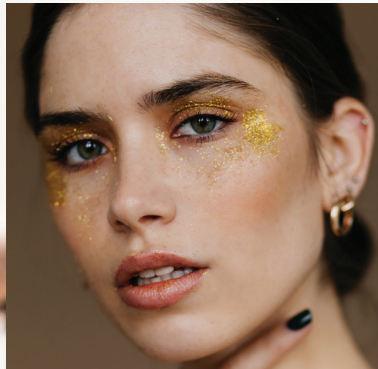
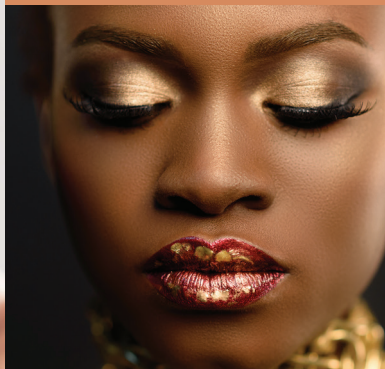




ctfa
COSMETIC TOILETRY & FRAGRANCE
ASSOCIATION OF SOUTH AFRICA



ANNUAL
REPORT
2024



CONTENT

02 CTFA Board

03 Chairperson's Report

04 Executive Director's Report

06 Finance Report

08 Policy, Regulatory & Technical Affairs

14 Celebrating 30 Years

17 CTFA Membership

19 Look Good Feel Better

22 Annual Financial Statements for the year ended
31 December 2024



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.

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

CTFA BOARD

THE ROLE OF THE CTFA BOARD:

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



TIMELINE

CHAIRPERSONS	
2024	Nizam Kalla
2022 – 2024	Warren van Niekerk
2019 – 2022	Gilles Antoine
2015 - 2019	Mark Hobbs
2008 – 2014	Scott Maddock
2004 – 2007	Russell Pollard
2000 – 2004	Robert Lunt
1998 - 2000	Vanessa Solomon
1997 – 1998	John Paidoussi
1996 – 1997	Brett Cage
1994 – 1996	Don Kourie

2024 BOARD

Nizam Kalla Chairperson <i>Amka Products (Pty) Ltd</i>	Serge Sacre <i>L'Oreal South Africa (Pty) Ltd</i>	Warren van Niekerk <i>(Resignation - 3 May 2024)</i> <i>Beiersdorf Consumer Products (Pty) Ltd</i>
Muzi Nkosi Vice-Chairperson <i>Avon Justine (Pty) Ltd</i>	Wayne van Wyk <i>Vantage Specialty Chemicals (Pty) Ltd</i>	Tarryn Gordon-Bennett <i>(Resignation - 1 November 2024)</i> <i>Haleon South Africa (Pty) Ltd</i>
John Knowlton <i>Cosmetic Solutions</i>	Adelia Pimentel Executive Director CTFA	

KEY ROLES

- Promote a responsible industry by promoting compliance with prevailing legislation.
- Prioritise member interests through leveraging of industry, scientific, business and regulatory expertise in developing common positions and 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 motivating for best practice and accountability both from its members and other stakeholders.
- Align and optimise the South African cosmetic and personal care industry with global requirements towards mutual recognition.
- Enhance the value of the Association to members by addressing their local/international needs in an effective manner.
- Promote social responsibility through the activities of the Look Good Feel Better Programme.

CHAIRPERSON'S REPORT

NIZAM KALLA

As we reflect on the past 30 years, we are in awe of the significant growth and development of the South African cosmetic and personal care industry. It is an honour for the CTFA and its members to have played a role in this remarkable journey.



Since its inception in 1994, the CTFA's vision has been to create a national representative body of like-minded stakeholders dedicated to serving the industry. This dream has manifested itself in an organisation that champions the interests of all its members that include brand owners, manufacturers, retailers and raw material suppliers alike.

From the outset, the CTFA's focus has been to advise, educate, and train the industry through activities such as lobbying government and engaging with both local and global organizations in the policy and regulatory space. Today, its role has expanded to provide holistic support to the industry, with a focus on keeping it locally, regionally and internationally recognised.

The local and global cosmetic industry landscape has evolved and continues to evolve over the years, with the industry reinventing itself to become even more dynamic, innovative, and agile. The CTFA is privileged to support this evolution by advising on compliance and consumer safety as top priorities.

In 2024, the Board with Adelia's leadership and the support of the CTFA team celebrated 30 years of service to the industry. Some of the highlights of the year included:

- Mr Muzi Nkosi was appointed as Vice-Chairperson. The CTFA and its Board wish him well in his new role.
- Mr John Knowlton was appointed as an Honorary Member of the CTFA, in recognition of his dedication and contribution to the industry over many years.
- The CTFA continued its ongoing dialogue with a number of government departments by addressing issues at the policy; regulatory; and technical levels including on excise duties; imports; and exports.

- Opportunities were sought to minimise the trade barriers that affect the CTFA's member companies, without compromising the interests of their consumers.
- The industry was represented by the CTFA at a number of international and pan African regulatory fora.
- The CTFA continued its partnership with Look Good Feel Better, an incredible non-profit organization that supports cancer patients during their most challenging times.

In closing, I would like to thank my fellow directors, the CTFA team and our valued members for their continued support. Together, we look forward to the next 30 years with optimism - anticipating many achievements and success stories within our industry.

Best regards
Nizam Kalla | Chairperson



EXECUTIVE DIRECTOR'S REPORT

ADELIA PIMENTEL

2024 marked 30 years of growth and industry development for the CTFA. Over the three decades CTFA has dedicated itself to support and develop a sustainable and respected South African cosmetic and personal care industry by retaining its position as the industry voice committed to assisting with maintaining the high quality and safety of cosmetic products.

In 2024 the South African economy experienced slow but positive growth, with the GDP expanding by 0.6% in the fourth quarter, avoiding a technical recession. South Africa's cosmetics and personal care industry experienced considerable growth, with sales increasing by more than 15% year-on-year, driven by factors like urbanization, population growth, and changing consumer preferences - especially towards natural and sustainable products.

CTFA capitalised on this industry growth by focussing on the value it renders to member companies, whilst building trust with stakeholders.

Thirty years of providing unique and invaluable services to the industry is a milestone that warrants being celebrated. Members, government stakeholders, sister organisations and suppliers all assisted in commemorating this milestone in a festive function on 10 October 2024. The event included attendance by and contributions from the very first CTFA Chairperson Mr Don Kourie, Mr Rob Scott who was part of the first CTFA Executive Council in 1994 and Mr John Knowlton, our very first CTFA Honorary member.

Despite continued pressure from CTFA, engagement with the National Department of Health (NDoH) on the still pending promulgation of the published redraft of the Regulations relating to Labelling, Advertising and Composition of Cosmetics, R.1469, December 2017, remained at a standstill due to lack of NDoH capacity. Continuous communication with the NDoH will remain a focus for the CTFA, whilst industry remains mostly self-regulated - following global best practise through implementation of the CTFA Compendium and other requirements.

National government engagement with regards to policy and legislation is part of the CTFA ethos to advocate for informed decision-making. In 2024, the Department of Forestry, Fisheries and the Environment (DFFE) was very active with Multilateral Environmental Agreements (MEAs), including the Rotterdam Convention. Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade,

the Stockholm Convention on Persistent Organic Pollutants, the Minamata Convention on Mercury, the National Biodiversity Economy Strategy, National Environmental Management: Biodiversity Bill, and still to be established International Legally Binding Treaty on Plastic Waste, including the Marine Environment - the latter including microplastics; extended producer responsibility; and chemicals in plastics, for example.

The CTFA Ad Valorem Industry Task Group was formed in 2024 to address the various challenges faced by industry. Meetings were held with the South African Revenue Service (SARS) and these challenges are being addressed. The next step is an official submission by CTFA on the challenges discussed and then a meeting with National Treasury. This augurs well for the future of Ad Valorem Excise Duty in the cosmetic and personal care industry.

Regionally, the African Organisation for Standardisation (ARSO), whose mandate it is to harmonise African standards and conformity assessment procedures in order to reduce technical barriers to trade, remained a focal area for CTFA during 2024. The Technical Committee for Cosmetics and Personal Care Products (TC40) was very active with the proposed first batch of Working Draft African standards. CTFA is part of the South African team representing industry together with SABS and DTIC.

Furthermore, CTFA interacted with various regulators; namely the Botswana Medicines Regulatory Authority (BoMRA) regarding their draft Cosmetics Regulation Guideline; the Kenya Bureau of Standards (KEBS) and the Pharmacy and Poisons Board (PPB) regarding their intention to have three classes of cosmetics and two regulators, as well as Medicines Control Authority of Zimbabwe (MCAZ) draft cosmetic regulations and Zambia Medicines Regulatory Authority (ZAMRA) regarding the Guideline on the Application for Grant of Marketing Authorisation of Cosmetics in Zambia.

South Africa is a member of the International Organization for Standardization (ISO) and CTFA represents industry through the



South African Bureau of Standards (SABS). The various technical ISO workgroups that are a part of the Cosmetics Technical Committee active and of interest. Two important sun care ISO standards relating to testing methods were approved and adopted in 2024.

In other developments, the close of 2024 brought with it much anticipation, as substances used for generations were put under the spotlight; namely Tea Tree Oil and ethanol - substances that if banned will not only affect the cosmetic industry, but others as well including healthcare and agriculture. Members will be kept informed of developments.

The green trend continues to gain momentum worldwide and Europe has been influential in setting best practise for other nations. Regulatory aspects with claims relating to the environment such as "reef-friendly" are up for discussion locally.

The advancement in technology is growing exponentially, and companies are embracing its use in almost all spheres. Artificial Intelligence (AI) and Augmented/Virtual Reality (A/V R) have become common terms. We look forward to seeing the progress in this space in the coming year.

In keeping with advancements in technology and the new workplace flexibility trend, CTFA installed virtual hybrid facilities at the CTFA offices. This will assist in more member companies being able to attend interventions virtually, or physically where offered by CTFA.

The CTFA were privileged to welcome Nizam Kalla as CTFA Chairman and Muzi Nkosi as Vice-Chairman in 2024. These two industry leaders have been CTFA Directors for some time and we are grateful for their continuing leadership and knowledge in vital industry decisions.

CTFA participates in corporate social responsibility through the global Look Good Feel Better programme. Implemented in 26 countries including South Africa, the initiative has served more than 1.8 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 and the treatment thereof. A heartfelt thank you to the CTFA members who support this worthy cause.

CTFA remains committed to achieving the highest standards in service delivery to all our members by adhering to the relevant codes of best practise, accountability, responsibility and integrity.

A sincere thank you to the CTFA directors' leadership, member companies' input and loyalty and all stakeholders who have collaborated over the last 30 years in ensuring CTFA remains a reliable industry partner.

Best regards
Adelia Pimentel | Executive Director



FINANCE REPORT

LLOYD VILJOEN | ACCOUNTING SERVICES

The period under review, 2024, was a financially successful year for the CTFA. With sound financial management the Association met the approved budget and reported a surplus. This was mainly due to the primary source of revenue generated from fees levied to member companies and well managed expenses.

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

The Association's accrued surplus for the year totalled R1 423 194, a decrease of 75% versus the prior year, mainly a result of staff employment which resulted in an adequately resourced policy/regulatory/technical department, and various extraordinary expenses approved by the CTFA Board.

A focus on training interventions resulted in income reflecting a 55% increase compared to the previous year. Membership fees increased by 4,28% in accordance with Consumer Price Index.

A total of 50 member companies enjoyed the refund benefit for the early settlement of their membership fees and five new members joined the Association.

Prudent account investing realized positive returns of R1 322 202 in interest which reflects a 13% increase versus the previous year.

Notable expenses for the financial year included;

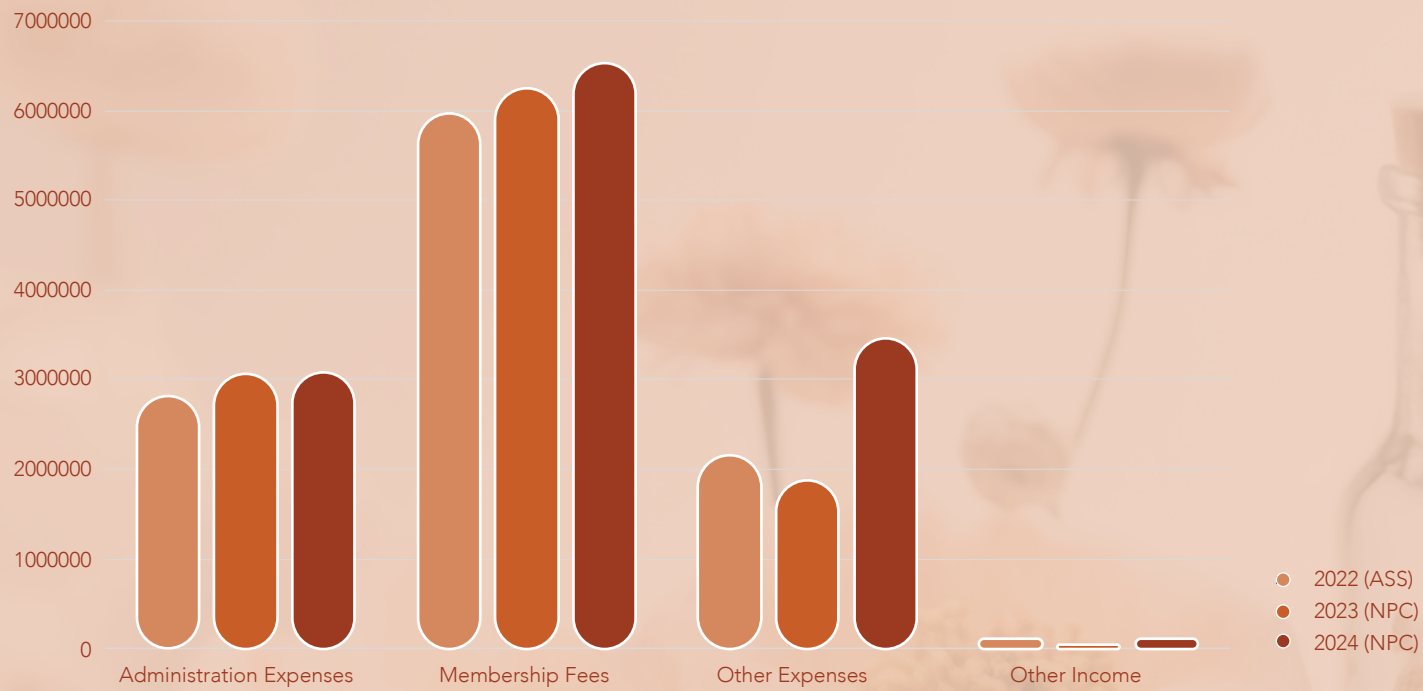
- Increased staff costs due to additional senior staff member being employed for the full financial year.
- Increase in consulting fees due to increased legal and technical activity that required external expertise.
- Increase in advertising costs due to expenses incurred for the 30th birthday awareness campaign.
- Expenses for a once-off line item for the CTFA 30th anniversary celebration.
- With more awareness being created, more members agreed to donate 5% of the CTFA membership fees to the Look Good Feel Better programme. Allocation increased by 44% over the year.

2024 was a celebratory year but also one of stable financial results. The CTFA will continue investing back into the organisation for the benefit of members.

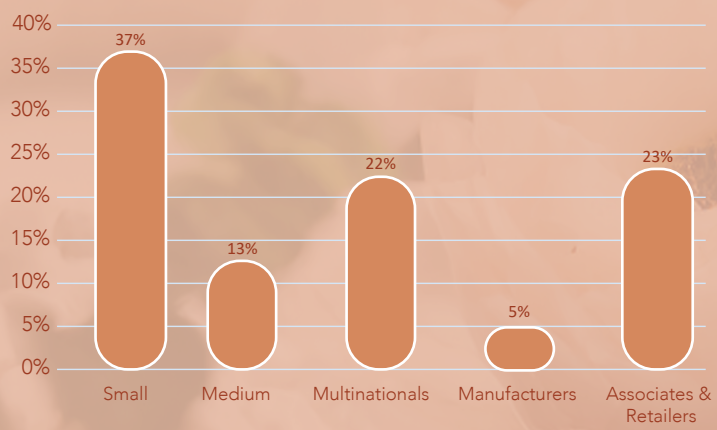
Watermans have expressed willingness to continue as auditors for the next financial year and a resolution proposing their reappointment will be submitted at the forthcoming Annual General Meeting.

Best regards
Lloyd Viljoen | Accounting Services

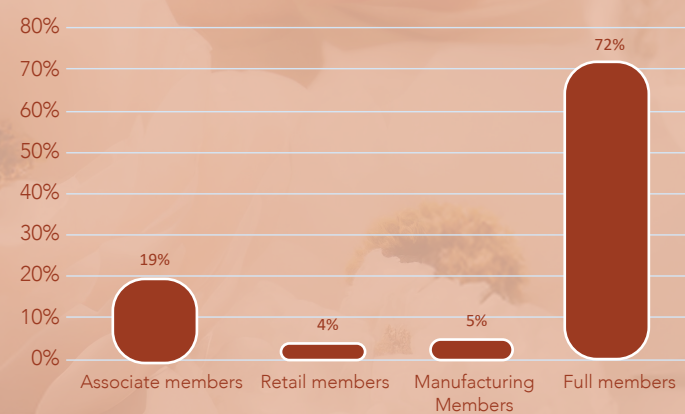
REVENUE VS EXPENSES 2022 TO 2024



2024 - CTFA BY SIZE OF COMPANIES



2024 MEMBER CATEGORIES



POLICY, REGULATORY & TECHNICAL AFFAIRS

One of CTFA's roles is to improve regulatory knowledge within industry and to communicate the importance of compliance in a constantly evolving legislative space.

During the year under review, CTFA's policy; regulatory; and technical footprint grew and remained core to the Association, with both local and international stakeholder engagement gaining momentum.



Glen Malherbe
Head: Policy & Regulatory Affairs



Nadia Rashid
Technical & Regulatory Manager

INTERNATIONAL LIAISON:

International Organization for Standardization (ISO)

CTFA and the South African Bureau of Standards (SABS) are the national representatives at the ISO Technical committee, TC217 (Cosmetics). Throughout the year there were a number of virtual Work Group meetings where progress on current projects was considered. In the report below, CTFA highlights these key areas.

- **Work Group 1: Microbiological standards and limits**
 - o New Project vote to be launched for ISO/TS 19838 Cosmetics – Guidelines for the application of ISO Standards on Cosmetic Microbiology.
- **Work Group 3: Analytical methods**
 - o For the Proposed Work Item (PWI) ISO/PWI 24913 Cosmetics – Test method on the detection and quantification of 1,4-dioxane in cosmetic products, it was decided to prepare a first draft and to prepare comments on the draft. The comments were subsequently considered, and the project retained as a PWI.
 - o Following the consideration of supplementary and/or complementary information to be included in an annex of the future standard ISO/Approved Work Item (AWI) 22176 Cosmetics — Development of a global approach for validation of quantitative analytical methods, the title and scope of ISO/AWI 22176 were proposed to be changed to “Cosmetics — Analytical methods — Validation of quantitative analytical methods using an integrated approach”, and “Scope: This document defines an integrated approach for the validation of a quantitative analytical method, based on the construction and interpretation of an accuracy profile, and specifies its characterization procedure.” It does not apply to microbiological trials.
- **Work Group 4: Terminology**
 - o Two parallel workstreams will consider the revisions of ISO 16128 (Cosmetics - Guidelines on technical definitions and criteria for natural and organic cosmetic ingredients and products) and TR 23750 (Cosmetics — Answers to frequently asked questions on ingredients and product characterization according to ISO 16128-1 and ISO 16128-2), respectively. Discussions on both took place during the year.
- **Work Group 7: Sun protection test methods**
 - o ISO 24443:2021 - Cosmetics — Determination of sunscreen UVA photoprotection in vitro is to be amended. The scope of the standard will not change.
 - o ISO 24444:2019 + Amd 1:2022 (Ed. 2) Cosmetics — Sun protection test methods — In vivo determination of the sun protection factor (SPF) is to be reviewed together with additional data to be provided demonstrating the risk/benefit of revising the technical points identified.

Apart from the above matters that were considered throughout the year, the following international standards were balloted by ISO TC217, through SABS TC217 during 2024:

WG	STANDARD	PROCESS	OUTCOME
7	ISO23698 - Measurement of the sunscreen efficacy by diffuse reflectance spectroscopy	Development of new ISO standard	Draft ISO Standard approved, and Final Draft International Standard approved
7	ISO23675 – Sun protection test methods	Development of new ISO standard	Final draft international standard approved

AFRICA FOCUS

African Organisation for Standardisation (ARSO)

ARSO was established by the African Union as a means to facilitate trade across Africa. During 2024, 43 member states were members of ARSO. CTFA is part of the technical committee for cosmetics and personal care products (TC40).

The year was productive for TC40. Chaired by the Republic of Uganda, member states voted on proposed standards to be harmonised and the first batch of Working Draft (WD) African Standards was circulated for comment. It is noteworthy that these WDs consist of both general (or horizontal) as well as product-specific (or vertical) standards. In South Africa, the cosmetic industry tends to focus its attention on the development of horizontal standards.

CTFA continues to engage with members, its internal TC, SABS TC217, the DTIC Cosmetic Sector Desk as well as SABS to determine a way forward in this long-term harmonisation process, to reach an agreed way forward that is in the best interests of all, with CTFA putting industry's position forward for national consideration. Following the domestic process, the country's position is put forward for consideration at the ARSO TC.

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

Not only is CTFA actively involved with and a key stakeholder in the development of harmonised standards across Africa but also tracks regulatory developments across the continent where members have shown interest. Africa saw much development in the regulation of cosmetics during 2024.

REPUBLIC OF BOTSWANA

The Botswana Medicines Regulatory Authority (BoMRA) released its draft Cosmetics Regulation Guideline for stakeholder comment in 2024, and intends to implement the Guideline during 2025.

Areas raised with the Regulator for further consideration included, among other matters: the definitions of “cosmetic”, “Responsible Person”, “claim”, “Cosmetic Notification Holder”, and “Product Variant”; safety assessments and safety reports; Good Manufacturing Practice; date of minimum durability; ingredients; bulk imports; the online portal; information and document requirements; Product Information File; renewals; withdrawals; advertisement and claims; and cosmetic categories.

It is noteworthy that cosmetics do not need to be pre-approved and registered but do need to be listed and licences obtained for activities such as import into the country.

REPUBLIC OF KENYA

Kenya intends to regulate cosmetics in three ways: as cosmetics with medical/therapeutic claims (Class 1 cosmetics); as special cosmetics and related products (Class 2 cosmetics); and as general cosmetics (Class 3 cosmetics). Class 1 and 2 cosmetics are to be regulated by the Kenya Pharmacy and Poisons Board (PPB), while Class 3 cosmetics will continue to be regulated by the Kenya Bureau of Standards (KEBS).

CTFA and other international institutions such as Cosmetics Europe and the Personal Care Products Council (PCPC) are advocating for a single regulator of cosmetics.

Cosmetics that fall under the PPB will require registration and marketing authorisation. CTFA submitted input to the PPB on the draft Guideline that sets out detailed requirements and will engage further to address potential trade barriers.

REPUBLIC OF ZIMBABWE

Although the draft Medicines and Allied Substances Control (Cosmetics) Regulations that were released by the Medicines Control Authority of Zimbabwe (MCAZ) are modelled to a large extent on the South African draft Regulations and EU Regulation 1223/2009, as amended, CTFA raised a number of principled and technical areas for further consideration.

A new version of the draft Regulations that took many proposals into account was released and CTFA has proactively submitted further comment to MCAZ for consideration during their next round of consideration of the draft Regulations.

REPUBLIC OF ZAMBIA

Zambia started implementing the “Guideline on the application for grant of marketing authorization of cosmetics in Zambia” on 9 September 2024, including accepting applications for new products and listings of existing products on the market.

CTFA fielded a number of specific member queries following engagement with the Regulator (Zambia Medicines Regulatory Authority (ZAMRA)) regarding implementation. These matters included: labelling in terms of manufacturing site and Head Office details; fees; electronic portal for listings and registrations; grace period; alignment with the European Union Cosmetic Regulations’ (EU1223/2009, as amended) Annexures; labelling; Good Manufacturing Practice; qualified persons and safety assessments; proprietary information and confidentiality; contract manufacture; deodorant versus antiperspirant deodorant; and the abridged format for listing.

LOCAL STAKEHOLDER ENGAGEMENT

SABS TC217 - Cosmetics

CTFA is the industry voice at SABS TC217 that focuses on cosmetics and personal care matters and provides a platform for local matters to be tabled.

The following South African National Standards (SANS) were balloted by SABS during 2024:

STANDARD	OUTCOME
SANS16212 (Ed. 1) - Microbiology - Enumeration of yeast and mould	Standard confirmed
SANS22716 (Ed. 1) - Good Manufacturing Practices (GMP) - Guidelines on Good Manufacturing Practices	Standard confirmed

Department of Forestry, Fisheries and the Environment (DFFE)

CTFA participated in providing input on the following matters where the cosmetic and personal care industry may be impacted:

Multilateral Environmental Agreements (MEAs)

The MEAs that could impact industry from a chemicals management perspective include the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade; the Stockholm Convention on Persistent Organic Pollutants; the Minamata Convention on Mercury. The Montreal Protocol on Substances that Deplete the Ozone Layer; and the Basel

Convention on the Import and Export of Waste are also important to consider.

Other MEAs without specific chemical management relevance, but where international developments and domestic progress are still important to follow include the United Nations Framework Convention on Climate Change; the Convention on Biological Diversity; and the International Legally Binding Instrument on Plastics Pollution, including the Marine Environment that is still to be finalised and established. The following developments were relevant for the cosmetic and personal care industry in 2024:

MEA	INTERNATIONAL DEVELOPMENTS	DOMESTIC PROGRESS
Rotterdam Convention on the Prior Informed Consent Procedure (PIC)	Further substances are to be considered for listing on the Convention, for example elemental mercury.	<ul style="list-style-type: none">CTFA submitted input primarily to increase the threshold from which compliance would be required. This was successful.The revised regulation was promulgated for implementation.
Stockholm Convention on Persistent Organic Pollutants (POPs)	Further substances are to be considered for listing on the Convention.	<ul style="list-style-type: none">Regulations are to be revised.Phase-out periods for some substances have been reached resulting in further prohibitions in South Africa.
Minamata Convention on Mercury	Following the biannual Conference of the Parties that took place in 2023 where mercury was banned in cosmetics (bar exceptions), CTFA has been attending relevant Webinars and United Nations meetings.	<ul style="list-style-type: none">Domestication of the requirements of the Convention will be through a regulation that is to be published for implementation in 2025.The sixth Conference of the Parties will take place in 2025.

MEA	INTERNATIONAL DEVELOPMENTS	DOMESTIC PROGRESS
Convention on Biological Diversity	<p>The Conference held in 2024 achieved the following (not exhaustive):</p> <ul style="list-style-type: none"> Strengthened role of Indigenous Peoples and local communities. Discussion of a new "Strategy for Resource Mobilization" to secure \$200 billion annually by 2030 for biodiversity initiatives. Implementation and monitoring: progress in implementing the Kunming-Montreal Global Biodiversity Framework (KMGBF) was reviewed, with 119 countries submitting national biodiversity targets. South Africa's submitted its reports. Synthetic biology: a thematic action plan was introduced to support capacity-building; technology transfer; and knowledge-sharing in developing countries. Biodiversity and health: parties approved a Global Action Plan on Biodiversity and Health. 	<p>CTFA contributed to the review of the:</p> <ul style="list-style-type: none"> DFFE's National Biodiversity Economy Strategy; DFFE's draft National Environment Management: Biodiversity Bill and Scio-Economic Impact Assessment Report; and StatsSA's draft Biodiversity Economy Satellite Account.
International Legally Binding Instrument on Plastic Pollution, including the Marine Environment	<ul style="list-style-type: none"> The fourth and fifth Intergovernmental Negotiating Committee (INC) meetings were held. Further INC meetings are to be held to finalise the Treaty. 	<p>CTFA considered South Africa's positioning, especially regarding microplastics (those intentionally added and those unintentional but finding their way into the environment); and extended producer responsibility as it pertains to packaging.</p>

MULTISTAKEHOLDER COMMITTEE ON CHEMICALS MANAGEMENT

CTFA continued to be a key industry representative of the MCCM that meets quarterly to discuss topics relevant to chemicals management. It is attended by national government departments; industry; academia; and non-governmental organisations. Important areas to look out for include work being undertaken on "Chemicals in Products" and "Endocrine Disrupting Chemicals", as a part of the work towards the objectives of the Global Framework on Chemicals (renamed from the Strategic Approach to International Chemicals Management) that is another chemical-focused MEA that countries are expected to comply with.

DEPARTMENT OF HEALTH

Grouped Hazardous Substances

The Department indicated its intention to move forward with the revision of the Group Listing Notices (GLNs) for the regulation of Grouped Hazardous Substances as provided for by the Hazardous Substances Act.

The GLNs are currently based on lists of specific substances, considered to be of different risks (groups). If a substance is on one of the lists, then the appropriate Regulations need to be followed. The review that has been undertaken will result in the principle of the listings being changed – from specific substances to each list being aligned to different chemical classifications – according to the Globally Harmonized System of Classification and Labelling of Chemicals' (GHS) categories. What this means is that the list of substances under regulation will grow tremendously and if there is a health-related carcinogenic, mutagenic, or reprotoxic GHS classification for a substance, it will be included in the Group Listing and the Regulations and Act will apply.

CTFA's advocacy initiative is to have the cosmetic industry excluded from the requirements of the regulations, but we are waiting for the new GLNs to be published to confirm that the Association's initiative was successful.

OVERVIEW OF SOME TRAINING INTERVENTIONS IN 2024

Allergens Update - 30 January and 18 September

These webinars showcased the importance of understanding the update of Annex III with 56 new fragrance ingredients for which the presence should be indicated on the label of the finished products. This is of relevance to the South African Cosmetic and Personal Care Industry, who rely on the European Regulations for guidance.

The webinars focussed on: an in depth update on Annex III and the addition of the 56 allergens; implications for the cosmetic industry; and how these allergens could be part of ingredients other than fragrances.

Modernization of Cosmetics Regulation Act (MoCRA) - 20 March

CTFA held a webinar on the updates that the United States of America's MoCRA will bring into effect. The Webinar was presented by the Vice President of Global Strategies, Natalie Obermann, from Personal Care Products Council (PCPC). An overview of the Act and the timelines for implementation of the various aspects was presented.

Claims and Substantiation Workshop – 11 April

CTFA hosted a Claims and Substantiation Workshop. Attendees received insightful presentation from experts, John Knowlton and Heibrie Le Roux. They navigated attendees through the nuances of claim substantiation, emphasising the pivotal role of scientific evidence and regulatory compliance.

Labelling Requirements – 23 May

CTFA's Labelling Requirements training session focused on the current regulatory framework that supports and guides labelling content, and aimed to help contextualise the applicable regulatory aspects of legislation relevant to cosmetics. Another objective was to enable marketing and quality personnel to better understand that product conceptualisation and design requires a multi-functional approach to support product compliance.

Good Manufacturing Practice (GMP) - 25 July

CTFA provided in-depth training to promote an understanding of GMP across the entire cosmetic and personal care supply chain.

The safety of a cosmetic product is, and should be, of paramount importance to brand owners; manufacturers; raw material suppliers; and regulators. The International Organization for Standardization (ISO) published ISO 22716:2007 as guidance for the safe manufacturing of cosmetic products under a Good Manufacturing Practice (GMP) regime. The Standard provides a comprehensive approach to safe manufacturing and assists in building on the foundation of an existing basic or established quality management system for those engaged in the manufacturing; packaging; testing; storage; and transportation of cosmetic finished products.

CTFA Cosmetic Compendium - Bridging the Gap; member benefits and policy updates - 06 August

CTFA held a combined webinar that included a presentation on member benefits; policy updates and updates to the CTFA's Compendium. The CTFA Cosmetic Compendium that is updated twice a year is a must-read for all and should be a constant reference in every company as it includes updated annexes and dates of new-product and off-shelf deadlines.

COMPENDIUM UPDATES 2024

Both Annex II (banned/prohibited substances in cosmetics) and Annex III (substances that are restricted in cosmetics) increased their listings.

Notably, Annex III now includes the 56 new declarable allergens as well as brightening actives including kojic acid; alpha-arbutin; arbutin; and vitamin A.

The Annex Reminder Document tracked these as well as other changes, and more along with impending deadlines for the local market. It continues to be a useful resource for the industry to stay ahead of compliance requirements.

REGULATORY INDUSTRY TRENDS

Science-based approaches to claims

The more we advance in technology, the more it leads us into believing that science-based angles to skincare are plausible. The year saw many scientific claims on products and ingredients being made in many areas, including: microbiome; adaptive protection; and the never-ending search for the fountain of youth with anti-ageing actives. These will definitely be developing topics in 2025, especially those related to the skin's microbiome, as the regulatory landscape is still under development internationally.

Safety

Consumer protection is paramount, and this has been the basis for much of the regulatory changes in 2024. Updated prohibited and restricted lists around the world; safety assessment rulings; and over-arching regulation revision and enforcement are testament to the commitment nations have to safety.

Online Influence

With social media platforms ablaze with influencers promoting brands/ products and e-commerce being the rising platform on which to shop, it was only a matter of time before some form of regulatory handle reached out. Twenty twenty-four saw a few nations put out regulatory guidelines and rules for influencers and traders. The regulatory framework for e-commerce and social media marketing and trade continues to evolve as we move into 2025.

Technical Committee and Sub-committees

The CTFA Technical Committee and its various sub-committees are constituted of technical experts from whose aim is to ensure that decisions and actions with respect to technical and regulatory matters are purely to the benefit of the industry.

CTFA would like to convey its gratitude to the individual experts who gave freely of their time to be part of the Technical Committee and sub-committees during 2024.

TECHNICAL COMMITTEE AND SUB COMMITTEES

TECHNICAL COMMITTEE (TCCOM)

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

HAIRCARE SUB-COMMITTEE

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

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

MICROBIOME SUB-COMMITTEE

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

COSMETIC REGULATORY REVIEW SUB-COMMITTEE

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

SUNCARE SUB-COMMITTEE

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

30 YEARS OF GROWTH & INDUSTRY DEVELOPMENT



2024 marked 30 years of growth and industry development through the CTFA!

On the 10th of October a festive celebration was held at the beautiful Garden Venue in Randburg, where two of the CTFA founding members were present; Mr Don Kourie - the first CTFA Chairperson, and Mr Rob Scott - part of the first CTFA Executive Council. Mr John Knowlton was also given the accolade of Honorary Member as a acknowledgement of his unwavering support to CTFA over the years.

Over the years, CTFA dedicated its activities to support and develop a sustainable and respected South African cosmetic and personal care industry by retaining its position as the industry's voice committed to assisting in maintaining the high quality and safety of cosmetic products.

March 1994

The cosmetics Industry held a historic meeting where there was unanimous agreement to form a trade association to self-regulate the cosmetic and personal care industry.

The Cosmetic, Toiletry and Fragrance Association of South Africa (CTFA) was formed in 1994 to establish a single, focused representative body.

1997

CTFA heads up negotiations with government and successfully reduces Ad Valorem excise tax from 37.5% to 15%.

After working tirelessly towards the differentiation of medicines versus cosmetics, formal approval is received from the Medical Control Council (MCC) by way of resolution 172.08.06. Importantly this resolution indicated the acceptance of the European Union definition of a cosmetic, which remains in force to this day.

1998

In March, CTFA sees Ad Valorem excise tax reduced by another 5%.

In June the first edition of the Cosmetic Compendium is published.

2000

CTFA becomes a member of Colipa (The European Cosmetic and Perfumery Association) - today known as Cosmetics Europe after its name change in January 2012)

2001

The second edition of the CTFA Cosmetic Compendium was published.

Further CTFA negotiations resulted in an additional reduction in Ad Valorem excise tax by the then Minister of finance from 10% to 5% for cosmetics and from 10% to 7% for fragrances.

CTFA also successfully negotiates with Treasury for changes in the calculation of Ad Valorem taxes so as to no longer disadvantage

locally produced products.

2002

In October the International Sunscreen Conference was held at Sun City, South Africa led by CTFA working groups, and the second edition of the Sunscreen Standard SANS1557: 2002 was launched.

2003

CTFA joins the international ISO Cosmetics Committee and participates in the Working Groups.

2004

Ingredient labelling of cosmetic products becomes mandatory. CTFA provides tools for the implementation of this requirement by local industry.

2006

In June, the international SPF Test method was signed and agreed to by South Africa; Japan; Europe; and the United States of



America.

In December, labelling of the 26 allergens becomes mandatory and the CTFA provides tools and guidelines for industry to follow international protocol.

2008

CTFA motivates and acquires a special concession for Cosmetics containing Sodium Hyaluronate/ Hyaluronic acid.

2011

The new Cosmetic Export Council (CECOSA) is established as a separate Section 21 Company, with a Public Private Partnership with the Department of Trade and Industry (the Dti). CTFA assists in launching CECOSA.

2012

Following the Consumer Protection Act coming into effect in 2011, CTFA was represented on the task team that was responsible

for the compilation of the generic consumer goods industry code of practise. This groundwork resulted in the formation of the Consumer Goods and Services Ombud (CGSO).

2013

CTFA was contacted to assist the Department of Employment and Labour with the formation of the Chemical Sector Occupational Health and Safety Accord. The Agreement was between government, organised labour and organised business to improve the status of Occupational Health and Safety in the chemical sector in South Africa.

South Africa signed the MINAMATA Convention on Mercury. This gesture ensured that the use of mercury in cosmetics was banned. The CTFA has been a part of the ongoing interactions, ever since, following and engaging on both international and domestic

developments.

2014

CTFA is requested to be a part of the technical forum heading the Department of Environmental Affairs' Bioprospecting Access and Benefits Sharing (BABS) to facilitate bioprospecting permits.

2015

In October the first inaugural Dti Cosmetics Steering Committee is incepted with the mandate to address the cosmetic industry's needs. The DTI and CTFA foster a stronger relationship and agreement on combined projects such as campaigns and training programmes for Port Health officials and emerging entrepreneurs.

2016

In August the Department of Health published draft regulations for the cosmetics. CTFA submitted

comments on behalf of industry.

2017

CTFA was invited by the Department of Health (DoH) to attend the International Co-operation on Cosmetics Regulation (ICCR) meeting in Brazil as the industry association representative for South Africa.

In December 2017, the Department of Health (DoH) publishes the redrafted regulations. CTFA's submission of comments and lobbying efforts were instrumental in the publishing of the redraft.

2018

The Advertising Standards Authority of South Africa (ASA) is liquidated and a new entity named the Advertising Regulatory Board (ARB), with the same mandate, is established to ensure self-regulation of advertising continues in the industry.





2019

CTFA was part of an international advocacy mission to Nairobi, Kenya to meet key regulatory stakeholders to discuss best practise; harmonisation of standards; and reduce barriers of trade.

CTFA widened its international reach by becoming members of the International Association Co-Operation (IAC) through Cosmetics Europe. The IAC is a forum that discusses international concerns and promotes global harmonisation.

2020

The world grappled with the COVID-19 pandemic.

CTFA was instrumental in lobbying the DTIC and the NDoH to ensure that industry products were amongst the "Essential Products" listed in the gazetted COVID-19 legislation, thus allowing companies to continue trading during lockdown.

CTFA signed a Memorandum of Understanding (MoU) with the German Cosmetic, Toiletry, Perfumery and Detergent Association (IKW) regarding training courses for safety assessors. IKW would develop and implement the training courses and CTFA would develop an annual seminar towards the training to assist local safety assessors in South Africa remain abreast of global updates.

2021

Extended Producer Responsibility becomes mandatory for all producers of identified products.

CTFA and the South African Bureau of Standards (SABS) partner with the American National

Standards Institute (ANSI) to create capacity building webinars aimed at sharing the various approaches in Africa and the Gulf regions with the intention of revisiting the content and the function of the proposed ARSO standards.

2022

CTFA underwent a transformation in its legal status, from a self-regulated organisation governed by its own constitution, to a fully-fledged corporation, operating under the auspices of the South African Companies Act (Act no.71: 2008) and registered as a Non-Profit Company (NPC).

CTFA was invited to be part of the African Organisation for Standardisation (ARSO) Technical Committee (TC40) on cosmetics and related products. Their mandate is to harmonise African standards and reduce technical barriers to trade.

The CTFA Cosmetic Compendium is to be updated twice annually, with a key change being that when a substance has been classified as a carcinogen; mutagen; or reprotoxic, South Africa will adopt the same regulatory enforcement date as the European Union, ensuring consumer safety is a priority.

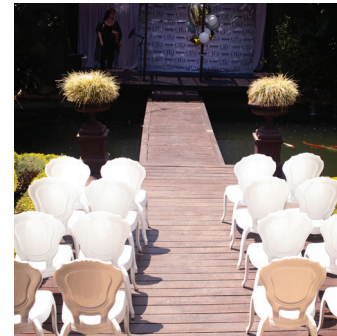
2023

CTFA became a member of the ARB with representation on their Board of Directors.

CTFA became part of the South African Bureau of Standards (SABS) Technical Committee on Hemp and Cannabis, TC0041.

2024

CTFA turns 30!





CTFA MEMBERSHIP

The cosmetics and personal care business sector is innovative; vibrant; and competitive, coupled with a rapidly moving regulatory environment, especially in the technical space. It is therefore essential that manufacturers; brand owners; retailers; and raw material suppliers are kept abreast of the latest developments. Importantly, members are extended the opportunity to be part of the CTFA's advocacy and lobbying processes via its internal committees that contribute to the shaping of regulations through position development.



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.



HOW DO I BECOME A MEMBER?

Simply contact us and we will set up a consultation, so we can understand your particular business needs and product range. Should there be a perceived benefit for both parties, we would then encourage you to become a member.

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





look good
feel better



YVETTE RHEEDER
Programme Director

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

THE PROFOUND IMPACT OF LOOK GOOD FEEL BETTER AND ITS IMPORTANCE IN THE LIVES OF OUR PATIENTS.

I am writing to highlight a key observation that has become increasingly clear through the Look Good Feel Better programme. The profound impact of our programme goes far beyond the tangible products we provide or the workshops we conduct. What truly defines the success of Look Good Feel Better is the emotional and psychological effect it has on the patients we serve.

IMPACT BEYOND PRODUCTS AND WORKSHOPS

While the products and workshops are essential components of our program, it is evident that their value extends beyond the surface. The true measure of our success lies in how these offerings make our patients feel. The feedback we receive consistently shows that participants feel cared for, loved, and special as a result of our programme. This emotional uplift is what resonates most deeply with them, often leaving a lasting positive impact on their overall well-being.

IMPORTANCE OF EMOTIONAL SUPPORT

Cancer is not only a physical battle but also an emotional and psychological one. The treatments can often leave patients feeling vulnerable, isolated, and stripped of their sense of self.

Look Good Feel Better plays a crucial role in restoring a sense of normalcy and dignity during a time when patients need it most. By making them feel valued and beautiful, we help to rebuild their confidence and self-esteem, which are critical components of their healing journey.

The Look Good Feel Better program aims to inspire women and men to persevere, face each day with renewed hope and confidence. Research has shown that maintaining a positive mindset significantly enhances the

healing process. Since its inception, the program has evolved to embrace a more holistic approach to patient support, impacting participants' well-being beyond just their physical appearance.

THE ROLE OF VOLUNTEERS

The dedication and compassion of our volunteers are central to creating this positive impact. Their efforts are not just about delivering products or conducting workshops—they are about connecting with patients on a human level, offering empathy, understanding, and a sense of community. **This personal connection is what transforms our program from a service into a lifeline for many.**

WORKSHOP PERFORMANCE

We have reached **53,513** patients and hosted **5044** workshops since the inception of the programme in 2004, of which **3364** patients attended one of the **312** LGFB workshops in **48** hospitals and clinics, this year hosted by +/- **160** trained volunteers. We are proud to say that we achieved our beneficiary goal with **81%** patients in our selfcare workshops being BEE candidates. LGFB has a **BEE Level 1 Status**.

SPECIAL THANKS

We extend our heartfelt gratitude to the following partners and sponsors who have played a vital role in supporting our mission: **RAM Couriers** for being an essential part of our operations, ensuring smooth logistics and deliveries; **Netcad** for always keeping us connected and enabling seamless communication; **CDP Gifts** for sponsoring golf day content designs, golf goodie bags, and printing our annual reports.

FUNDRAISING EVENTS

Over the past financial year, Look Good Feel Better hosted a variety of fundraising events, including raffles, volunteer-



led initiatives, golf days, high teas, and collaborative events. These efforts were instrumental in supporting our mission to assist individuals facing cancer.

A special thank you to our valued golf supporters: **Pam & Neil Senior** as financial sponsors; **Canway & Claman** for sponsoring the courier service for golf stock; **Estée Lauder** for providing dinner perfume gifts; **Golferade & SAB** for sponsoring drinks for all golfers; **Lou J Interiors** for sponsoring beautiful event décor; **Monique Taylor** for serving as the MC at prize-giving; **Shayamanzi** for organizing amazing auction items; **Firmenich & Fleet Africa** for financial support towards prizes.

Our deepest gratitude to the main sponsors of the PE High Tea: **RMB, Bayradiology, and Avon Justine.**

PROGRAMME FINANCIAL DONORS

We sincerely appreciate the financial contributions from **CTFA, Dermassential Skincare, Environ, Estée Lauder, Global Giving, Icon Oncology, Jackpersad Westridge, L'Oréal, Medsol, and Pam & Neil Senior, Esther Wessels, Claman, Jutta Kórfer, Petro Jonker, Val and Jack Carstens.**

PRODUCT SPONSORS

We are grateful for our product sponsors throughout the year: **African Extracts**

Rooibos; AMKA; Avon Justine; Avroy Shlain; Canway-Oh So Heavenly; Chanel; Colgate Palmolive; Cosmetix; Environ; Estée Lauder; Facinations Hair; Hawkrigade Advisory (Pty) Ltd; Indigo Brands; Isabella Garcia; L'Oréal; Matla Partners; Monica van der Walt; Revlon; Signature Cosmetics; Zynadent. Your generosity and commitment empower us to continue making a meaningful difference in the lives of those we serve. Thank you!

MEDIA

Throughout the year, Look Good Feel Better received media coverage in several prominent outlets, including **Sarie Magazine** (September/October issue), **Blue Monkey Online Magazine** (September/October issue), **Rooidepoort Record** (July issue), **PPMC Magazine** (August issue – Women's Month feature), and **Icon Oncology**, which highlighted our work and grant impact on their website.

VOLUNTEER RECOGNITION EVENTS

To honor and thank our dedicated volunteers, recognition events were held at **Southern Sun Marine Hotel, The Saxon Hotel, Casa Toscana, The Marriott Protea Hotel, The Embassy Constantia, and Ascott Conference Venue.**

FINANCIAL OVERVIEW

LGFB has completed the 2023-2024 financial year, yet again, with an impressive surplus.

The ongoing and dedicated fundraising initiatives, have allowed for a positive cashflow which has sustained the programme and emergency product purchases.

CTFA, generously committed **R125 400**, to the LGFB Programme.



CONCLUSION

This year's achievements are a testament to the power of compassion and the difference it can make in the healing journey. As we look ahead, we remain steadfast in our mission to uplift and empower more individuals, ensuring that they feel confident and supported throughout their journey.



I am grateful for the workshop, products, and advice that you provide. Not only have you helped me feel more confident in my appearance, but you have also given me a sense of empowerment and strength during a difficult time in my life. I also want to thank all the generous sponsors who make this program possible". Kgholofelo Ramodike





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 2024



watermans



INDEX

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

General Information	2 - 3
Directors' Responsibilities and Approval	4
Directors' Report	5
Independent Auditor's Report	6 - 7
Report of the Audit and Risk Committee	8 - 10
Statement of Financial Position	11
Statement of Comprehensive Income	12
Statement of Changes in Funds	13
Statement of Cash Flows	14
Accounting Policies	15
Notes to the Financial Statements	16 - 25
The supplementary information presented does not form part of the Financial Statements and is unaudited:	
Detailed Income Statement	26 - 28

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 J.L. Knowlton B.M. Nkosi - Vice-Chairperson S. Sacre W. van Wyk M.A.L. Pimentel W.D.V. Van Niekerk (Resigned 03/05/2024) T.K. Gordon-Bennet (Resigned 01/11/2024)
Issued	17 March 2025

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 6 to 8.

The financial statements set out on pages 12 to 25, and the supplementary information set out on pages 26 to 27 which have been prepared on the going concern basis, were approved by the directors and were signed on: 9 April 2025 on their behalf by:

Director



Director



Director

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2024.

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 liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Events after reporting date

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

4. Directors

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

Mr W.D.V. Van Niekerk - Resigned 03/05/2024

Mrs T.K. Gordon-Bennet - Resigned 01/11/2024

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 25, which comprise the statement of financial position as at 31 December 2024, 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 2024, 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 2024", 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 26 to 27. 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



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

9 April 2025

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 2024.

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	04 March 2024
W.D.V. Van Niekerk	Non-executive Director	Present
M.A.L Pimentel	Non-executive Director	Present
J.L. Knowlton	Non-executive Director	Present
Name of member	Designation	27 November 2024
N.A. Kalla	Non-executive Director	Present
B.M. Nkosi	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 2024.

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 2024 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 2025

Date

STATEMENT OF FINANCIAL POSITION

FIGURES IN R	NOTES	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	121,936	42,340
Total non-current assets		121,936	42,340
Current assets			
Trade and other receivables	5	280,187	285,067
Cash and cash equivalents	6	17,575,586	15,914,896
Total current assets		17,855,773	16,199,963
TOTAL ASSETS		17,977,709	16,242,303
FUNDS AND LIABILITIES			
Funds			
Accumulated surplus		17,458,297	16,035,103
Total funds		17,458,297	16,035,103
LIABILITIES			
Current liabilities			
Provisions	8	78,965	61,935
Trade and other payables	9	376,270	126,301
Operating lease payables	10	64,177	14,179
Credit card	6	-	4,785
Total current liabilities		519,412	207,200
TOTAL LIABILITIES		519,412	207,200
TOTAL EQUITY AND LIABILITIES		17,977,709	16,242,303

STATEMENT OF COMPREHENSIVE INCOME

FIGURES IN R	NOTES	2024	2023
Revenue	11	6,525,263	6,245,663
Other income	12	113,818	50,540
Other expenses		(6,538,006)	(4,942,214)
Other gains / (losses)	13	-	(21)
Surplus from operating activities	14	101,075	1,353,968
Finance income	15	1,322,202	1,150,254
Finance costs	16	(83)	(57)
Surplus for the year		1,423,194	2,504,165

STATEMENT OF CHANGES IN FUNDS

FIGURES IN R	ACCUMULATED SURPLUS	TOTAL
Balance at 1 January 2023	13,530,938	13,530,938
Changes in funds		
Surplus for the year	2,504,165	2,504,165
Balance at 31 December 2023	16,035,103	16,035,103
Balance at 1 January 2024	16,035,103	16,035,103
Changes in funds		
Surplus for the year	1,423,194	1,423,194
Balance at 31 December 2024	17,458,297	17,458,297

STATEMENT OF CASH FLOWS

FIGURES IN R	NOTE	2024	2023
Cash flows from operations			
Surplus for the year		1,423,194	2,504,165
Adjustments to reconcile surplus			
Finance income		(1,322,202)	(1,150,254)
Interest paid		83	57
Adjustments for (Increase) / decrease in trade receivables		(15,453)	(295,706)
Adjustments for Increase / (decrease) in trade accounts payables		(37,684)	126,301
Adjustments for Increase / (decrease) in other operating payables		287,653	-
Depreciation expense		51,905	60,308
Movement in provisions		17,030	61,935
Profit on disposal of non-current assets		-	21
Total adjustments to reconcile surplus		(998,335)	(1,196,568)
Net cash flows from operations		424,859	1,307,597
Interest paid		(83)	(57)
Interest received		1,322,202	1,150,254
Net cash flows from operating activities		1,746,978	2,457,794
Cash flows used in investing activities			
Proceeds from sales of property, plant and equipment		-	21
Purchase of property, plant and equipment		(131,501)	(102,669)
Movement in operating lease payable		49,998	14,179
Cash flows from / (used in) investing activities		(81,503)	(88,469)
Net increase in cash and cash equivalents		1,665,475	2,369,325
Cash and cash equivalents at beginning of the year		15,910,111	13,540,786
Cash and cash equivalents at end of the year	6	17,575,586	15,910,111

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 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
Reconciliation for the year ended 31 December 2023				
Balance at 1 January 2023				
At cost	-	-	-	-
Accumulated depreciation	-	-	-	-
Net book value	-	-	-	-
Movements for the year ended 31 December 2023				
Fixed assets at cost transferred from CTFA Association	234,834	18,762	230,114	483,710
Fixed assets at accumulated depreciation transferred from CTFA Association	(168,040)	(14,961)	(201,157)	(384,158)
Additions	-	-	3,117	3,117
Depreciation	(38,472)	(1,298)	(20,537)	(60,307)
Disposals	-	-	(21)	(21)
Property, plant and equipment at end of year	28,322	2,503	11,515	42,340
Closing balance at 31 December 2023				
At cost	230,782	7,780	110,613	349,175
Accumulated depreciation	(202,460)	(5,277)	(99,098)	(306,835)
Net book value	28,322	2,503	11,515	42,340

NOTES TO THE FINANCIAL STATEMENTS

4. Financial assets

4.1 Accounting policies

Other financial assets

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

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

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

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

Cash and cash equivalents

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

Trade and other receivables

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

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

Impairment of financial assets

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

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

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

Reversals of impairment losses are recognised in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets continued...

4.2 Carrying amount of other financial assets by category

	Debt instruments at amortised cost	Total
Year ended 31 December 2024		
Trade and other receivables excluding non-financial assets (Note 5)	187,706	187,706
Cash and cash equivalents (Note 6)	17,575,586	17,575,586
	17,763,292	17,763,292
Year ended 31 December 2023		
Trade and other receivables excluding non-financial assets (Note 5)	158,897	158,897
Cash and cash equivalents (Note 6)	15,914,896	15,914,896
	16,073,793	16,073,793

FIGURES IN R

2024 2023

5. Trade and other receivables

5.1 Trade and other receivables comprise

Trade receivables	17,538	2,085
Sundry receivables	12,916	-
Prepaid expenses	50,585	20,025
Deposits	153,492	153,492
Staff loans	3,760	3,320
Value added tax	41,896	106,145
Total receivables	280,187	285,067

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

Prepaid expenses	50,585	20,025
Value added tax	41,896	106,145
Total non-financial instruments included in trade and other receivables	92,481	126,170
Total trade and other receivables excluding non-financial assets included in trade and other receivables	187,706	158,897
Total trade and other receivables	280,187	285,067

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R

20242023

6. Cash and cash equivalents

6.1 Cash and cash equivalents comprise:

Cash		
Cash on hand	40	40
Bank Balances	17,575,546	15,914,856
Total cash	17,575,586	15,914,896
Credit card	-	(4,785)
Net cash and cash equivalents	17,575,586	15,910,111

6.2 Detail of cash and cash equivalent balances

Bank balances

Cash		
First National Bank Current account	1,006,577	131,280
First National Bank Salaries account	25,707	9,055
First National Bank Money market fund	3,293,491	4,098,040
First National Bank Credit card	46,566	-
First National Bank 48 Hour Investment account	13,203,205	11,676,481
Total	17,575,546	15,914,856
Credit card	-	(4,785)

7. Financial liabilities

7.1 Accounting policies

Cash and cash equivalents

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

Trade and other payables

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

NOTES TO THE FINANCIAL STATEMENTS

Other financial liabilities

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

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

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

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

Financial liabilities continued...

7.2 Carrying amount of financial liabilities by category

	Debt instruments at amortised cost	Total
Year ended 31 December 2024		
Operating lease payable (Note 10)	64,177	64,177
Trade and other payables excluding non-financial liabilities (Note 9)	376,270	376,270
	440,447	440,447
Year ended 31 December 2023		
Operating lease payable (Note 10)	14,179	14,179
Trade and other payables excluding non-financial liabilities (Note 9)	126,301	126,301
Credit card (Note 6)	4,785	4,785
	145,265	145,265

FIGURES IN R	2024	2023
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8. Provisions

8.1 Provisions comprise

Leave pay provision	78,965	61,935
	78,965	61,935

8.2 Provisions for employee benefits

	Leave pay provision	Total
Balance at 1 January 2024	61,935	61,935
Additions	17,030	17,030
Balance at 31 December 2024	78,965	78,965

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R

2024

2023

9. Trade and other payables

9.1 Trade and other payables comprise

Trade creditors	34,052	71,736
Payroll accruals	251,776	-
COIDA accrual	-	2,775
Other accruals	90,442	51,790
Total trade and other payables	376,270	126,301

10. Operating lease liabilities

10.1 Accounting policies

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

10.2 Operating lease liabilities comprise

Operating lease payable	64,177	14,179
	64,177	14,179

10.3 Future minimum lease payments

Not later than one year	12,401	(49,472)
Later than one year and not later than five years	51,776	63,651
	64,177	14,179

11. Revenue

11.1 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

Revenue continued...

FIGURES IN R

2024

2023

11.2 Revenue comprises

Membership fees	6,525,263	6,245,663
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12. Other income

12.1 Other income comprises:

Artwork reviews	17,100	650
Sundry Income	16,468	4,290
Training and workshops	80,250	45,600
Total other income	113,818	50,540

13. Other gains and losses

13.1 Other gains and losses comprise:

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

14.1 Surplus from operating activities includes the following separately disclosable items

Other operating expenses

Property plant and equipment		
- depreciation	51,905	60,308
Leases		
- operating lease minimum lease rentals	404,287	455,497
Other employee benefits	4,141,609	2,926,912

NOTES TO THE FINANCIAL STATEMENTS

FIGURES IN R	2024	2023
15. Finance income		
15.1 Finance income comprises		
Interest received - Bank	1,322,202	1,150,254
16. Finance costs		
16.1 Accounting policies		
All borrowing costs are recognised in surplus or deficit in the period in which they are incurred.		
16.2 Finance costs included in surplus or deficit:		
Interest Paid	83	57
Total finance costs	83	57

17. Income tax expense

No provision has been made for income tax for the 2024 year. The company is exempt from tax in terms of Section 30 of the Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS

18. Related parties

18.1 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;

18.2 Other related parties

Name	Nature of relationship
N.A. Kalla - Chairperson	Director
B.M. Nkosi - Vice-Chairperson	Director
T.K. Gordon-Bennet	Director (Resigned 01/11/2024)
J.L. Knowlton	Director
S. Sacre	Director
W.D.V. Van Niekerk	Director (Resigned 03/05/2024)
W. van Wyk	Director
M.A.L. Pimentel	Director
Look Good Feel Better Foundation NPC	Common directorship

DETAILED INCOME STATEMENT

FIGURES IN R	NOTES	2024	2023
Revenue	11		
Membership fees		6,525,263	6,245,663
Other Income	12		
Artwork reviews		17,100	650
Sundry income		16,468	4,290
Training and workshops		80,250	45,600
		113,818	50,540

DETAILED INCOME STATEMENT

FIGURES IN R	NOTES	2024	2023
Other expenses			
30th birthday anniversary		(246,584)	-
Accounting fees		(208,563)	(219,460)
Advertising		(105,574)	(49,536)
Auditors remuneration		(41,345)	(43,176)
Auditors remuneration - other services		(2,500)	(5,200)
Bank charges		(7,549)	(7,972)
Board meetings		(58,045)	(93,981)
CIPC Fee - Company		(15,603)	(1,900)
Cleaning		(10,001)	(9,393)
Company contributions		(44,497)	(33,923)
Computer expenses		(4,175)	(2,739)
Consulting fees		(297,613)	(150,690)
Courier fees		(10,600)	(3,419)
Depreciation - property, plant and equipment		(51,905)	(60,308)
Earlybird discount		(36,821)	(41,713)
Employee costs - salaries		(4,141,609)	(2,926,912)
Entertainment		(5,614)	(6,922)
General expenses		-	2,395
Gifts		-	(495)
Hire - equipment		(52,309)	(81,560)
Insurance		(75,433)	(72,876)
Internet website expense		(37,500)	(93,387)
Legal expense		(3,720)	-
Look Good Feel Better 5%		(187,064)	(129,844)
Operating lease expense		(404,287)	(455,497)
Printing and stationery		(5,563)	(3,818)
Repairs and Maintenance		-	(7,786)
Staff welfare		(5,577)	(8,423)
Subscriptions		(259,261)	(271,256)
Telephone and fax		-	(9,237)
Telephone and internet charges		(160,802)	(144,848)
Training		(904)	(950)
Training and workshops		(49,203)	(5,975)
Travel - local		(7,785)	(1,413)
		(6,538,006)	(4,942,214)

DETAILED INCOME STATEMENT

FIGURES IN R	NOTES	2024	2023
Other gains and losses	13		
Loss on disposal - property, plant and equipment		-	(21)
Surplus from operating activities	14	101,075	1,353,968
Finance income	15		
Interest received - Bank		1,322,202	1,150,254
Finance costs	16		
Interest Paid		(83)	(57)
Surplus for the year		1,423,194	2,504,165



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