology, delving into the variables

TECHNICAL COMMITTEE (TCCOM)

John Knowlton (Chairperson)	Cosmetic Solutions
Arshdeep Joshi	Givaudan
Dershana Jackson	L'Oréal South Africa
Heibrie le Roux	Future Cosmetics
Martin Mason	Revlon South Africa
Nhlanhla Tshabalala	Procter & Gamble
Robyn Brown	Botanichem
Wayne van Wyk	Vantage Speciality Chemicals

ADVERTISING REGULATORY BOARD SUB COMMITTEE

John Knowlton (Chairperson)	Cosmetic Solutions
Babalwa Mantyi	Colgate Palmolive South Africa
Hlanzeka Mpanza	Unilever South Africa
Maged George	Avon Justine
Percy Sibanda	L'Oréal South Africa

COSMETIC REGULATORY REVIEW SUB COMMITTEE

Martin Mason (Chairperson)	Revlon South Africa
Arshdeep Joshi	Givaudan
Hlanzeka Mpanza	Unilever South Africa
Maged George	Avon Justine
Percy Sibanda	L'Oréal South Africa
Wayne van Wyk	Vantage Speciality Chemicals
John Knowlton	Cosmetic Solutions

that need to be considered when investigating the toxicity of substances using interesting examples for context. She also touched upon effects of many toxins on humans and how levels of safety are determined.

Dr. Bury covered the appropriate Point of Departure (POD) requirement for the correct interpretation of systemic toxicity by detailing the risk level interplay between hazardous substances and exposure, whereby POD is defined as the point on the toxicological dose response curve based on experimental data.

Labelling Requirements – 16 November 2023

With labels holding the information for a consumer on a product, it is not only vital that this information be correct and true, but also meets the regulatory requirements of the intended country. The training session focused on the current regulatory framework that requires specific labelling content. The training was designed for all relevant departments within a cosmetic manufacturing company, to enable a better understanding that the product concept and design requires a multi-functional approach to support product compliance.

REGULATORY INDUSTRY TRENDS - 2023 AND BEYOND

Worldwide Safety – Promulgation and Drafting of Cosmetic Regulations

Countries including, but not limited to, Botswana, USA, Kenya, China, India, South Korea, Brazil, New Zealand, Russia and Kyrgyzstan have had significant updates to their cosmetic regulations, and these have been in keeping with product/consumer safety. From complete reviews of regulations to minor steps to enhance clarity, these countries have alerted the world via WTO Alerts as well as through various other media regarding updates to their cosmetic regulatory requirements.

Fragrance allergens

Consumer safety and awareness being the concern, we saw the list of additional declarable fragrance allergens become official in the European Union (EU) in 2023. With timelines from EU being adopted locally, companies and CTFA began awareness campaigns which will continue into 2024.

Microplastics

Microplastics have been featuring in the news since 2020. Given that microplastics are present in a multitude of products, consideration was given to factors that would affect the complete elimination thereof. The year ahead will see how microplastics will be handled locally.

Clean and Green

The word "clean" in the industry has arguably been exploited and interpreted to suit strategic marketing plans. There was no clear definition, hence "clean" could refer to the toxicological profile of the finished product, the raw material source or even the packaging. Bringing understanding and compliance within the industry and to curb the problem of greenwashing, efforts were made internationally to define criteria for claims which is very welcomed. The clean and green trend will be prominent in 2024 featuring in all aspects of the cosmetic and personal care industry's value chain, including waste management.

Technology in Cosmetics

The year was an exciting one for the cosmetic and personal care industry and the consumer. True to the industry, cosmetics move quickly with trends, and this was showcased with technology. From Artificial Intelligence and Augmented/Virtual Reality for consumers wanting to test colour cosmetics without physically doing so, to smart perfumes where the application can be customised to spray pattern and volume and smart skin analysis for skin imperfections. For companies, it saw a boom in blockchain beauty technology which offers brands a cryptographically secure way to record everything from product information to purchasing behaviour.

CTFA TECHNICAL COMMITTEE (TCCOM) AND SUBCOMMITTEES

The TCCOM and its various subcommittees are constituted of technical experts who embody the required expertise in all facets of cosmetics and personal care products. Their main objective is to ensure CTFA positions on technical and regulatory matters are purely for the benefit of the cosmetic and personal care industry.

The CTFA would like to convey its gratitude to the individual experts who gave freely of their time to be part of the TCCOM and subcommittees during 2023.

HAIRCARE SUB COMMITTEE

Khanyi Phakathi (Chairperson)	L'Oréal South Africa
Nazir Kalla	Amka Products
Seema Singh	Subinite (Pty) Ltd
Wayne Van Wyk	Vantage Speciality Chemicals
Sandy Johnson	Adcock Ingram

MICROBIOME SUB COMMITTEE

Nhlanhla Tshabalala (Chairperson)	Procter & Gamble
Percy Sibanda	L'Oréal South Africa
Seema Singh	Subinite (Pty) Ltd
Martin Mason	Revlon South Africa
John Knowlton	Cosmetic Solutions

SUNCARE SUB COMMITTEE

Marlize Goosen (Chairperson)	Sefako Makgatho Health Sciences University
Njabulo Mthethwa	Beiersdorf South Africa
Percy Sibanda	L'Oréal South Africa
Thalita Burger	Sunskin
Wayne van Wyk	Vantage Speciality Chemicals

CTFA MEMBERSHIP

How do I become a Member?

Simply contact us and we will set up a free consultation, so we can discuss company requirements and product range(s). Should there be a perceived benefit for both parties, membership likely to be constructive for the company and the industry, CTFA will invite you on board to reap the benefits CTFA offers.

Enquiries:

Email – info@ctfa.co.za

Website – www.ctfa.co.za



The CTFA was formed in 1994 to allow representation of the cosmetic and personal care industry by a collective body. The Association represents and promotes the interests of its member companies, is an authoritative voice for the South African industry, actively articulates industry viewpoints to government departments, the media and key stakeholders, whilst promoting consumer safety.

Since inception, the purpose of CTFA has been to guide members on the South African voluntary and mandatory framework and to be a conduit for cosmetic and personal care industry growth.

The CTFA works both with industry and government sectors; including the National Department of Health, South African Bureau of Standards (SABS), the dtic, the Department of Forestry, Fisheries and the Environment and international accredited bodies to ensure alignment for a responsible industry in South Africa.

The CTFA advocates international harmonisation, best practise and recognition and has, since 2000, been a member of Cosmetics Europe, the personal care association, based in Brussels. This assists in ensuring that South Africa is kept updated on cosmetics and personal care developments worldwide.

Membership is open to any company distributing and manufacturing cosmetics in South Africa. Companies associated with the cosmetics industry, but not directly involved in distribution or manufacture such as packaging and raw material supply, may become associate members. Retailers are also part of the CTFA membership from the perspective of their private in-house labels.

The cosmetic and personal care business sector is innovative, vibrant and competitive and needs to respond to a rapidly moving regulatory environment. It is, therefore,

essential that manufacturers, brand owners, retailers and raw material suppliers are kept abreast of the latest changes and developments. Importantly, members are extended the opportunity to be part of the decision-making process that shapes regulations and representations that are made from time to time on behalf of the industry, by being part of CTFA committees and sub-committees.

Benefits to gain from your CTFA membership:

- CTFA monitors local and international regulatory and policy developments and keeps members updated.
- CTFA provides technical expertise and advice on ingredients, labelling, packaging and product claims.
- CTFA provides the means for dissemination of information on standards developed by technical committees. These committees consist of experts and representatives from the SABS.
- As part of the CTFA membership, there is free access to various cosmetic and personal care industry-related SABS standards.
- The CTFA liaises with the NDoH and the NRCS on product and packaging regulations.
- CTFA liaises with government departments on national initiatives on behalf of members.
- CTFA from the perspective of the dtic to assist members with regulatory compliance in relation to exports, imports and

- expansion into international markets.
- CTFA engages with the South African Revenue Services and Customs and Excise on Ad Valorem Excise Duty.
- CTFA is a board member of the ARB to ensure the preservation of self-regulation in the advertising space.
- CTFA maintains relationships with and makes representations to the relevant international governments, legislative or other regulatory bodies, chambers of commerce or trade associations with regards to matters affecting the interests of the industry.
- CTFA is a member of Cosmetics Europe and involved in the development of standards locally, continentally and

- internationally.
- CTFA assists exporters with the issuing of Certificates of Free Sale.
- CTFA advises small and medium-size enterprises regarding compliance.
- CTFA extends invitations to members for webinars, workshops, seminars, and information and training sessions.

CATEGORIES OF MEMBERSHIP:

Full members

This category includes; brand owners, distributors, importers and exporters of finished goods.

Manufacturing members

This category includes; manufacturers and contract manufacturers of cosmetic and

personal care products.

Associate members

This category includes; suppliers of ingredients, raw materials, packaging etc., not involved in production, sales and marketing.

It also includes companies, associations, and academic institutions affiliated to the cosmetic and personal care industry which do not produce or distribute cosmetic products.

Retail Members

This category includes; retail outlets with their own private label brands.



Nadia Rashid, Glen Malherbe, Adelia Pimentel and Samantha Lotkin.



look good feel better

YVETTE POWELL
Programme Director



"We warmly invite all the members of CTFA to join hands with us in a meaningful partnership by contributing product donations for our workshops. Your generous support will play a crucial role in enhancing the impact of our programmes, fostering well-being, and making a positive difference in the lives of participants. Together, let's create lasting and meaningful change in our communities."

Look Good Feel Better is the only international cancer support charity, covering all cancers that helps women and men manage the visible side effects of cancer treatment. Our aim is to greatly increase people's confidence and self-esteem at a very difficult time in their lives.

Over the years, Look Good Feel Better has grown exponentially, reaching over 2.1 million people in 27 countries. The global network consists of the following countries:

Argentina, Australia, Brazil, Canada, Chile, Colombia, Denmark, Ecuador, France, Germany, Ireland, Israel, Italy, Mexico, The Netherlands, New Zealand, Norway, Peru, Poland, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, United States, Uruguay

Founded in 1989, Look Good Feel Better has been a beacon of hope for cancer patients and survivors. Our organisation was born out of the realisation that the emotional toll of cancer extends beyond physical health. We understood that addressing the appearance-related issues brought about by cancer treatment is crucial for the holistic well-being of patients.

It is with immense pride that I reflect on the strides we have taken in fulfilling our mission of instilling confidence and self-assurance in individuals facing the challenges of illness.

Over the past year, Look Good Feel Better has continued to evolve as a symbol of resilience, empowerment, and compassion. Our programmes, workshops, and outreach initiatives have touched the lives of countless individuals, reminding them that their beauty is not just skin deep but a reflection of their inner strength.

KEY HIGHLIGHTS **Programme Expansion**

We have expanded our reach to five new hospital venues: **CANSA Mkhuhla Care Home, Chris Hani Baragwanath Academic Hospital, Krugersdorp**

Oncology Centre, Mediclinic Vereeniging and Netcare Milpark Hospital.

Our Goal is to expand our workshops to as many hospitals in South Africa as possible.

The success and long-term sustainability of our programme are tied to the invaluable support we receive through the generous donation of products for our workshops.

PARTNERING AND COLLABORATION **Empowering Together**

Great pride is taken in highlighting the role that partnering and collaboration have played in our continued success.

We have forged partnerships with **Oh So Heavenly, Avroy Shlain, Estée Lauder** and we're particularly thrilled to highlight our strategic collaboration with **Icon Oncology**, a partnership that culminated in the awarding of a generous R100 000 grant.

FUNDRAISING FOR A CAUSE **Building a Stronger Foundation**

We're thrilled to announce record-breaking fundraising efforts that have propelled our mission forward.

In the past financial year, Look Good Feel Better organised a series of noteworthy fundraising events to support its vital mission. These events included **two golf days at Zimbali Country Club and the annual Blair Atholl Golf Day**. We were privileged to have the beautiful Mrs. Royal International, Monique Taylor, as the master of ceremonies at these prize-giving events. Additionally, there was a **PE High Tea, a Color Run/Walk in Springs, a Women of Worth Event at Lewende Wood Church in Centurion, a Faith Over Fear Women's Event in Springs, and various other fundraising events and raffles.**

Community Engagement

Our partnerships with volunteers, sponsors, and healthcare providers have grown stronger, amplifying our collective impact. The sense of unity and purpose in our community continues to inspire us to reach even greater heights.

WORKSHOP PERFORMANCE

We have reached **51 451** patients since the inception of the program in 2004 of which **2860** patients attended one of the **287** LGFB workshops in **36** hospitals and clinics, during 2023.

Despite all the challenges we faced during the year we are proud to say that we achieved our beneficiary goals with **79%** patients in our selfcare workshops being **BEE candidates**.

Studies have shown that a positive mindset contributes greatly to the healing process. Since its inception, the programme has

evolved to a more holistic approach towards providing support for patients.

Volunteer Recognition

The year-end volunteer recognitions are always a highlight to salute and thank seven regional coordinators, **36** hospital leaders and over **160** volunteers. These events across the country were sponsored by: **The Embassy, Constantia, Meerendal Boutique Hotel, Saxon Hotel, Sandton, The Southern Sun Marine Hotel, PE and The Marriot Protea Hotel, Bloemfontein.**

Volunteer gifts were sponsored by **Estée Lauder** as tokens of appreciation for the time, care, and compassion that our volunteers consistently pour into their work.

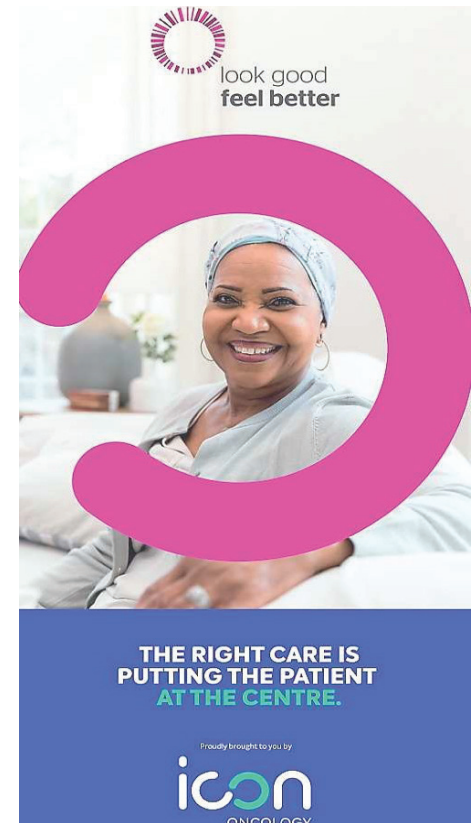
FINANCIAL OVERVIEW

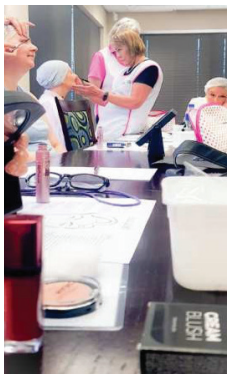
LGFB has faced unprecedented struggles to obtain financial and product sponsorship, due to companies CSI obligations having been diverted to other causes.

LGFB extend our heartfelt appreciation to the individuals and companies whose financial support has played a crucial role in advancing the mission of Look Good Feel Better. We are deeply grateful to the following benefactors: **Canway (Oh so heavenly), Claman, CTFA, Environ, Esther Wessels, Estée Lauder, Fleet Africa, Icon Oncology, Jutta Kórfer, Pam & Neil Senior, Petro Jonker, Rolfe Industries, Val and Jack Carstens.**

CTFA members generously committed R 80 995, by acknowledging when they renewed their CTFA membership fees, that 5% thereof, could be donated to support the LGFB Programme.

Special mention must be made of the ongoing generous support given to LGFB by **CDP Gifts, RAM Couriers and Netcad.**





THANK YOU

CTFA

Helping women facing the trauma & stress of cancer treatment, assisting them to overcome the distressing appearance related to the side effects of their treatment.

CTFA's Corporate Social Responsibility arm



**LOOK GOOD FEEL BETTER
FOUNDER MEMBERS**



LGFB MEMBERS







FINANCIALS

**THE COSMETIC TOILETRY
AND FRAGRANCE
ASSOCIATION OF SOUTH
AFRICA NPC**

(Registration Number 2022/470099/08)
Annual Financial Statements for the year ended
31 December 2023



watermans

INDEX

The reports and statements set out below comprise the annual financial statements presented to the Executive Council:

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GENERAL INFORMATION

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	Nature of Business and Principal Activities The Cosmetic Toiletry and Fragrance NPC of South Africa (CTFA) represents and promotes the interest of its member companies. It is an authoritative voice for the industry in South Africa and actively articulates industry viewpoints to government departments. It continues to lead the industry forward with regard to industry best practice, standards, responsible advertising and encouraging overall compliance.
Registered Office	Hurlingham Office Park Hurlingham Manor Sandton 2196 Business Address 59 Woodlands Avenue Hurlingham Office Park Hurlingham Manor Sandton 2196
Postal Address	P.O. Box 721 Randpark Ridge 2156
Banker	First National Bank Limited
Level of Assurance	Level of Assurance These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Auditors	Watermans Registered Auditors Chartered Accountants (S.A.) Registered Auditors

GENERAL INFORMATION

Directors

W.D.V. Van Niekerk - Chairperson
N.A. Kalla - Vice-Chairperson
T.K. Gordon-Bennet
J.L. Knowlton
B.M. Nkosi
S. Sacre
W. van Wyk
M.A.L. Pimentel

Issued

7 March 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 satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company 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 directors set 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 association's business is conducted in a manner that in all reasonable circumstances is above reproach.

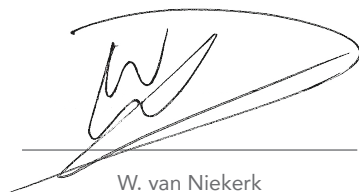
The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical 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 going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The annual financial statements have been audited by the independent auditing firm, Watermans Registered Auditors, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the members, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 5 to 6.

The annual financial statements set out on pages 11 to 25, and the supplementary information set out on pages 26 to 27 which have been prepared on the going concern basis, were approved by the directors and were signed on 7 March 2024 on their behalf by:



W. van Niekerk
(Chairperson)



M.A.L. Pimentel
(Executive Director)

INDEPENDENT AUDITOR'S REPORT

To the Members of The Cosmetic Toiletry and Fragrance Association of South Africa NPC

Opinion

We have audited the financial statements of The Cosmetic Toiletry and Fragrance Association of South Africa NPC set out on pages 11 to 25, which comprise the statement of financial position as at 31 December 2023, 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 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 The Cosmetic Toiletry and Fragrance Association of South Africa NPC as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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.

Emphasis of Matter – Other

The directors emoluments has not been disclosed on the financial statements as required by section 30 of the Companies Act of South Africa.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 association'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.

INDEPENDENT AUDITOR'S REPORT

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 association'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 association'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.

Watermans Registered Auditors



Per: T. Aarons C.A. (S.A.)
Partner
Registered Auditor

7 March 2023

Top Floor, 14 Eglin Road,
Sunninghill, Sandton, 2191.

REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 31 December 2023.

The audit committee is an independent statutory committee appointed by the members. Further duties are delegated to the audit committee by the directors of the company. This report includes both these sets of duties and responsibilities.

1. Audit and Risk Committee terms of reference

The audit committee has adopted formal terms of reference that has been approved by the directors. The committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. The terms of reference are available on request.

2. Audit and Risk Committee Members and Attendance

The audit and risk committee is independent and consists of three independent, directors. It meets at least twice per year as per its terms of reference.

The chairman of the board, chief executive officer, finance director, chief audit executive, external auditor and other assurance providers (legal, compliance, risk, health and safety) attend meetings by invitation only.

The committee met twice during the year. The dates and details of members present at the meeting were:

Name of member	Designation	03 March 2023
W.D.V. Van Niekerk	Non-executive Director	Present
M.A.L Pimentel	Non-executive Director	Present
J.L. Knowlton	Non-executive Director	Present

Name of member	Designation	20 November 2023
W.D.V. Van Niekerk	Non-executive Director	Present
M.A.L Pimentel	Non-executive Director	Present
J.L. Knowlton	Non-executive Director	Present

The effectiveness of the audit and risk committee and its individual members are assessed on an annual basis.

3. Roles and responsibilities:

3.1 Statutory duties

The audit and risk committee's role and responsibilities include statutory duties per the Companies Act, 2008, further responsibilities assigned to it by the board.

External auditor appointment and independence

The audit and risk committee has satisfied itself that the external auditor was independent of the company, as set out in section 94(8) of the Companies Act of South Africa, which includes consideration of previous appointments of the auditor, the extent of other work undertaken by the auditor for the company and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim of independence.

REPORT OF THE AUDIT AND RISK COMMITTEE

The committee ensured that the appointment of the auditor complied with the Companies Act of South Africa, and any other legislation relating to the appointment of auditors.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the period ended 31 December 2023.

The committee has nominated, for election at the annual general meeting, Watermans Registered Auditors as the external audit firm and T. Aarons as the designated auditor responsible for performing the functions of auditor, for the 2023 year.

Financial statements and accounting practices

The audit and risk committee has reviewed the accounting policies and financial statements of the company and is satisfied that they are appropriate and comply with International Financial Reporting Standards.

An audit and risk committee process has been established to receive and deal appropriately with any concerns and complaints relating to the reporting practices of the company. No matters of significance have been raised in the past financial year.

Whistle blowing

The audit committee receives and deals with any concern or complaints, whether from within or outside the company, relating to the accounting practices and internal audit of the company, the content or auditing of the association's financial statements, the internal financial controls of the company and related matters.

3.2 Duties assigned by the board

In addition to the statutory duties of the audit and risk committee, as reported above, and in accordance with the provisions of the Companies Act of South Africa, the directors have determined further functions for the audit and risk committee to perform, as set out in the audit and risk committee's terms of reference. These functions include the following:

Integrated reporting and combined assurance

The audit committee fulfils an oversight role regarding the association's integrated report and the reporting process.

The audit committee considered the association's sustainability information as disclosed in the integrated report and has assessed its consistency with operational and other information known to audit committee members, and for consistency with the financial statements. The audit committee discussed the sustainability information with management and the chairman of the sustainability committee, and has considered the conclusion of the external assurance provider. The committee is satisfied that the sustainability information is reliable and consistent with the financial results.

The audit committee has at its meeting held on 4 March 2024, recommended the integrated report for approval by the directors.

Going concern

The audit committee has reviewed a documented assessment, including key assumptions, prepared by management of the going concern status of the company and has made recommendation to the directors in accordance. The directors' statement on the going concern status of the company, as supported by the audit committee, is elsewhere in the Annual Report.

REPORT OF THE AUDIT AND RISK COMMITTEE

Governance of risk

The directors have assigned oversight of the association's risk management function to the risk committee. The chairman of the audit committee attends the risk committee meetings by standing invitation to ensure that information relevant to these committees is transferred regularly. The audit committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as it relates to financial reporting.

Evaluation of the expertise and experience of financial director and finance function

The audit committee has satisfied itself that the financial director has appropriate expertise and experience.

The audit committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.



Chairperson of the Audit and Risk Committee

4 March 2024

Date

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2023.

1. Review of activities

Main business and operations

The Cosmetic Toiletry and Fragrance NPC (Non-Profit Company) of South Africa (CTFA) represents and promotes the interest of its member companies. It is an authoritative voice for the industry in South Africa and actively articulates industry viewpoints to government departments. It continues to lead the industry forward with regard to industry best practice, standards, responsible advertising and encouraging overall compliance. The company was first incorporated in 2022 and had its first year of trading from 1 January 2023 in the NPC.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

The assets and liabilities were transferred from the Voluntary Association on 1 January 2023.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Directors

There have been changes in directors during the current financial year.

Mr P. Pillay - Resigned 31/01/2023

5. Independent Auditors

Watermans Registered Auditors were the independent auditors for the year under review.

STATEMENT OF FINANCIAL POSITION

FIGURES IN R	NOTES	2023
ASSETS		
Non-current assets		
Property, plant and equipment	3	42,340
Total non-current assets		42,340
Current assets		
Trade and other receivables	5	285,067
Cash and cash equivalents	6	15,914,896
Total current assets		16,199,963
TOTAL ASSETS		16,242,303
FUNDS AND LIABILITIES		
Funds		
Accumulated surplus		16,035,103
Total funds		16,035,103
LIABILITIES		
Current liabilities		
Provisions	8	61,935
Trade and other payables	9	126,301
Operating lease payables	10	14,179
Credit card	6	4,785
Total current liabilities		207,200
TOTAL LIABILITIES		207,200
TOTAL EQUITY AND LIABILITIES		16,242,303

STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN R	NOTES	2023
Revenue	11	6,245,663
Cost of sales	12	<u>(141,669)</u>
Gross surplus		6,103,994
Other income	13	50,540
Other expenses		(4,800,545)
Other gains / (losses)	14	<u>(21)</u>
Surplus from operating activities	15	1,353,968
Finance income	16	1,150,254
Interest paid	17	<u>(57)</u>
Surplus for the year		<u>2,504,165</u>

STATEMENT OF CHANGES IN FUNDS

FIGURES IN R

ACCUMULATED SURPLUS

TOTAL

Transfer from CTFA Association	13,530,938	13,530,938
Changes in funds		
Surplus for the year	2,504,165	2,504,165
Balance at 31 December 2023	<u>16,035,103</u>	<u>16,035,103</u>

STATEMENT OF CASH FLOWS

FIGURES IN R	NOTE	2023
Cash flows from operations		
Surplus for the year		2,504,165
Adjustments to reconcile surplus		
Finance income		(1,150,254)
Interest paid		57
Adjustments for (Increase) / decrease in trade receivables		(294,936)
Adjustments for Increase / (decrease) in trade accounts payables		126,301
Adjustments for Increase / (decrease) in other operating payables		-
Depreciation expense		60,308
Movement in provisions		61,935
Profit on disposal of non-current assets		21
Total adjustments to reconcile surplus		<u>(1,196,568)</u>
Net cash flows from operations		<u>1,307,597</u>
Interest paid		(57)
Interest received		1,150,254
Net cash flows from operating activities		<u>2,457,794</u>
Cash flows used in investing activities		
Proceeds from sales of property, plant and equipment		21
Purchase of property, plant and equipment		(102,669)
Movement in operating lease payable		14,179
Cash flows from / (used in) investing activities		<u>(88,469)</u>
Cash flows from financing activities		<u>-</u>
Cash flows from financing activities		<u>-</u>
Net increase in cash and cash equivalents		<u>2,369,325</u>
Cash and cash equivalents at beginning of the year		13,540,786
Cash and cash equivalents at end of the year	6	<u>15,910,111</u>

ACCOUNTING POLICIES

1. General information

The Cosmetic Toiletry & Fragrance Association of South Africa (CTFA) represents and promotes the interest of its member companies. It is an authoritative voice for the industry in South Africa and actively articulates industry viewpoints to government departments. It continues to lead the industry forward with regard to setting industry best practice, standards and encouraging responsible advertising.

2. Basis of preparation

The financial statements of Cosmetic Toiletry and Fragrance Association of South Africa have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the Companies Act of South Africa. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The preparation of financial statements in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

3.1 Accounting policies

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Asset class	Depreciation rate
Fixtures and fittings	16.67%
Office equipment	16.67%
Computer equipment	33.33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains / (losses)' in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

Property, plant and equipment continued...

3.2 Balances at year end and movements for the year

	Fixtures and fittings	Office equipment	Computer equipment	Total
Reconciliation for the year ended 31 December 2023				
Balance at 1 January 2023				
At cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book value	-	-	-	-
Movements for the year ended 31 December 2023				
Fixed assets at cost transferred from CTFA Association	234,834	18,762	230,114	483,710
Fixed assets at accumulated depreciation transferred from CTFA Association	(168,040)	(14,961)	(201,157)	(384,158)
Additions	-	-	3,117	3,117
Depreciation	(38,472)	(1,299)	(20,537)	(60,308)
Disposal	-	-	(21)	(21)
Property, plant and equipment at end of year	28,322	2,502	11,516	42,340
Closing balance at 31 December 2023				
At cost	230,782	7,780	110,613	349,175
Accumulated depreciation	(202,460)	(5,277)	(99,098)	(306,835)
Net book value	28,322	2,502	11,515	42,340

NOTES TO THE FINANCIAL STATEMENTS

4. Financial assets

4.1 Accounting policies

Other financial assets

Other financial assets are recognised initially at the transaction price, including transaction costs except where the asset will subsequently be measured at fair value.

Where other financial assets relate to shares that are publicly traded, or where fair values can be measured reliably without undue cost or effort, these assets are subsequently measured at fair value with the changes in fair value being recognised in profit or loss. Other investments are subsequently measured at cost less impairment.

Debt instruments are subsequently stated at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Commitments to receive a loan that meet the conditions in paragraph 11.8(c) are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other receivables are classified as debt instruments and loan commitments at amortised cost.

Impairment of financial assets

At the end of each reporting period an assessment is made to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exists, the extent of the impairment is determined.

Impairment losses in financial assets carried at amortised cost are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets continued...

FIGURES IN R

2023

4.2 Carrying amount of other financial assets by category

	Debt instruments at amortised cost	Total
Year ended 31 December 2023		
Trade and other receivables excluding non-financial assets (Note 5)	158,897	158,897
Cash and cash equivalents (Note 6)	15,914,896	15,914,896
	16,073,793	16,073,793

5. Trade and other receivables

5.1 Trade and other receivables comprise

Trade receivables	2,085
Prepaid expenses	20,025
Deposits	153,492
Staff loans	3,320
Value added tax	106,145
Total receivables	285,067

5.2 Items included in trade and other receivables not classified as financial instruments

Prepaid expenses	20,025
Value added tax	106,145
Total non-financial instruments included in trade and other receivables	126,170
Total trade and other receivables excluding non-financial assets included in trade and other receivables	158,897
Total trade and other receivables	285,067

6. Cash and cash equivalents

6.1 Cash and cash equivalents comprise:

Cash

Cash on hand	40
Bank Balances	15,914,856
Total cash	15,914,896

Credit card	(4,785)
Net cash and cash equivalents	15,910,111

NOTES TO THE FINANCIAL STATEMENTS

Cash and cash equivalents continued...

FIGURES IN R

2023

6.2 Detail of cash and cash equivalent balances

Bank balances

Cash

First National Bank Current account	131,280
First National Bank Salaries account	9,055
First National Bank Money market fund	4,098,040
First National Bank 48 Hour Investment account	11,676,481
Total	15,914,856

Credit card	(4,785)
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7. Financial liabilities

7.1 Accounting policies

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and other payables

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

Other financial liabilities

Other financial liabilities are recognised initially at the transaction price, including transaction costs except where the liability will subsequently be measured at fair value.

Where the fair value of other financial liabilities can be measured reliably without undue cost or effort, these liabilities are subsequently measured at fair value with the changes in fair value being recognised in profit or loss.

Debt instruments are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Other financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities continued...

FIGURES IN R

2023

7.2 Carrying amount of financial liabilities by category

	Debt instruments at amortised cost	Total
Year ended 31 December 2023		
Operating lease payable (Note 10)	14,179	14,179
Trade and other payables excluding non-financial liabilities (Note 9)	126,301	126,301
Credit card (Note 6)	4,785	4,785
	145,265	145,265

8. Provisions

8.1 Provisions comprise

Leave pay provision	61,935
	61,935

8.2 Provisions for employee benefits

	Leave pay provision	Total
Balance at 1 January 2023	-	-
Additions	61,935	61,935
Balance at 31 December 2023	61,935	61,935

9. Trade and other payables

Trade and other payables comprise

Trade creditors	71,736
COIDA accrual	2,775
Other accruals	51,790
Total trade and other payables	126,301

NOTES TO THE FINANCIAL STATEMENTS

10. Operating lease liabilities

10.1 Accounting policies

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern of the benefit obtained.

FIGURES IN R

2023

10.2 Operating lease liabilities comprise

Bank balances

First National Bank 48 Hour Investment account	14,179
	<u>14,179</u>

10.3 Future minimum lease payments

Not later than one year	(49,472)
Later than one year and not later than five years	63,651
	<u>14,179</u>

11. Revenue

11.1 Accounting policies

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax, returns, rebates and discounts.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of transactions involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

The stage of completion of a transaction may be determined by a variety of methods, depending on the nature of the transaction:

- surveys of work performed;
- services performed to date as a percentage of total services to be performed;
- the proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Revenue continued...

FIGURES IN R

2023

11.2 Revenue comprises

Membership fees	6,245,663
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12. Cost of sales

Cost of sales comprise

Training and workshops	5,975
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Board Meetings	93,981
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Earlybird discount	41,713
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Total cost of sales	141,669
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13. Other income

Other income comprises

Artwork reviews	650
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Sundry Income	4,290
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Training and workshops	45,600
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Total other income	50,540
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14. Other gains and losses

Other gains and losses comprise

Loss on disposal - property, plant and equipment	(21)
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15. Surplus from operating activities

Surplus from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment - depreciation	60,308
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Leases - operating lease minimum lease rentals	455,497
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Other employee benefits	2,926,912
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NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R

2023

16. Finance income

Finance income comprises

Interest received - Bank	1,150,254
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17. Finance costs

17.1 Accounting policies

All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

17.2 Finance costs included in surplus or deficit:

Interest Paid	57
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Total finance costs	57
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14. Other gains and losses

Other gains and losses comprise

Loss on disposal - property, plant and equipment	(21)
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18. Income tax expense

No provision has been made for income tax for the 2023 year. The company is exempt from tax in terms of Section 30 of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

19. Related parties

19.1 Accounting policies

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to a reporting entity if any of the following conditions applies:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

19.2 Other related parties

Name	Nature of relationship
W.D.V. Van Niekerk - Chairperson	Director
N.A. Kalla - Vice-Chairperson	Director
T.K. Gordon-Bennet	Director
J.L. Knowlton	Director
B.M. Nkosi	Director
S. Sacre	Director
W. van Wyk	Director
M.A.L. Pimentel	Director

20. Comparative information not presented

The Company is not presenting comparative information as this is the first set of IFRS for SME financial statements. The Company commenced with business on 1 January 2023. The first set of financial statements have been prepared for 12 months.

DETAILED INCOME STATEMENT

FIGURES IN R	NOTES	2023
Revenue	11	
Membership fees		<u>6,245,663</u>
Cost of sales	12	
Board meetings		(93,981)
Earlybird discount		(41,713)
Training and workshops		<u>(5,975)</u>
		<u>(141,669)</u>
Gross surplus		<u>6,103,994</u>
Other income	13	
Artwork reviews		650
Sundry income		4,290
Training and workshops		<u>45,600</u>
		<u>50,540</u>

DETAILED INCOME STATEMENT

FIGURES IN R

NOTES

2023

Other expenses

Accounting fees		(219,460)
Advertising		(49,536)
Auditors remuneration		(43,176)
Auditors remuneration - other services		(5,200)
Bank charges		(7,972)
CIPC Fee - Company		(1,900)
Cleaning		(9,393)
Company contributions		(33,923)
Computer expenses		(2,739)
Consulting fees		(150,690)
Courier fees		(3,419)
Depreciation - property, plant and equipment		(60,308)
Employee costs - salaries		(2,926,912)
Entertainment		(6,922)
General expenses		2,395
Gifts		(495)
Hire - equipment		(81,560)
Insurance		(72,876)
Internet website expense		(93,387)
Look Good Feel Better 5%		(129,844)
Operating lease expense		(455,497)
Printing and stationery		(3,818)
Repairs and Maintenance		(7,786)
Staff welfare		(8,423)
Subscriptions		(271,256)
Telephone and fax		(9,237)
Telephone and internet charges		(144,848)
Training		(950)
Travel - local		(1,413)
		<u>(4,800,545)</u>

Other gains and losses

Loss on disposal - property, plant and equipment	14	<u>(21)</u>
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Surplus from operating activities

15 1,353,968

Finance income

Interest received - Bank	16	1,150,254
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Finance costs

Interest Paid	17	(57)
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Surplus for the year

2,504,165



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