ctfa

COSMETIC TOILETRY & FRAGRANCE ASSOCIATION OF SOUTH AFRICA

2025 ANNUAL REPORT

CONTENT

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.

Developing a sustainable and respected South African cosmetic and personal care industry.

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 represent the industry at senior government levels

2025 BOARD

Nizam Kalla
Chairperson
Amka Products (Pty) Ltd

Muzi Nkosi
Vice-Chairperson
Avon Justine (Pty) Ltd

Henry Shuttleworth
Revlon South Africa (Pty) Ltd

Serge Sacre
L'Oreal South Africa (Pty) Ltd

John Knowlton
Cosmetic Solutions

Wayne van Wyk
Vantage Specialty Chemicals (Pty) Ltd

Adelia Pimentel
Executive Director
CTFA

KEY BOARD OBJECTIVES

- Promote a responsible industry through promoting compliance with prevailing legislation.
- Prioritise member interests through leveraging industry scientific, business and regulatory expertise in developing common positions, advocating these interests.
- Be the cosmetic and personal care industry's voice in engagements with stakeholders that include government, media, advocacy groups; etc.
- Advocate for the most favourable economic and regulatory operating environment by advocating best practise and accountability both from its members and other stakeholders.
- Align and optimise the South African cosmetic industry with global regulatory standards towards regulatory mutual recognition.
- To support; provide input on; or even oppose legislation and voluntary mechanisms at the local; regional; continental; and global levels where the collective interest of members may be impacted.
- Promote social responsibility through the activities of the Look Good Feel Better Programme.

CHAIRPERSON'S REPORT

NIZAM KALLA

The CTFA continues to serve as the unified voice of the South African cosmetic and personal care industry, steadfast in its mandate to represent and advance the interests of all stakeholders. Over the past year, we have further strengthened our strategic position through targeted development initiatives and impactful advocacy, reinforcing our role as a trusted, influential partner to the industry.

Our focus has been on advising, educating, and training the industry, while strengthening engagement with government and key local and international stakeholders across the policy and regulatory landscape. Over time, our role has evolved to provide comprehensive support, ensuring that the CTFA remains recognised and relevant at local, regional, and global levels.

The pace of innovation in the sector continues to accelerate, giving rise to significant opportunities and greater complexity. In this dynamic environment, the CTFA remains firmly committed to advancing industry growth characterised by compliance, consumer safety, sustainability, and the alignment of policies, regulations, and technical standards.

The Board, guided by Adelia's leadership and supported by the unwavering commitment of the CTFA team, has delivered meaningful outcomes for the industry. Key highlights for the year include:

- The appointment of Mr Henry Shuttleworth, Managing Director of Revlon South Africa, to the CTFA Board, enhancing the depth of industry expertise and leadership. We wish him well in his new role.
- During 2025, the CTFA engaged with the National Department of Health to review and discuss the promulgation of the draft regulations.
- Opportunities were actively pursued to minimise trade barriers affecting CTFA member companies, while safeguarding consumer interests.
- The CTFA represented the industry at several international and Pan-African regulatory forums.
- The CTFA continued its valued partnership with Look Good Feel Better, a non-profit organisation providing essential support to cancer patients during their most challenging times.

In closing, I would like to sincerely thank my fellow directors, our dedicated CTFA team, and our valued members for their unwavering support. Together, we embrace the future with optimism, driving innovation, promoting sustainable growth, and positioning our industry for enduring success.

Best regards
Nizam Kalla | Chairperson

EXECUTIVE DIRECTOR'S REPORT

ADELIA PIMENTEL

In 2025 CTFA's longstanding international and national network enabled the Association to provide guidance to member companies and ensure the industry continues to have a strong voice over issues that are likely to hinder growth and innovation.

South Africa's overall economy grew by a modest 1.1% in 2025. The South African beauty and personal care market also continued to grow in 2025, reflecting a 5.9% compound annual growth rate (CAGR) expected through 2030 (Business Tech). Growth is heavily driven by the mass market personal care segment (roughly 90% share) and rising demand in the premium segment. Skincare is the leading segment, with 94% of Gen Z consumers purchasing products. Online retail in the beauty sector also increased rapidly, growing by 10% to over 40% for major retailers (IMCD South Africa).

CTFA capitalised on this industry growth by focussing on the value it renders to member companies, whilst building trust in the local cosmetic and personal care industry with stakeholders, related bodies and consumers alike.

A strategic focus for CTFA in 2025 was ensuring the synergy between policy, regulatory and technical aspects in the cosmetics industry stays crucial in balancing product innovation with safety, sustainability and market access.

Effective regulation is driven by technical data (safety assessments, ingredient analysis), while policies (such as green claims directives) dictate the direction of regulatory development.

Engagement with the National Department of Health (NDoH) in 2025 on the pending promulgation of the published redraft of the Regulations relating to Labelling, Advertising and Composition of Cosmetics, R.1469, December 2017, was productive.

CTFA met several times with NDoH and re-ignited communication on possible scenarios to assist the department with capacity issues. The interaction continues in 2026.

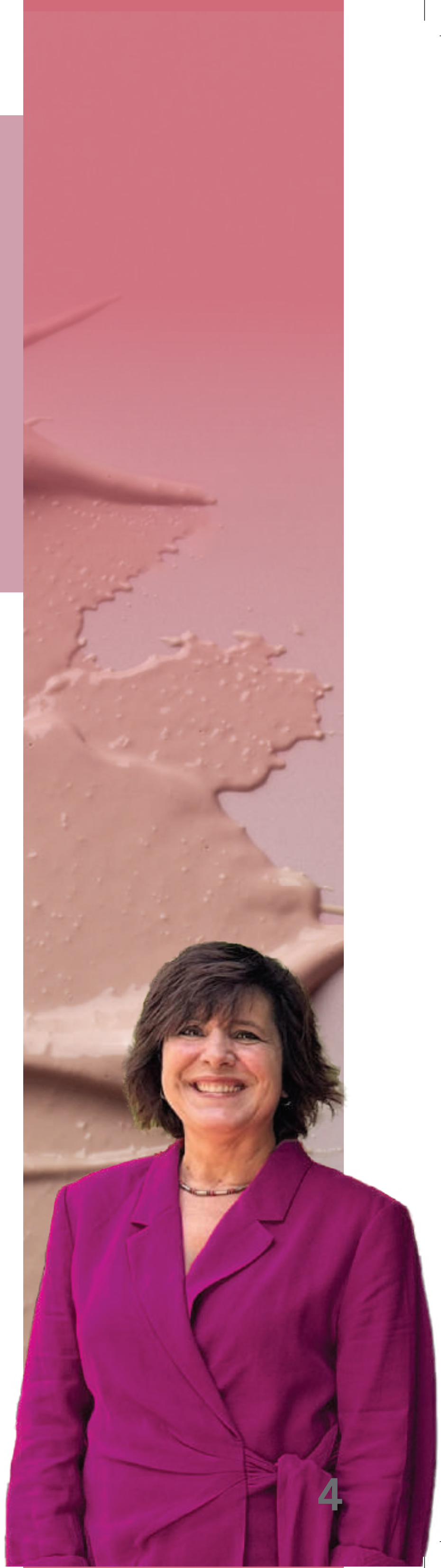
It is important to note that although cosmetics and personal care products fall within a self-regulatory framework they are regulated from, for example, general health; consumer product; labour; and chemical management perspectives through the Foodstuffs, Cosmetics and Disinfectants Act; the Consumer Protection Act; the Occupational Health and Safety Act and its Hazards Chemical Agents Regulations; and multiple pieces of National Department of Forestry, Fisheries and the Environment (DFFE) legislation.

Continuous communication with the NDoH will remain a focus for the CTFA, whilst we remain self-regulated and follow global best practice through the CTFA Compendium.

Locally the revised draft SAHPRA Guideline for Borderline Products was published in 2025. This Guideline is a welcome version which we believe was relooked post CTFA's lobbying efforts over the last two years.

The definition of a cosmetic versus a health product is the focus of the current draft Guideline that is a welcome respite for industry.

The CTFA Ad Valorem Industry Task Group, formed in 2024 to address the various challenges faced by industry, continued to make headway with the South



African Revenue Service (SARS) on Ad Valorem excise duty paid under Schedule 1, Part 2B of the Customs and Excise Act 91 of 1964 (the "Act").

An agreement to prepare a proposal outlining simplification of the calculation methodology for Ad Valorem purposes; reduction in disputes and audit uncertainty and lowering compliance costs for industry, was reached in 2025.

Both SARS and Treasury will be part of this project that will bode well for industry.

The Department of Forestry, Fisheries and the Environment (DFFE) was very active with regards to policy and legislation in 2025 and CTFA ensured sound discussions were held to safeguard industry. More detail can be found in the Policy, Regulatory & Technical Affairs section of this annual report.

In 2025 CTFA was invited to be part of an exclusive group of industries who all have the scourge of illicit and counterfeit products to contend with, the Illicit & Counterfeit Products Task Force, co-ordinated by Consumer Goods Council of South Africa (CGCSA). South Africa has well established infrastructure therefore becoming a critical player in the African and global economy and as a result becomes a target for criminal syndicates involved in illicit trade and counterfeiting. The need to consolidate sectoral strategies, have one voice and one plan of action were the essence of the discussions at the Task Force to create sufficient awareness, and challenge the relevant government structures to act. This is a long-term project.

Regionally, the African Organisation for Standardisation (ARSO), whose mandate is to harmonise African standards and conformity assessment procedures to reduce technical barriers to trade, remained a focal area for CTFA during 2025. The Technical Committee for Cosmetics and personal care products (TC40) was very active with the harmonisation of Working Draft African standards. CTFA is part of the South African Team representing industry, together with SABS and DTIC.

Africa is a strategic focus for CTFA and in 2025 several African countries' legislative frameworks were updated/developed. Africa is the central pillar of South Africa's foreign policy, serving as its primary market, diplomatic base, and strategic partner for development. Notwithstanding, CTFA interacted with various regulators; namely the Botswana Regulatory Authority (BoMRA), the Kenya Bureau of Standards (KEBS), the Pharmacy and Poisons Board (PPB), Zambia Medicines Regulatory Authority (ZAMRA), amongst others.

To ensure that CTFA keeps ahead of developments globally and stays pro-active in advising on best practise and global trends, we attend various international conferences, seminars, webinars, etc. In February 2025 CTFA was represented at the 9th ERPA Annual Conference (CRCC2025) on "Regulations and Compliance for Cosmetics" that took place in Brussels, Belgium.

In June, CTFA was represented at the International Association Collaboration (IAC), a network of international cosmetics industry trade associations that collaborate on global topics to facilitate trade internationally.

The Cosmetics Europe Annual Conference (CEAC2025) focusing on safety, competitiveness, industry trends, e-commerce and sustainability, amongst other topics also had CTFA representation.

All worthwhile and vital platforms for international stakeholder engagement and lobbying activities.

Trends continued to embrace health, wellness and a focus on science-backed efficacy whilst being conscious of the environmental impact, ethical sourcing and the ever-developing role of technology in the cosmetic and personal care industry. Male grooming, conscious consumerism and "conscious luxury" remained top-of-mind in 2025.

The CTFA were privileged to welcome Henry Shuttleworth from Revlon South Africa as a new director on the CTFA Board in 2025.

Look Good Feel Better (LGFB), CTFA's corporate social responsibility programme, oversees a global network of 27 countries, including South Africa. Collectively the network has served more than 2.1 million people living with cancer since the programme began in 1989. They make a huge difference in the lives of people fighting the debilitating effects of cancer. A heartfelt thank you to the CTFA members who support this worthy cause either financially or with product donations.

CTFA remains committed to 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 conclusion, a sincere thank you to the CTFA directors, member companies, dedicated CTFA staff and all stakeholders who have collaborated over the last 31 years in ensuring CTFA remains a reliable industry partner.

Best regards
Adelia Pimentel | Executive Director

International Association Collaboration – Brussels – 11 June 2025

FINANCE REPORT

LLOYD VILJOEN | ACCOUNTING SERVICES

During the year under review, CTFA continued to make strategic decisions that positioned the Association as a leader in the cosmetic and personal care industry's policy, regulatory and technical space, whilst keeping it financially healthy. 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 and well-managed expenses.

The non-profit corporation's (NPC) primary focus during the year under review continued to be on advocacy and other member benefits. The strategic decision to position the CTFA as a leader in the policy, regulatory and technical space whilst keeping it financially healthy was a continuous objective.

Over the years, CTFA has endeavoured to align the necessary annual subscription increases with the Consumer Price Index (CPI) to ensure that membership remains affordable. This strategy continued to assure that long-standing members renewed their subscriptions and remained in our stable membership base.

The accrued surplus for the year totalled R1 578 594, an increase of 11% versus the prior year. Staff employment and various extraordinary expenses contributed to the CTFA's overall financial performance.

A focus on training interventions resulted in income reflecting a 2.9% increase compared to the previous year. Membership fees increased by 5% in accordance with CPI.

A total of 55 member companies enjoyed the benefit of a percentage refund for early settlement, and 7 new members joined the Association.

Prudent account investing realized positive returns of R1 524 420 in interest which reflects a 15% increase versus the previous year.

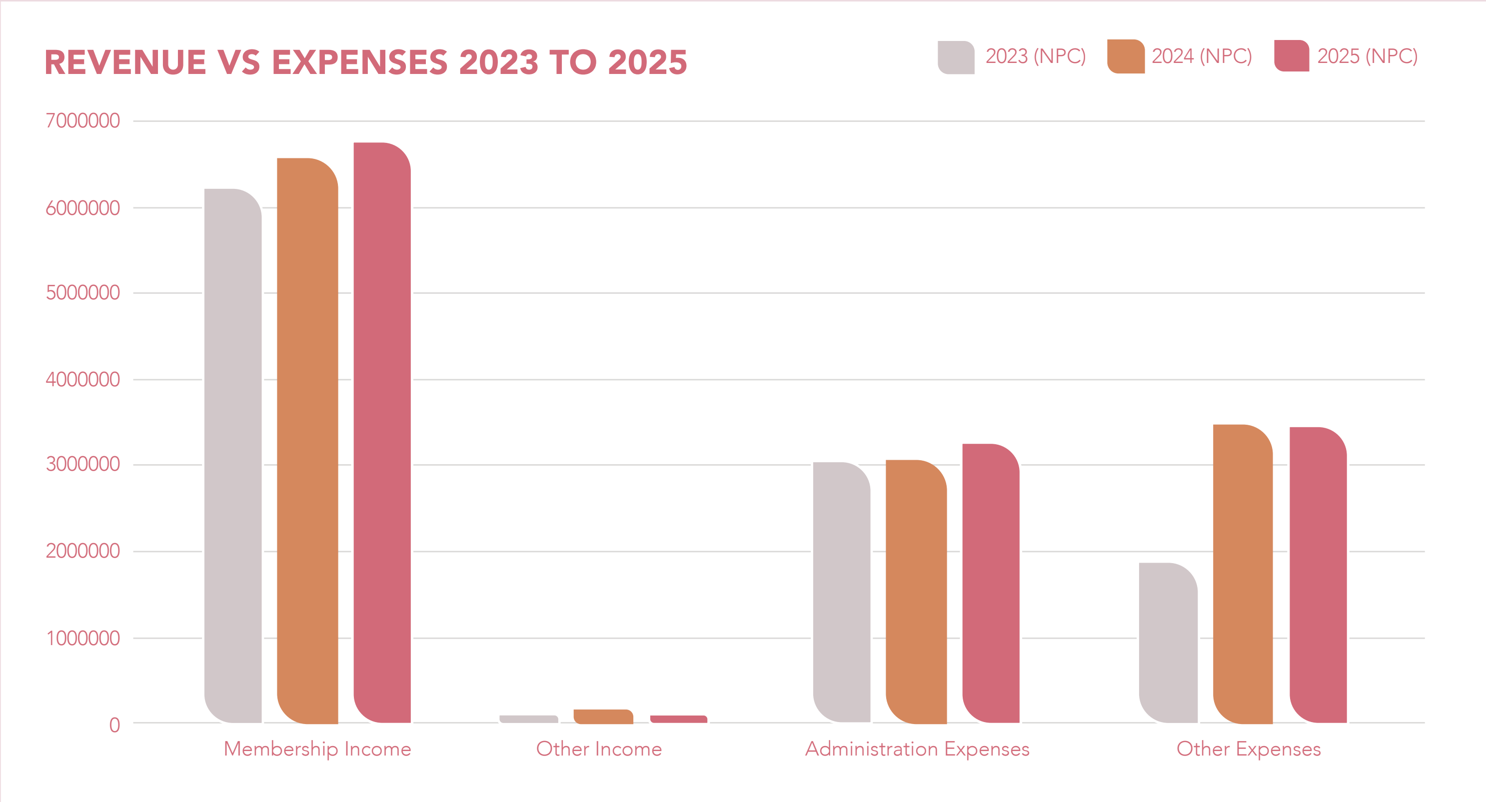
Notable expenses for the financial year included:

- an increase in consulting fees due to increased legal and technical activity that required external expertise; and
- with more awareness being created, more members agreed to donate 5% of their membership fee to the Look Good Feel Better Programme. Allocation to the Programme increased by 36% over the year.

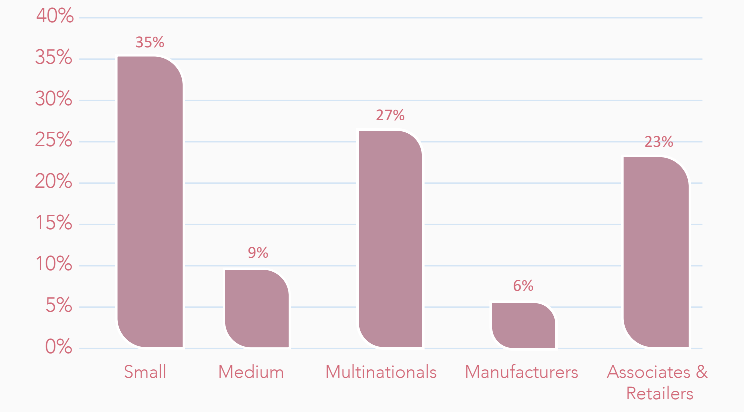
The CTFA owes its sustainability to the loyal core foundation of members who continue to support the cause and the work that CTFA undertakes on behalf of the industry and will continue investing back into the organisation for the benefit of members.

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.

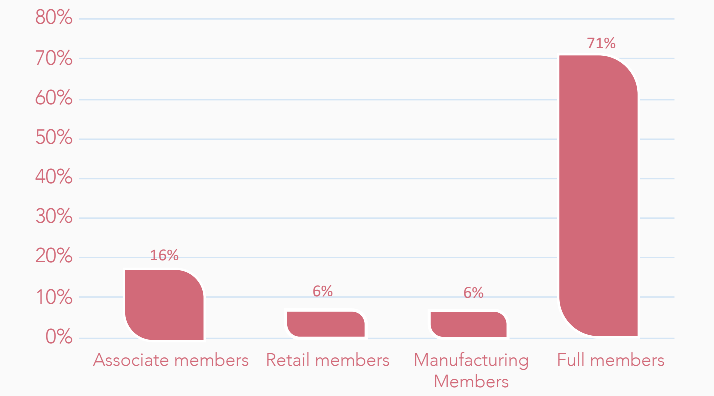
Best regards
Lloyd Viljoen | Accounting Services



2025 CTFA COMPANIES



2025 MEMBER CATEGORIES



POLICY, REGULATORY & TECHNICAL AFFAIRS

Glen Malherbe
Head: Policy & Regulatory Affairs

LOCAL STAKEHOLDER ENGAGEMENT

Department of Forestry, Fisheries and the Environment (DFFE)

The DFFE is a key stakeholder in terms of chemicals management in the country due to i) the overlap of the Constitutional mandate with that of the Department of Health (Section 24 guarantees everyone the right to an environment that is not harmful to health or well-being and many chemicals are hazardous); and ii) their designation as the focal point for the multilateral environmental agreements – the outcomes of which are domesticated in South Africa (e.g. prohibitions and restrictions).

In 2025 the DFFE approached CTFA for input on their intention to draft regulations to prohibit all activities associated with microbeads. CTFA provided input on pre-Government Gazette (GG) draft regulations as well as quite different draft regulations that were subsequently published in the GG. Following a further bilateral discussion, additional input was provided for new draft regulations that are to be republished for public comment.

Due to the microbead- and sustainability-related provisions (e.g. chemical lists; plastic lists; and extended producer responsibility) that are expected in the "Plastics Treaty" that is still to be concluded, CTFA participated in local discussion and follows the international negotiations with respect to the envisaged International Legally Binding Instrument on Plastic Pollution, including in the Marine Environment".

South African Bureau of Standards' (SABS) Committees
SABS Technical Committee 217 (Cosmetics)

CTFA is a member of the local Technical Committee at the SABS that considers cosmetic-related matters. As a result of CTFA's review of cosmetic-related standards that exist at the international level, International Organization of Standardization (ISO) standards were identified to be considered for possible local adoption. During 2025, the following standards (identical to the ISO standards) were balloted and are likely to be adopted locally:

- SANS 24443 Ed2: Cosmetics — Determination of sunscreen UVA photoprotection in vitro
- SANS 22718 Ed1: Cosmetics — Microbiology — Detection of Staphylococcus aureus
- SANS 21150 Ed2: Cosmetics — Microbiology — Detection of Escherichia coli
- SANS 22717 Ed2: Cosmetics — Microbiology — Detection of Escherichia coli
- SANS 21149 Ed2: Cosmetics — Microbiology — Enumeration and detection of aerobic mesophilic bacteria.

It is expected that these and others that were identified will be brought into effect domestically as South African National Standards (SANS) during 2026.

Other developments at the TC included that:

- SANS 1557 ("Sunscreen products") will be reviewed and updated, given the publication of new sunscreen testing methodologies (standards) and the continued need for labelling guidance to be provided to industry; and
- it was agreed to request that the "Toothpaste" Standard (SANS 1302) be moved from the Dentistry TC to TC 217.

The following new ISO standards for sunscreen test methods await consideration for local adoption:

- ISO 23675: Cosmetics — Sun protection test methods — In vitro determination of sun protection factor (SPF)
- ISO 23698: Cosmetics — Measurement of the sunscreen efficacy by diffuse reflectance spectroscopy

INTERNATIONAL LIAISON

International Organization for Standardization (ISO)
Technical Committee (TC) 217 – Cosmetics

CTFA acts as a national expert within the South African team that provides inputs, participates in discussion and votes in the Work Groups, namely: Microbiological standards and limits; Analytical Methods; and Terminology. For the Sun Protection Test Methods Work Group, Marlize Goosen is the international expert while CTFA also has voting rights. In 2025, CTFA's Technical Committee decided that the industry association required views from a wider group of stakeholders. Following broad engagement, CTFA established a group of experts for opinions to be shared on international sun care-related standard developments.

The following are the work items or standards that progressed to one of the following statuses: new; finalised; voted on; substantial progress made:

- Work Group 1 - Microbiological standards and limits
  - ISO/TR 19838:2016 Ed. 1: Guidelines for the application of ISO standards on cosmetic microbiology
  - ISO 17516:2014 Ed. 1: Microbiological limits
  - ISO 21322:2020 Ed. 1: Testing of impregnated or coated wipes and masks
  - ISO 11930:2019 Ed. 2: Evaluation of the antimicrobial protection of a cosmetic product
- Work Group 3 – Analytic Methods
  - ISO/AWI 24913: Measurement of traces of 1,4-dioxane in cosmetics using Headspace Gas Chromatography / Mass Spectrometry (HS-GC/MS)
- Work Group 4 – Terminology
  - ISO 16128-1 and -2: Guidelines on technical definitions and criteria for natural and organic cosmetic ingredients and products
- Work Group 7 – Sun protection test methods
  - ISO 24444:2019 Ed. 2: In vivo determination of the sun protection factor (SPF) + In vivo determination of the sun protection factor (SPF) – Amendment 1
  - ISO 24443:2021 Ed. 2: Determination of sunscreen UVA protection in vitro
  - ISO 16217:2020 Ed. 1: Water resistance – water immersion procedure

AFRICA FOCUS

African Organisation for Standardisation (ARSO)
Technical Committee (TC) 40 – Cosmetics and personal care products

CTFA is an integral part of the South African negotiating team at TC40, along with the Department of Trade, Industry and Competition (Cosmetics Desk) and South African Bureau of Standards to put forward positions that not only facilitate free trade and a single African market under the African Continental Free Trade Agreement, but also meet the South African industry's interests – a fine balance to try and achieve.

For TC40, the year turned out to be pivotal for the building of momentum towards the development of harmonised African standards for the cosmetics and personal care industry. A number of standards were drafted and considered – now awaiting final comments and implementation by the ARSO; the African Union; and member states that include South Africa. These included both general overarching (horizontal) standards and product-specific specifications (vertical standards):

- List by category of cosmetic products
- Labelling of cosmetics — Requirements
- Cosmetics and cosmetic products — Part 1: List of prohibited substances
- Cosmetic and cosmetic products — Part 2: List of substances which cosmetic products must not contain except subject to the restrictions laid down
- Cosmetics and cosmetic products — Part 3: List of allowed colorants, preservatives and UV-filters
- Lip shine (gloss) — Specification

Kenya Stakeholders Cosmetic Workshop - 1-3 October 2025

CTFA continued to increase its advocacy efforts with regulators and other stakeholders across Africa, touching several Regional Economic Communities such as that of East Africa, West Africa and the Southern African Development Community. Active initiatives included meeting the regulators in Kenya due to the regulatory flux and complexities faced by exporters to this country; the submission of input on the draft Regulation of Cosmetics Guideline for Botswana and close and regular engagement with the regulator of cosmetics in Zambia. In 2025, all these countries implemented changes or intended changes to the way that cosmetics are regulated. Furthermore, the following countries were also engaged with and information obtained (to varying degrees) on their implementation of cosmetic product-related legislation: Angola; Mauritius;

Nadia Rashid
Technical & Regulatory Manager

Namibia; Nigeria; Rwanda; Tanzania; United Arab Emirates; and Zimbabwe.

CTFA also participates in the Personal Care Products Council (PCPC)-hosted sub-Saharan African Task Force (SSATF) that meets on an ad-hoc basis regarding regulatory developments in Africa. The SSATF also comprises Cosmetics Europe (CE) and a number of companies.

CTFA continues to play an important role in international discussions and positioning by partnering with Cosmetics Europe (CE) as well as the PCPC (U.S.A.).

Multilateral Environmental Agreements
Basel, Rotterdam and Stockholm Conventions

As is now the norm, the Conferences of the Parties (CoPs) for these three Conventions are held in parallel every two years to implement international policies to manage hazardous chemicals and waste with the aim to better protect human health and the environment.

The Basel Convention is concerned with the import and export of waste; the Rotterdam Convention puts a Prior Informed Consent process in place between countries for the import and export of certain listed chemicals; and the Stockholm Convention regulates Persistent Organic Pollutants.

CTFA follows preparations and proceedings of the meetings that includes considering the proposed South Africa position and the development of the African position towards the CoPs. Having a greater interest in the Rotterdam and Stockholm Conventions that consider chemicals for listing on the Convention Annexures – usually resulting in prohibition or restrictions – and having contributed to the domestication of both Treaties through regulation, the topics of mercury and perfluorinated chemicals remain a priority for CTFA to continue tracking. In this way, industry's best interest are put forward towards any international negotiations, and industry is informed of developments as they may arise.

Minamata Convention

Now that domestic regulations to regulate mercury; products; and processes are in place in South Africa, CTFA continues to contribute to the biennial CoP as well as United Nations Environment Programme's Global Mercury Partnership's intersessional webinars. After all, mercury is now heavily regulated including in cosmetics and CTFA must continue to ensure that the principle of "trace amounts" of prohibited substances remains recognised as being allowed in cosmetics as long as the product is considered safe for use. This was a risk up to this year's CoP as discussions between African leaders in Libreville, Gabon were possibly going to result in an African position to not allow mercury in cosmetics at all. Thankfully, the CoP did not hear such a proposal, and the status quo remains internationally and nationally.

Convention on Biological Diversity (CBD)

Initiated at the 1992 Rio Earth Summit, the CBD focuses on conserving life's diversity; using it sustainably; and fairly sharing benefits from genetic resources. It sets national strategies for biodiversity, with key goals including halting biodiversity loss (e.g. 30% restoration by 2030 via the Kunming-Montreal Framework) and facilitating sustainable development.

The CoP for this Treaty is also held every second year and although the last meeting was in 2024, a resumed session was held in early 2025 to complete the work that was meant to be completed at the 2024 CoP. Notably, an outcome was the establishment of the Cali Fund - a global fund for which companies using genetic data are encouraged to contribute 1% of their profits or 0.1% of their total revenue.

CTFA engages domestically with the Department of Forestry, Fisheries and the Environment as well as with stakeholders such as the South African Botanical Products Association, within the policy and regulatory environment, to advocate for more streamlined approaches to the regulation of the use of indigenous resources. This will facilitate increased uptake of the country's assets in commercial enterprises in the cosmetics and personal care industry.

The National Environmental Management: Biodiversity Act and associated regulations are currently under review and CTFA awaits feedback and further consultation thereon.

World Trade Organisation (WTO)
Technical Barriers to Trade (TBT) Notifications 2025

During 2025, CTFA notified members of 98 WTO TBT alerts that had been communicated to the WTO. These notifications are required by countries that are parties to the WTO, in order to inform other countries of intended regulatory changes and to provide opportunity for input to be submitted to the notifying country for consideration – prior to implementation of the proposed changes.

During the year, CTFA submitted input via official South African Bureau of Standards and WTO processes, but ultimately to:

- Tanzania, regarding its proposed Liquid Toilet Soap Specification; and
- The East African Regional Economic Community, regarding the draft Antiperspirant and Deodorant Specification and the draft Skin Powder Specification.

TRAINING INTERVENTIONS – 2025

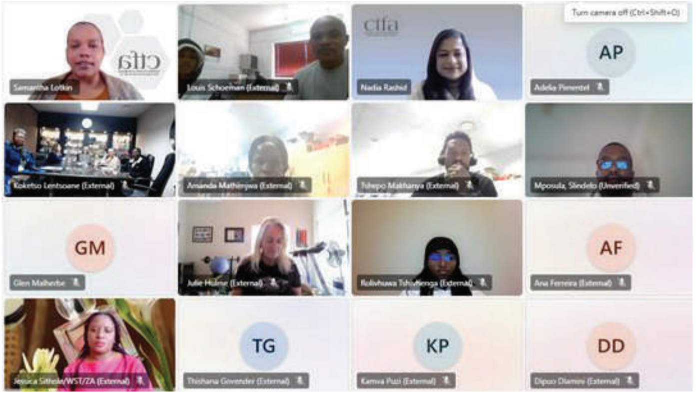
One of CTFA's roles is to improve regulatory knowledge and to communicate the importance of compliance in a constantly evolving regulatory space. CTFA's training has become a key service offered. Below are some of the interventions offered to member companies throughout 2025.

Africa Focus Webinar – 20 February

Africa is a popular destination for exports from South Africa. Mozambique, Botswana, Namibia and Zimbabwe are South Africa's main trading partners in Africa and account for 51% of South Africa's intra-African trade.

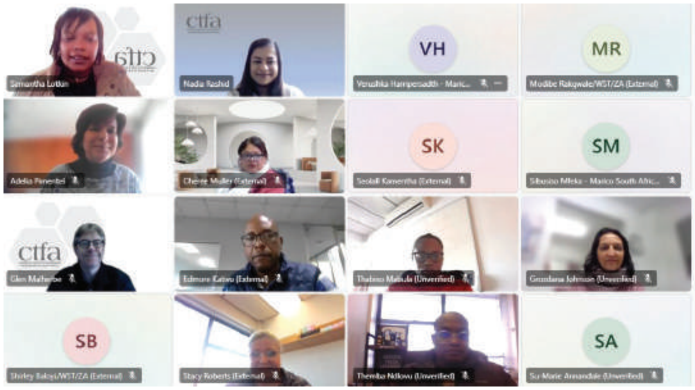
South Africa's trade with other SADC member states and countries like Nigeria, Ghana and Kenya are also substantial. This webinar looked at ongoing updates for various countries.

Labelling Requirements – 13 May



This training session focussed on the current regulatory framework that supports and guides labelling content. Real life examples were provided to help contextualise the practical application of the regulatory requirements for compliance. The objective was to enable marketing and quality personnel to better understand that the product concept and design requires a multi-functional approach to support product compliance.

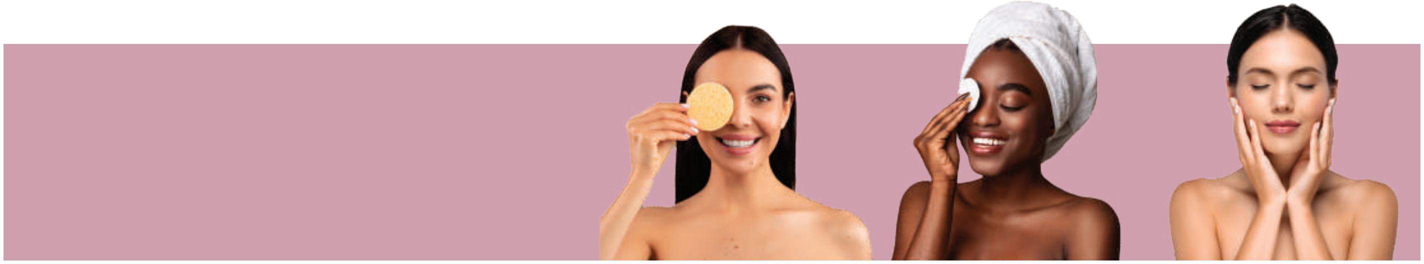
Advertising Regulatory Board (ARB) & Decoding the Cosmetic Code – 5 June



The Advertising Regulatory Board (ARB) administers the widely accredited Code of Advertising Practice that regulates the content of South African advertising across all media forms. The ARB Code of Advertising Practice is supplemented by individual industry-specific codes, referred to as Appendices to the main code itself.

The CTFA Cosmetic Advertising Code is updated by the CTFA annually and this is subsequently reproduced as Appendix B of the ARB Code of Advertising Practice. In today's highly competitive cosmetic and personal care market, advertising claims play a pivotal role in shaping consumer trust and brand success. However, with increasing regulatory scrutiny it is essential for industry professionals to ensure that all claims are truthful, substantiated, and in full compliance with advertising and cosmetic requirements.

Good Manufacturing Practice (GMP) – 26 June



This training aimed to promote a horizontal understanding of GMP across the entire cosmetics product supply chain, from source to market, including post-market requirements. It also looked at how to navigate the constant changes that companies must implement in the wake of evolving legislation relevant to product manufacture (globally and locally).

Safety Assessor Seminar – 28 August

CTFA and the German Cosmetic, Toiletry, Perfumery and Detergent Association (IKW) offer one seminar per year in South Africa for safety assessors and those interested in the constantly evolving topics of safety assessments. For a competent assessment of the safety of cosmetic products, interdisciplinary knowledge is necessary in the fields of chemistry, toxicology, dermatology and '(cosmetics) law'. Continuous upskilling in these specific areas is imperative to staying informed.

INDUSTRY TRENDS AND EXPECTATIONS FOR 2026

Sustainable Development

Sustainability is a topic that is gaining momentum each year, both globally and domestically. The Sustainable Development Goals (SDGs) are a global call to action to end poverty; protect the earth's environment and climate; and ensure that people everywhere can enjoy peace and prosperity.

South Africa has been a party to the United Nations SDGs for a number of years and the Department of Forestry, Fisheries and the Environment is considered the national focal point that brings together the objectives of the country; coordinating and consolidating other national government departments contributions to the Goals. In South Africa, all SDGs should be considered when undertaking new projects and considering those already underway.

As an example, sustainability is being entrenched in the waste sector through Extended Producer Responsibility legislation that covers various products and their entire lifecycle. Through more than a just "cradle-to-cradle" approach, the circular economy is being driven through waste-related regulation that includes, for example, the design of products and packaging to reduce waste and its landfilling. Further information regarding domestic implementation can be found at https://southafrica.un.org/en/sdgs and https://www.dffe.gov.za/sustainable-development.

The Advertising Regulatory Board, of which CTFA and by association its members are a part of intends to release a Sustainability Code that will guide advertising in South Africa to avoid "greenwashing" (a deceptive practise where companies mislead consumers into believing their products, services, or overall operations are more environmentally friendly or sustainable than they actually are). CTFA reviewed the draft that was released in 2025 and trusts that its contribution will make the Code fit for purpose.

Colour for 2026

The colour of the year is "Cloud Dancer" (PANTONE 11-4201), being described as:

- "a lofty, serene white, signifying a blank canvas for minimalist chic or creative expression, promoting relaxation and new beginnings."; and
- "a serene white chosen for 2026, signalling a fresh start and calm focus, while also watch for soft pinks and greens as key shades in 2026.".

Furthermore, "beyond Pantone, beauty trends for 2026 lean towards soft pinks, described as "cotton candy pink," and Gen Z greens (fluorescent yellow-green), along with muted matcha and vibrant blues for packaging and colour cosmetics."

Source: https://www.housebeautiful.com/uk/decorate/g25463774/pantone-colour-of-the-year/

Other trends

- "Phygital escapism": a mixture of the words "physical" and "digital".

This includes gaming. There is a strong link between what is virtually purchased (e.g. in games) and what is ultimately purchased in real-life.

- Health, wellbeing and cosmetics: the closer relationship between external cosmetics and internal application of substances that can have an impact on personal care outcomes is increasingly recognised.
- The link to health and wellness and the use of cosmetics/supplements in the fields of microbiome (creation of modified substances using biotechnology for use on the skin); customisable exosomes (nano-sized particles excreted by stem cells that can be used for skin and hair rejuvenation); ingredient innovations for sensitive skin; neurocosmetics: e.g. fragrances to influence mood; and microalgae: superfood - on skin and through internal ingestion - sustainable due to use of carbon monoxide in the process.
- Using technology to measure people's emotional responses to products and raw materials and technology/AI-driven virtual analyses – personalised and tech-driven solutions. For example:
  - for fragrances;
  - skin analysis using electronic devices;
  - generative AI-based voice-activated chatbots to determine ideal makeup looks and experience through virtual try-ons;
  - customisable fragrance capsules;
  - emotional reaction detection to preferred styles and shades; and
  - spraying perfume without needing to press any button.
- tactile beauty; fragrance layering, and aesthetics; bold textures, and cultural storytelling; and suggested key finishes include soft-matte gloss, translucent, and shimmer.

CTFA Technical Committees

Committees are constituted of technical experts from member companies with the main aim of ensuring that decisions and actions of technical and regulatory matters are objectively discussed to reach outcomes that will consider industry needs and challenges as well as consumer and environmental safety.

Technical Committee (TCCOM)

Four TCCOM meetings are held each year to discuss strategic developments in the local; regional; and international markets and their regulatory frameworks. Matters dealt with during 2025 included the matters listed below, amongst others:

- The South African Health Products Regulatory Authority's second draft of the "Guideline for Borderline Products" document
- Benzene contamination of propellant – U.S.A.
- Formaldehyde-releasing preservatives
- D4; D5; and D6 silicones
- Controlled chemicals – Organisation for the Prohibition of Chemical Weapons - Chemical Weapons Convention
- Persistent Organic Pollutants
- Mercury in cosmetics and the Minamata Convention
- Hazardous Substances Act's Group Listing Notices (carcinogens; mutagens; and reprotoxic substances)
- Prohibition of microbeads
- Extended Producer Responsibility
- African Regulatory Frameworks including the Kenya advocacy initiative

TECHNICAL COMMITTEE AND SUB-COMMITTEES

TECHNICAL COMMITTEE (TCCOM)

John Knowlton (Chairperson)	Cosmetic Solutions
Arshdeep Joshi	Givaudan
Dershana Jackison	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
John Knowlton	Cosmetic Solutions
Maged George	Avon Justine
Percy Sibanda	L'Oréal South Africa
Wayne van Wyk	Vantage Speciality Chemicals

AFRICA COMMITTEE (AFCOM)

Hlanzeka Mpanza	Unilever South Africa
Janine Fitzpatrick	The Care Co
Modibe Rakgwale	Avon Justine
Preshani Dwarika Bhikha	Adcock Ingram
Tallia Ficalbi-Hobbs	New Clicks Retailers
Valerie Abondo	L' Oreal South Africa

HAIRCARE SUB-COMMITTEE

Kutlwano Molema	L'Oréal South Africa
Nazir Kalla	Amka Products
Seema Singh	Marico
Wayne Van Wyk	Vantage Speciality Chemicals

MICROBIOME SUB-COMMITTEE

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

SUNCARE SUB-COMMITTEE

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

CTFA MEMBERSHIP

The CTFA was formed in 1994 to allow representation of the cosmetics and personal care industry by a collective, objective 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 the Cosmetic, Toiletry & Fragrance Association of South Africa (CTFA) has been to guide members on the South African regulatory regime and standards 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 (NDOH); South African Bureau of Standards (SABS); the Department of Trade, Industry and Competition (DTIC); the Department of Forestry, Fisheries and the Environment (DFFE) and international accredited bodies to ensure alignment for a responsible industry in South Africa.

The CTFA advocates international harmonisation, best practice 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 - given that the European Union cosmetics regulatory framework is what is closely followed in South Africa and many other regions.

Membership is open to any company distributing and/or 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 suppliers, may become associate members. Retailers are also part of the CTFA membership with regards to their private in-house labels.

The sector is innovative, vibrant and competitive coupled with 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 through stakeholder engagement:

- CTFA monitors local and international regulatory and policy developments and keeps members updated on the legislative control of cosmetics.
- CTFA provides technical expertise and advice on ingredients, labelling, packaging and product claims.
- CTFA drives and participates in the development of international; regional; and local standards. These committees consist of cosmetic industry experts and representatives from the South African Bureau of Standards (SABS).
- As part of the CTFA membership, there is free access to selected SABS standards.
- The CTFA liaises with the National Department of Health (NDOH) and the National Regulator for Compulsory Specifications (NRCS) on product and packaging regulations.
- CTFA liaises with the Department of Forestry, Fisheries and the Environment (DFFE) on bioprospecting; waste management; and chemicals management; amongst other industry and national initiatives on behalf of members.
- CTFA liaises with the Department of Trade Industry and Competition (DTIC) to assist members with regulatory compliance in relation to exports, imports and expansion into international markets.
- CTFA liaises with the South African Revenue Services (SARS) and Customs and Excise on Ad Valorem Excise Duty.
- CTFA liaises and is a board member of the Advertising Regulatory Board of South Africa (ARB) to ensure the preservation of self-regulation in the advertising space.
- CTFA ensures that its Cosmetic Code is updated when necessary, due to the advertising nuances in the sector.
- CTFA maintains relationships with and makes representations to the relevant South African and 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 is a member of the International Association Collaboration Committee (IAC).
- CTFA represents South Africa on the International Organization for Standardization (ISO) Cosmetic Committee.
- CTFA assists exporters by issuing Certificates of Free Sale.
- CTFA advises small and medium-size enterprises (SMEs) regarding compliance.
- CTFA extends invitations to members for webinars, workshops, seminars, information and training sessions.

HOW DO I BECOME A CTFA MEMBER?

Simply contact us and we will set up a consultation, so we can understand your business and product range/ranges.

Enquiries: email – info@ctfa.co.za
Website – www.ctfa.co.za

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.

CTFA Offices – Bushwillow Block, Suite 2&3, 59 Woodlands Avenue, Hurlingham Office park look good feel better

CELEBRATING 20 YEARS
RESTORING CONFIDENCE. REKINDLING HOPE. TWO DECADES OF MAKING A DIFFERENCE.

Yvette Rheeder
Program Director

In 2004, Look Good Feel Better South Africa was launched with a clear and heartfelt mission: to support women facing cancer by helping them manage the visible side effects of treatment and reclaim their self-image during one of the most vulnerable times of their lives.

What began as a small initiative—powered by a global movement and supported by founding partners—has grown into a national programme that has touched the lives of tens of thousands of South Africans. Today, LGFB is part of a global network active in 27 countries, with millions of beneficiaries worldwide.

Since its inception in South Africa, the programme has reached 58,827 patients and hosted 5,506 workshops across 51 hospitals and clinics. During 2025, 4,274 patients attended 364 workshops at 49 venues, supported by approximately 160 trained volunteers.

TWENTY YEARS OF IMPACT

Over the past two decades, LGFB has made a meaningful and lasting difference -

- Thousands of patients have benefited from our free skincare and make-up workshops.
- A dedicated network of volunteers—many of them professional beauticians—have given generously of their time, skills, and compassion.
- Corporate partners and product sponsors have ensured that each participant receives essential products, helping restore dignity and confidence.
- Our programme has evolved to meet changing needs—expanding from hospital-based sessions to one-on-one visits while always maintaining the human connection at our core.

We have stood beside mothers, daughters, sisters, and friends. While we provide practical tools such as mirrors, brushes, and scarves, what we truly offer is something deeper: hope, confidence, and a reminder that you are still you.

A YEAR OF BOTH PROGRESS AND CHALLENGE

While we celebrate this milestone year, we also acknowledge the significant challenges we face.

The changing business landscape continues to impact the availability of donated products that remain central to our workshops. Despite our efforts, sourcing sufficient product support has become increasingly difficult.

As a result, our target of reaching 5,000 patients annually was only partially achieved, with 4,274 patients served this year. This shortfall is directly linked to product availability.

To sustain and grow the programme, we urgently call on cosmetic companies to commit to structured, ongoing product support. We also encourage the CTFA and LGFB Executive to assist in opening doors to new partners and decision-makers. Expanding our network of contributors is critical to ensuring the sustainability of our mission.

DIVERSITY, INCLUSION, AND REACH

We remain proud of our impact across diverse communities, with 84% of patients in our self-care workshops being BEE beneficiaries. LGFB continues to hold Level 1 BEE status, reflecting our commitment to inclusive reach and meaningful transformation.

FUNDRAISING AND FINANCIAL SUPPORT

Despite operational challenges, the organisation demonstrated resilience through strong fundraising efforts:

- **CTFA Member Contributions:** R262,279.22
- **Golf Days:**
  o Johannesburg: R198,000
  o Zimbali: R69,000
  o Total: R267,000 (including a generous R100,000 donation from Pam and Neil Senior)
- **Regional Volunteer Fundraising:** R564,000 across multiple regions
- **Workshop Sponsorships:**
  o Estée Lauder: R165,000
  o Environ: R10,000
  o Nedbank: R15,000
  o Athena Matla: R67,000
  o Total: R552,000

These income streams contributed to a total of R1.604 million raised, enabling the continuation of workshops and support services across the country.

OUR SUPPORT NETWORK

Founder Members:

Avon Justine | Colgate Palmolive | Environ | Estée Lauder | Indigo Brands | L'Oréal

Active Members:

African Rooibos Extracts | AlcoNCP | AMKA | Bio-Oil | Modern Hair & Beauty | PCG | Twincare International

Product Donors:

Avon Justine | Bio-Oil | Chanel | Canway | Catrice | Dis-Chem | Kenvue | Revlon | Colgate Palmolive | Coty | Environ | Essence | Indigo Brands |Isabella Garcia | L'Oréal | Oh So Heavenly

Individual Financial Donors:

Claman | Esther Wessels | Jutta Körfer | Petro Jonker | Val & Jack Carstens

Fundraising Contributors:

Dedicated regional volunteers and supporters nationwide who continue to sustain and grow the Programme.

Special Acknowledgements:

- RAM Couriers – for sponsoring courier services of workshop products.
- Netcad – for providing IT services that enable smooth national operations.

A VOICE FROM OUR PATIENTS

"I have lost a lot of my beauty and confidence… this workshop says to me there is hope, carry on… the inner us will come out blooming.

Thank you sponsors… but how you made us feel—the love, care, time and kindness—is what touched my heart. I've decided to stop hiding because I am beautiful regardless."

Nonlanla Ramuhala

LOOKING AHEAD

As we celebrate 20 years of Look Good Feel Better South Africa, we honour every patient, volunteer, sponsor, and partner who has been part of this journey.

This milestone is not only a celebration of our past—it is a recommitment to our future.

We remain focused on:

- expanding our reach, including increased focus on men living with cancer;
- strengthening partnerships to secure sustainable product supply; and
- continuing to innovate while preserving the human connection that defines LGFB.

A MESSAGE OF GRATITUDE

As Director, I extend my heartfelt thanks to every partner and supporter who has walked this journey with us over the past two decades.

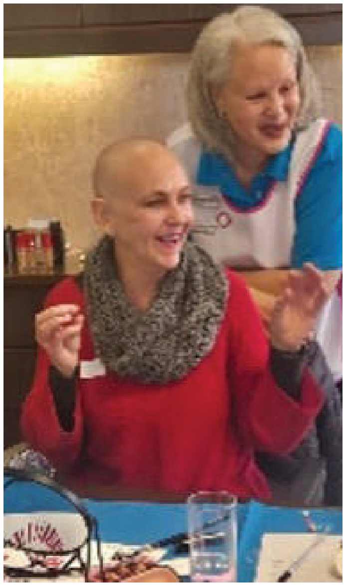
Your belief in our mission has empowered countless individuals to regain confidence, embrace their beauty, and find hope in the face of cancer. Every workshop delivered and every life touched stands as a testament to your generosity and compassion.

Yvette Rheeder
Program Director

Cheers to 20 years of hope, healing, and beauty and to many more years of making a difference.


OLD KHAKI


LIFE ISN'T PERFECT, BUT YOUR HAIR CAN BE...



20 look good feel better YEARS 2004 2024

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 2025

watermans

INDEX

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

GENERAL INFORMATION

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	The Cosmetic Toiletry and Fragrance Association of South Africa NPC (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	59 Woodlands Avenue Hurlingham Office Park Hurlingham Manor Sandton 2196
Business Address	59 Woodlands Avenue Hurlingham Office Park Hurlingham Manor Sandton 2196
Banker	First National Bank Limited
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	N.A. Kalla - Chairperson B.M. Nkosi - Vice-Chairperson J.L. Knowlton S. Sacre W. van Wyk M.A.L. Pimentel H.P. Shuttleworth (Appointed 07/08/2025)
Issued	19 March 2026

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. These annual financial statements have been prepared in accordance with the IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB®) and 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 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 7.

The financial statements set out on pages 11 to 26, and the supplementary information set out on pages 27 to 28 which have been prepared on the going concern basis, were approved by the directors and were signed on 19 March 2026 on their behalf by:

Director

Director

Director

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2025.

1. Review of activities
Main business and operations

The Cosmetic Toiletry and Fragrance Association of South Africa NPC (Non-profit company)(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 view points to government departments. It continues to lead the industry forward with regard to industry best practice, standards, responsible advertising and encouraging overall compliance.

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.

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 lliabilities, 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.

The directors of the company during the year and up to to date of this report are as follows:

N.A. Kalla - Chairperson
B.M. Nkosi - Vice-Chairperson
J.L. Knowlton
S. Sacre
W. van Wyk
M.A.L. Pimentel
H.P. Shuttleworth (Appointed 07/08/2025)

5. Independent Auditors

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

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 26, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the 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 2025, and its financial performance and cash flows for the year then ended in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Emphasis of Matter – Other

We draw attention to the fact that the company has not disclosed directors remuneration as required by section 30(4) to section 30(6) of the Companies Act 71 of 2008. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "The Cosmetic Toiletry and Fragrance Association of South Africa NPC Financial Statements for the year ended 31 December 2025", which includes the Directors' Report, the statement of Directors' Responsibilities and Approval, the Independent Auditor's Report, and the Notice of Meeting as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the supplementary information set out on pages 27 to 28. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Watermans Registered Auditors

19 March 2026

Aarons

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

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 2025.

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

Name of member	Designation	18 March 2025
N.A. Kalla	Non-executive Director	Present
B.M. Nkosi	Non-executive Director	Present
M.A.L Pimentel	Non-executive Director	Present
J.L. Knowlton	Non-executive Director	Present

Name of member	Designation	26 November 2025
N.A. Kalla	Non-executive Director	Present
J.L. Knowlton	Non-executive Director	Present
M.A.L Pimentel	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.

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.

REPORT OF THE AUDIT AND RISK COMMITTEE

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 2025.

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 2025 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 IFRS for SMEs® Accounting Standard as issued by the International Accounting Standards Board (IASB®).

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 entity'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 function include the following:

Integrated reporting and combined assurance

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

The audit committee considered the entity'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.

REPORT OF THE AUDIT AND RISK COMMITTEE

Governance of risk

The directors have assigned oversight of the entity'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

18 March 2026

Date

STATEMENT OF FINANCIAL POSITION

FIGURES IN R	NOTES	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	97,703	121,936
Property, plant and equipment	5	14,828,119	-
Total non-current assets		**14,925,822**	**121,936**
Current assets			
Trade and other receivables	6	212,549	280,187
Cash and cash equivalents	7	4,230,971	17,575,586
Total current assets		**4,443,520**	**17,855,773**
TOTAL ASSETS		**19,369,342**	**17,977,709**
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus		19,036,891	17,458,297
Total funds		**19,036,891**	**17,458,297**
LIABILITIES			
Current liabilities			
Provisions	9	135,418	78,965
Trade and other payables	10	138,825	376,270
Operating lease payables	11	51,776	64,177
Credit card	7	6,432	-
Total current liabilities		**332,451**	**519,412**
TOTAL LIABILITIES		**332,451**	**519,412**
TOTAL EQUITY AND LIABILITIES		**19,369,342**	**17,977,709**

STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN R	NOTES	2025	2024
Revenue	12	6,714,551	6,525,263
Other income	13	53,150	113,818
Other expenses		(6,744,886)	(6,538,006)
Other gains / (losses)	14	31,478	-
Surplus from operating activities	15	**54,293**	**101,075**
Finance income	16	1,524,420	1,322,202
Finance costs	17	(119)	(83)
Surplus for the year		**1,578,594**	**1,423,194**

STATEMENT OF CHANGES IN FUNDS

FIGURES IN R	ACCUMULATED SURPLUS	TOTAL
Balance at 1 January 2024	16,035,103	16,035,103
Surplus for the year	1,423,194	1,423,194
Balance at 31 December 2024	**17,458,297**	**17,458,297**
Balance at 1 January 2024	17,458,297	17,458,297
Surplus for the year	1,578,594	1,578,594
Balance at 31 December 2025	**19,036,891**	**19,036,891**

STATEMENT OF CASH FLOWS

FIGURES IN R	NOTE	2025	2024
Cash flows (used in) / from operations			
Surplus for the year		**1,578,594**	**1,423,194**
Adjustments to reconcile surplus			
Finance income		(1,524,420)	(1,322,202)
Interest paid		119	83
Adjustments for (Increase) / decrease in trade receivables		11,799	(15,453)
Adjustments for Increase / (decrease) in trade accounts payables		31,257	(37,684)
Adjustments for Increase / (decrease) in other operating payables		(268,702)	287,653
Depreciation expense		27,632	51,905
Movement in provisions		56,453	17,030
Fair value gain on unlisted investment		(31,478)	-
Total adjustments to reconcile surplus		**(1,641,501)**	**(998,335)**
Net cash flows (used in) / from operations		**(62,907)**	**424,859**
Interest paid		(119)	(83)
Interest received		1,524,420	1,322,202
Net cash flows from operating activities		**1,461,394**	**1,746,978**
Cash flows used in investing activities			
Purchase of property, plant and equipment		(3,399)	(131,501)
Movement in operating lease payable		-	49,998
Purchase of unlisted investment		(14,796,641)	-
Cash flows from / (used in) investing activities		**(14,800,040)**	**(81,503)**
Cash flows used in financing activities			
Cash flows used in financing activities		**(12,401)**	**-**
Net increase in cash and cash equivalents		**(13,351,047)**	**1,665,475**
Cash and cash equivalents at beginning of the year		17,575,586	15,910,111
Cash and cash equivalents at end of the year	7	**4,224,539**	**17,575,586**

ACCOUNTING POLICIES

1. General information

The Cosmetic Toiletry and Fragrance Association of South Africa NPC (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 view points to government departments. It continues to lead the industry forward with regard to setting industry best practice, standards and encouraging responsible advertising.

The company is incorporated and domiciled in South Africa. The address of its registered office is 59 Woodlands Avenue, Hurlingham Office Park, Hurlingham Manor, Sandton, 2196.

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 as issued by the International Accounting Standards Board 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 IFRS for SMEs Accounting Standard as issued by the International Accounting Standards Board 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 2025				
Balance at 1 January 2025				
At cost	346,534	7,780	126,362	**480,676**
Accumulated depreciation	(239,050)	(6,570)	(113,120)	**(358,740)**
Net book value	**107,484**	**1,210**	**13,242**	**121,936**
Movements for the year ended 31 December 2025				
Additions	-	-	3,399	**3,399**
Depreciation	(19,295)	(1,210)	(7,127)	**(27,632)**
Property, plant and equipment at end of year	**88,189**	**-**	**9,514**	**97,703**
Closing balance at 31 December 2025				
At cost	346,534	7,780	129,761	484,075
Accumulated depreciation	(258,345)	(7,780)	(120,247)	(386,372)
Net book value	**88,189**	**-**	**9,514**	**97,703**
Reconciliation for the year ended 31 December 2024				
Balance at 1 January 2024				
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**	**2,503**	**11,515**	**42,340**
Movements for the year ended 31 December 2024				
Additions	115,752	-	15,749	**131,501**
Depreciation	(36,590)	(1,293)	(14,022)	**(51,905)**
Property, plant and equipment at end of year	**107,484**	**1,210**	**13,242**	**121,936**
Closing balance at 31 December 2024				
At cost	346,534	7,780	126,362	480,676
Accumulated depreciation	(239,050)	(6,570)	(113,120)	(358,740)
Net book value	**107,484**	**1,210**	**13,242**	**121,936**

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...

4.2 Carrying amount of other financial assets by category

	At fair value through surplus and deficit	Debt instruments at amortised cost	Total
Year ended 31 December 2025			
Unlisted investments (Note 5)	14,828,119	-	**14,828,119**
Trade and other receivables excluding non-financial assets (Note 6)	-	165,231	**165,231**
Cash and cash equivalents (Note 7)	-	4,230,971	**4,230,971**
	14,828,119	**4,396,202**	**19,224,321**
Year ended 31 December 2024			
Trade and other receivables excluding non-financial assets (Note 6)	-	187,706	187,706
Cash and cash equivalents (Note 7)	-	17,575,586	17,575,586
	-	**17,763,292**	**17,763,292**

5. Investments
5.1 Accounting policies

Initial measurement
When investments are recognised initially, they are measured at transaction price including transaction costs that are directly attributable to the acquisition or issue of the instrument, except in the case where they are classified as at fair value through surplus or deficit.

Classification and subsequent measurement
The company classifies investments as:
• Financial assets at fair value through surplus or deficit

Derecognition
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are settled or when substantially all of the risks and rewards of ownership are transferred to another party. Where control of the asset is transferred while retaining some significant risks and rewards of ownership, if the other party has the practical ability to sell the asset in its entirety to an unrelated third party unilaterally and without needing to impose additional restrictions, the asset is derecognised and the rights and obligations retained or created in the transfer are separately recognised.

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.

FIGURES IN R	2025	2024

Investments continued...

Reversals of impairment losses are recognised in surplus or deficit.

5.2 Investments comprise the following balances

Ashburton Investments	14,828,119	-
	14,828,119	**-**

Ashburton Investments

The fund consists of money held in the Ashburton Core Plus Income Fund -L and the Ashburton SA Income Fund - B1. The initial cost of the Ashburton Core Plus Income Fund -L was R4,000,000 and the inital cost of the Ashburton SA Income Fund - B1 was R10,000,000.

The investments were considered long term in nature by the directors, but can be liquidated should the need arise within the agreed notice period.

The fair value of the investment is based on the quoted market price at reporting date.

Non-current assets	14,828,119	-
	14,828,119	**-**

6. Trade and other receivables

6.1 Trade and other receivables comprise:

Trade receivables	5,739	17,538
Sundry receivables	-	12,916
Prepaid expenses	-	50,585
Deposits	153,492	153,492
Staff loans	6,000	3,760
Value added tax	47,318	41,896
Total receivables	**212,549**	**280,187**

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

Prepaid expenses	-	50,585
Value added tax	47,318	41,896
Total non-financial instruments included in trade and other receivables	47,318	92,481
Total trade and other receivables excluding nonfinancial assets included in trade and other receivables	165,231	187,706
Total trade and other receivables	**212,549**	**280,187**

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R	2025	2024
7. Cash and cash equivalents		
7.1 Cash and cash equivalents comprise:		
Cash		
Cash on hand	1,074	40
Bank Balances	4,229,897	17,575,546
Total cash	**4,230,971**	**17,575,586**
Credit card	(6,432)	-
Net cash and cash equivalents	**4,224,539**	**17,575,586**
7.2 Detail of cash and cash equivalent balances		
Bank balances		
Cash		
First National Bank Current account	636,849	1,006,577
First National Bank Salaries account	61,372	25,707
First National Bank Money market fund	3,531,676	3,293,491
First National Bank Credit card	-	46,566
First National Bank 48 Hour Investment account	-	13,203,205
Total	**4,229,897**	**17,575,546**
Credit card	(6,432)	-

8. Financial liabilities
8.1 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.

FIGURES IN R	2025	2024

Financial liabilities continued...

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.

8.2 Carrying amount of financial liabilities by category

	Debt instruments at amortised cost	Total
Year ended 31 December 2025		
Operating lease payable (Note 11)	51,776	**51,776**
Trade and other payables excluding non-financial liabilities (Note 10)	138,825	**138,825**
Credit card (Note 7)	6,432	**6,432**
	197,033	**197,033**
Year ended 31 December 2024		
Operating lease payable (Note 11)	64,177	64,177
Trade and other payables excluding non-financial liabilities (Note 10)	376,270	376,270
	440,447	**440,447**

9. Provisions
9.1 Accounting policies

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

9.2 Provisions comprise:

	2025	2024
Leave pay provision	135,418	78,965
	135,418	**78,965**

9.3 Provisions for employee benefits

	Leave pay provision	Total
Balance at 1 January 2025	78,965	78,965
Movement	56,453	**56,453**
Balance at 31 December 2025	**135,418**	**135,418**
Balance at 1 January 2024	61,935	61,935
Movement	17,030	17,030
Balance at 31 December 2024	**78,965**	**78,965**

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R	2025	2024
10. Trade and other payables		
Trade and other payables comprise:		
Trade creditors	65,309	34,052
Payroll accruals	-	251,776
Other accruals	73,516	90,442
Total trade and other payables	**138,825**	**376,270**

11. Operating lease liabilities
11.1 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.

11.2 Operating lease liabilities comprise

Operating lease payable	51,776	64,177
	51,776	**64,177**

11.3 Future minimum lease payments

Not later than one year	40,014	12,401
Later than one year and not later than five years	11,762	51,776
	51,776	**64,177**

12. Revenue
12.1 Accounting policies

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised 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; 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.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R	2025	2024
12.2 Revenue comprises:		
Membership fees	6,714,551	6,525,263
13. Other income		
12.1 Other income comprises:		
Artwork reviews	13,650	17,100
Compendium fees	3,000	-
Sundry Income	950	16,468
Training and workshops	35,550	80,250
Total other income	**53,150**	**113,818**
14. Other gains and losses		
13.1 Other gains and losses comprise:		
Fair value gain on unlisted investment	31,478	-
15. Surplus from operating activities		
Surplus from operating activities includes the following separately disclosable items		
Other operating expenses		
Property plant and equipment		
- depreciation	27,632	51,905
Leases		
- operating lease minimum lease rentals	413,958	404,287
Other employee benefits	4,449,359	4,141,609
Auditors remuneration	45,430	41,345
16. Finance income		
Finance income comprises		
Interest received - Bank	727,780	1,322,202
Interest received - Unlisted investment	796,640	-
Total finance income	**1,524,420**	**1,322,202**

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R	2025	2024

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	119	83
Total finance costs	**119**	**83**

18. Income tax expense

No provision has been made for income tax for the 2025 year. The company is exempt from tax in terms of Section 30 of the Income Tax Act.

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;
  - 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
N.A. Kalla - Chairperson	Director
B.M. Nkosi - Vice-Chairperson	Director
J.L. Knowlton	Director
S. Sacre	Director
W. van Wyk	Director
M.A.L. Pimentel	Director
H.P. Shuttleworth	Director (Appointed 07/05/2025)
Look Good Feel Better Foundation NPC	Common directorship

DETAILED INCOME STATEMENT

FIGURES IN R	NOTES	2025	2024
Revenue	**12**		
Membership fees		6,714,551	6,525,263
Other Income	**13**		
Artwork reviews		13,650	17,100
Compendium fees		3,000	-
Sundry income		950	16,468
Training and workshops		35,550	80,250
		53,150	**113,818**
Other expenses			
30th birthday anniversary		-	(246,584)
Accounting fees		(222,345)	(208,563)
Admin fees		(10,936)	(2,500)
Advertising		(75,383)	(105,574)
Auditors remuneration		(45,430)	(41,345)
Bank charges		(12,208)	(7,549)
Board meetings		(77,670)	(58,045)
CIPC Fee - Company		(6,550)	(15,603)
Cleaning		(9,563)	(10,001)
Company contributions		(46,901)	(44,497)
Computer expenses		(7,850)	(4,175)
Consulting fees		(172,700)	(297,613)
Courier fees		(1,726)	(10,600)
Depreciation - property, plant and equipment		(27,632)	(51,905)
Earlybird discount		(52,846)	(36,821)
Employee costs - salaries		(4,449,359)	(4,141,609)
Employment fees		(1,000)	-
Entertainment		(6,380)	(5,614)
Fixed assets < R7,000		(650)	-
General expenses - gfts		(3,240)	-
Hire - equipment		(53,209)	(52,309)
Insurance		(71,320)	(75,433)
Internet website expense		(75,000)	(37,500)
Legal expense		-	(3,720)
Look Good Feel Better 5%		(255,026)	(187,064)
Operating lease expense		(413,958)	(404,287)
Printing and stationery		(9,015)	(5,563)
Repairs and Maintenance		(5,455)	-
Staff welfare		(3,476)	(5,577)
Subscriptions		(265,126)	(259,261)
Telephone and internet charges		(152,593)	(160,802)
Training		(957)	(904)
Training and workshops		(60,933)	(49,203)
Travel - local		-	(7,785)
Travel - local		(148,449)	-
		(6,744,886)	**(6,538,006)**

DETAILED INCOME STATEMENT

FIGURES IN R	NOTES	2025	2024
Other gains and losses	14		
Fair value gain on unlisted investment		31,478	-
Surplus from operating activities	15	**54,293**	**101,075**
Finance income	16		
Interest received - Bank		727,780	1,322,202
Interest received - Bank		796,640	-
		1,524,420	**1,322,202**
Finance costs	17		
Interest Paid		(119)	(83)
Surplus for the year		**1,578,594**	**1,423,194**

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COSMETIC TOILETRY & FRAGRANCE
ASSOCIATION OF SOUTH AFRICA