

GESTIG 1685 FOUNDED

GROOT CONSTANTIA

— LANDGOED • ESTATE —



Integrated Annual Report 2020



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Main Business Objective

To promote communal interests in the South African wine culture by funding the Groot Constantia Estate by means of donations, contributions, other fundraising and the commercial production of products of the vine and other agricultural products in order to render the said Estate accessible to the people of South Africa and to tourism and preserve it in trust and manage it as a living museum for the cultural-historical legacy of the wine industry and the people of the Republic of South Africa in consideration of the fact that this marks the origin of the South African wine industry, achieving a pinnacle of international recognition during the nineteenth century.

1. Introduction

Groot Constantia's positioning in the South African wine industry as a leading beacon of achievement remains very admirable and relevant during this challenging reporting year. The Covid-19 pandemic dominated virtually every aspect of our lives and, in the wake of it, we experienced many adverse effects. The global disruptions created by the pandemic have been and continue to be devastating to both the local and global economy. There is hardly a business that has not been affected. Groot Constantia experienced the impact towards the last quarter of our financial year. Decisive actions were taken to waver the storm and soften the blow.

2. Financial Sustainability

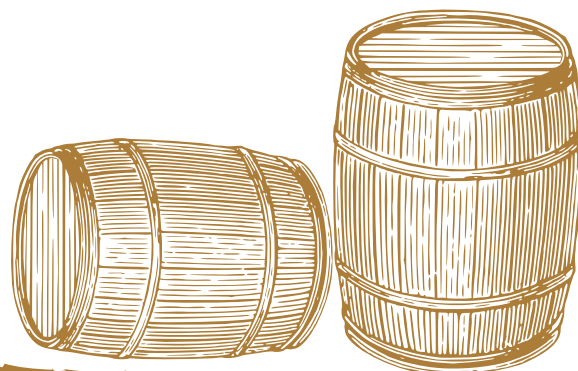
We concluded the year with our Income Statement reflecting a satisfactory after-tax surplus of R5 550 359. This result is similar to last year, despite the negative impact of the Covid-19 pandemic on the global economy. Revenue for the financial year was down by 14%, but we managed to counter its negative effect with specific cost saving measures. The impact on revenue would have been worse if it were not for the following:

- Our local distributor, as well as our international importers, did amazingly well to support us throughout this crisis. In a demonstration of integrity, they continued to service their creditors, despite the difficulties they experienced themselves.
- Consumers continued to show appreciation and respect for the high quality of our products. This resulted in satisfactory sales, both locally and abroad.
- Our Sales Staff on the Estate rose to the challenge and applied their exceptional sales skills admirably. This resulted in improving the average sales per visitor by 15%.

The long-term financial sustainability of our business will be further consolidated and improved by the following opportunities that will be addressed and implemented in the near future:

- Due to the reduced sales during the Covid-19 pandemic and relatively good crops during the last few years, we have been able to accumulate significant quantities of high-quality red wine inventories. These stocks hold the promise for fantastic sales opportunities as markets recover. The most important matter, however, is to preserve sufficient cash to keep the business going until such opportunities arise.

- A significant percentage of people visiting the Estate are not entering our sales areas. We will endeavor to attract them with carefully planned marketing strategies. This is potentially a huge wine and retail sales opportunity. Plans are far advanced to launch a revised retail initiative. We are anticipating and planning for the most opportune time to do so.
- Our online-sales potential has not been utilized optimally in the past. During the new financial year, this revenue stream will receive urgent focused attention.
- We have a range of award-winning vintage wines dating back to 2002 of commercial volumes. The sales value of this inventory exceeds R10m. These wines will be sold in special packaging from our "Vintage Vault" as of the start of the new financial year.
- We are investigating the possibility of a boutique hotel concept on the estate. This has the exciting possibility to improve the utilization of the Estate's infrastructure.
- Our vineyard infrastructure is in a good condition with the average age of our vines at 10,7 years. This positive figure has enabled us to skip one year in our vineyard renewal program in an effort to save on cash resources during the troubled times of the Covid-19 pandemic.



3. Staff



In July 2019, a Memorandum of Understanding was signed between management and our workers. This was the result of conducting a survey over a long and productive period of engagement by an independent facilitator. We are committed to strengthen the relationship with our workers. We continuously strive to create an improved and conducive working environment for everyone. The result was the establishment of a committee with worker and management representatives. One of the objectives is a sincere effort to enhance communication and relationships of trust between the parties. Since the initial signing, various platforms have been created for employees to voice their questions and concerns, in order to assess their needs. We are pleased to report that our WIETA Audit in June 2020 found that the employees are satisfied with the progress made and that communication between management and employees has improved significantly.

As a result of the above, various projects have been implemented. The most important one is the Development Program where we would mentor children of employees to help prepare them for the world of work.

The work environment as we know it has changed dramatically since March 2020, and the Covid-19 pandemic necessitated people in different sectors around the world to live and work in radically different ways. For our employees, this was a time of great uncertainty. We assisted them to come to terms as best as possible with this new normal and navigate the situation with the following:

- Covid-19 safety training and information were provided during a workshop before lockdown took effect on 26 March 2020.
- Clear guidelines, procedures and protocols were set according to the World Health Organization Covid-19 information on what to do in the event of employees contracting the virus.
- Counselling was offered to deal with mental, emotional and psychological health aspects for all staff members that required assistance to cope with the stresses brought on by the pandemic.

During Covid-19 lockdown, staff from the various departments were proverbially in the same storm but not all in the same boat. Invariably not all staff had the same work situation. Consequently, individual employees had to make different sacrifices for the greater good of each other:

- Senior Staff accepted a salary reduction for an indefinite period;
- Sales Staff accepted the challenge to work in the vineyard;
- Some staff members were prepared to work while others had to lockdown at home; and
- Some staff were forced to take leave while others had the opportunity to work.

All of the above was accepted in good spirit and in support of each other and the Company. In the end, everyone made a contribution or sacrifice of some sort. This was extremely good for the morale among staff and facing the challenge in a show of solidarity and unity. Our sincere thanks go out to staff for their unselfish and flexible attitude and conduct during these very challenging times.

It is with sadness that we report on the passing of 2 of our staff members. Nellie Cloete was a retired member of staff with more than 35 years of service to the Company. Adelin Arnoldus will be remembered for her capacity and ability to progress from a cleaner to a performance driven salesperson with exceptional results. These deaths were not Covid-19-related. Our deepest condolences go out to their respective families.

4. Brand and Reputation

The reputation of our Groot Constantia brand is of great value and utmost importance. Everything around the brand - strategy, decision-making and actions - are determined by and central to all we do. Our brand positioning has to be positive and instill confidence, as our reputation and role of fulfilling an ambassadorial role for the South-African wine industry has to be built on a solid brand foundation which is distinctive and held in high esteem.

There are numerous factors which can influence the perception of the Brand. In these times, technology and various communication platforms add significantly to the different perspectives the public have access to in scrutinizing and assessing a brand. Constant vigilance needs to be applied to make sure that we are making good use of all the opportunities available to harness, promote and establish the Groot Constantia brand for both the local and international wine and tourism markets. This is an enormously challenging aspect of our work, especially during the cash preservation phase we currently find ourselves in as a result of the pandemic. The pandemic has, in fact, exacerbated the effects of the reigning harsh economic conditions prior to the pandemic.

From a wine quality perspective, we are continuously and consistently making good progress. With all the accolades received over the years, we have established ourselves firmly in the mind and memory of the wine-loving public as a prime producer of high-quality wine. Respect, admiration and love for the Groot Constantia product is indeed growing. The past financial year was again no different and various accolades were received by our wide range of products.

A historic and most valuable opportunity of recognition was afforded to us by the French Government this year. We had the privilege and honour to introduce and showcase our Grand Constance at a special event at the Palais de Luxembourg in Paris. This event was a first and, of great historic significance. The occasion followed the huge success of the unique 'Wine of Exile' exhibition hosted at Groot Constantia Wine Estate celebrating Napoleon's 250th birthday. The event in Paris was attended by our Chairperson, Dr Ernest Messina. In his address to French Members of Parliament, diplomats and dignitaries (including former Ambassador of France to South Africa, H.E. Mr Christophe Farnaud) hosted by French Senator and Chairperson of the Inter-parliamentary French South African Friendship Committee Elisabeth Lamure, Dr Messina explained the historic connection between Groot Constantia and Napoleon. The Parisian event was furthermore in recognition of the high regard the French Government has for the South-African Wine Industry.

The Groot Constantia brand has considerably more to offer than what the wine-loving public currently experience and enjoy. We are mindful of the dedication and hard work that lies ahead to unlock its full potential authentically and consistently.



Gold Medals: 1 July 2019 - 30 June 2020

| GROOT CONSTANTIA | VINTAGE | COMPETITION | YEAR | AWARD |
|-----------------------------|---------|-----------------------------------------|------|------------------------------|
| Method Cap Classique | 2017 | SA Terroir Wine Awards | 2019 | Top Method Cap Classique |
| Method Cap Classique | 2017 | Amorim Cap Classique Challenge | 2019 | Gold |
| Rosé | 2018 | SA Terroir Wine Awards | 2019 | Top Rosé |
| Sauvignon Blanc | 2018 | SA Wine Index (SAWi) | 2019 | Platinum |
| Chardonnay | 2018 | SA Wine Index (SAWi) | 2019 | Platinum |
| Chardonnay | 2018 | SA Terroir Wine Awards | 2019 | Top Chardonnay |
| Chardonnay | 2018 | Michelangelo International Wine Awards | 2019 | Top Scoring Wine Grand Prix* |
| Chardonnay | 2018 | Monde Selection International Wine Show | 2020 | Gold* |
| Gouverneurs Reserve (White) | 2017 | Veritas | 2019 | Gold |
| Gouverneurs Reserve (White) | 2017 | Platter's South African Wine Guide | 2019 | 5 Stars |
| Merlot | 2017 | SA Terroir Wine Awards | 2019 | Top Merlot |
| Gouverneurs Reserve (Red) | 2016 | SA Terroir Wine Awards | 2019 | Top Red Blend |
| Gouverneurs Reserve (Red) | 2017 | Veritas | 2019 | Gold |
| Cabernet Sauvignon | 2017 | Michelangelo International Wine Awards | 2019 | Double Gold* |
| Shiraz | 2016 | Michelangelo International Wine Awards | 2019 | Shiraz Trophy Winner* |
| Shiraz | 2017 | Michelangelo International Wine Awards | 2019 | Gold* |
| Cape Ruby | 2017 | SA Terroir Wine Awards | 2019 | Top Port |
| Grand Constance | 2016 | SA Terroir Wine Awards | 2019 | Top Natural Sweet |
| Grand Constance | 2016 | Michelangelo International Wine Awards | 2019 | Gold* |

* International Awards

GROOT CONSTANTIA TRUST NPC RF



5. Preservation of Heritage Assets

We have reported in previous years that the Estate's heritage assets are always preserved and maintained with great care, dedication and near perfection. Consequently, we were in a position this year to delay some of our maintenance programs during the Covid-19 pandemic as part of our cash preservation efforts. We remain mindful and acutely aware to maintain the right level of standards while being sensitive to costs, to ensure that our brand is not adversely affected in any way.

Groot Constantia was one of a few voices that raised objections to a development on our border on the old Mount Prospect Farm. Our position was that the development would be of such a nature that it would significantly impact on the Estate and its future status as a proposed World Heritage Site. The number of residential units proposed for the development was reduced by Local Authorities due to the objections raised and it is now unclear whether the development will continue, as it was argued by the developer that the reduction would not make the development financially viable. We will follow these developments closely.

The nomination of the early farmsteads of the Cape of Good Hope as a proposed World Heritage Site is progressing slowly, as the process was also affected by the Covid-19 pandemic. The National Department of Environmental Affairs is currently finalising a review of the timeframe of the nominations process in South-Africa, which must still be gazetted in the Government Gazette in terms of the World Heritage Act, Act 49 of 1999. It should also be noted that the draft Integrated Conservation Management Plan (ICMP), posted on the Internet in February 2019 must, as yet, be formally made available for comments by interested and affected parties by HWC and the Western Cape Department of Cultural Affairs and Sport.

**HERITAGE ASSETS ARE ALWAYS
PRESERVED AND MAINTAINED WITH
GREAT CARE, DEDICATION AND
NEAR PERFECTION.**

6. Natural Capital Management

Rainfall has returned to higher levels, but it is still not at levels that we have seen in prior years. At current levels, rainfall is, however, more than adequate for us to operate a viable wine farming business with minimum manipulation of the natural resources at our disposal. To operate in harmony with nature is our focus and we will nurture and protect our status as a World Wildlife Fund (WWF) Conservation Champion at all cost. For more than 3 centuries, this business has operated on this land and has demonstrated that we can sustain the land and the environment in perpetuity.

Baboon management poses a continuous challenge in the Southern suburbs of Cape Town. The population growth in this area is far higher than other areas, while conservation authorities do not have any long-term plans and strategies in place to deal with this growing problem. Groot Constantia decided a few years ago to erect a baboon proof fence to keep the baboons out of the farm. This measure is working well overall, but unfortunately the City of Cape Town has not put the same measures in place and baboons are now entering Groot Constantia from the residential areas on a frequent basis. We are in constant contact with the authorities and the City's newly appointed service provider to solve the problem in the short-term. The growing baboon numbers are, however, posing a huge future problem, not only for the farms, but also for the residential properties in our area. Groot Constantia is finding a balance between baboon conservation, financial continuity and heritage asset preservation.

Our normal programs of alien removal, prevention of soil removal and the protection of other wildlife are a continuous focus and have become second nature to our activities. We are proud to be a haven for these animals so close to the city, while we see ourselves as an extension of the Table Mountain National Park that is on our border.



7. Responsible member of the Community

As a three century-old business we acknowledge the fact that we cannot survive on our own and need the support of external structures: local, national and international. We are also dependent on the sentiment, values, attitudes and standards of our community and will reach out to be of assistance in influencing these as a corporate entity, but also through our staff's contact and exposure to community. We continue to be open and accessible to the public at large without charging an entrance fee.

During the reporting period, we continued with our financial support to the Constantia Primary School. Education remains one of our key objectives both formally and informally. We also assisted a fellow wine producer who suffered the fate of a devastating fire that destroyed vineyards, infrastructure and inventory.

We are currently busy with a complete rezoning exercise to make us compliant to the zoning regulations of the City of Cape Town as we have been operating under the zoning rights given to the State decades ago and which do not comply to the modern zoning scheme of the City.

We are an active member of the Constantia Wine Route, Cape Town Big 6 Tourist Attractions, Cape Town Tourism, Constantia Ratepayers' and Residents' Association and Cape Vintners Classification. We also have an excellent relationship with our City Councilor.



8. The Board of Directors

The business and affairs of Groot Constantia Trust NPC RF are governed by and under the leadership of a Board of Directors. The Board has the authority to exercise all the powers vested in them and perform all the functions of the Company, except to the extent that the Act or its Memorandum of Incorporation provides otherwise. Directors are elected at the AGM held in November each year, at which all members have voting rights. There are currently 13 directors on the board. The maximum allowed per the Memorandum of Incorporation is 14. All board members are independent non-executive directors. The Chief Executive Officer attends board meetings by invitation but is not a director. The chairperson of the board is Dr. Ernest Messina.

Directors serve on the board and perform their duties without any form of compensation. This contribution is regarded as a service to the Nation.

For the Board to discharge its governance role and responsibilities objectively, efficiently and effectively, the Board promotes diversity of knowledge, skills, experience, independence, age, culture, gender and especially expertise in its membership.

A skills matrix as set out in the Memorandum of Incorporation is used in an ongoing monitoring process by the Nominations Committee.

These are considered when candidates are shortlisted in the event of a board vacancy arising. The Nominations Committee is tasked with the establishment of a succession plan for the membership of the Board, which includes the identification, mentorship and development of future candidates.

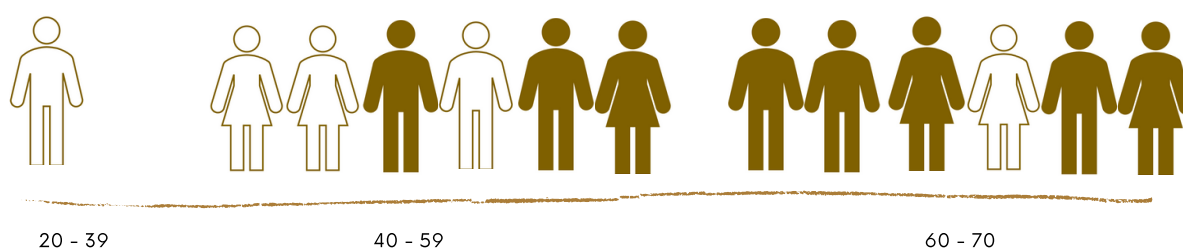
The Board consists of knowledgeable persons with proven experience in the fields of finance, conservation/restoration, corporate governance, tourism/marketing and community development in the wine industry and is representative of at least the following interest groups:

- Estate wine producers;
- Co-operative wine producers;
- Wine and spirit wholesale sector;
- The residents of Constantia;
- One representative nominated by Iziko Museums of South Africa;
- Three representatives nominated by the National Department of Agriculture; Forestry and Fisheries;
- One representative nominated by the Western Cape Provincial department responsible for culture.

We have strengthened the skills and experience base of the board this year with the appointment of Mr Philip Retief. He is the current vice-Chairperson of Vinpro and his appointment undoubtedly strengthens the relationship with Vinpro, as well as other industry bodies. The Board is aware of and, as far as is reasonably possible, adheres to the standards of director's conduct referred to in section 76 of the Companies Act. It is satisfied with the application of corporate governance in 2019/20, as espoused in King IV, and continually strives to make enhancements where deemed fit. A board evaluation exercise was conducted in the year under review, which is repeated every two years.

The Board is also pleased to report that it has fulfilled its responsibilities in accordance with its charter for the 2019/20 financial year and is satisfied that the respective Committees have the necessary knowledge, skills, experience and capacity to execute their duties effectively. Each Board Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the 2019/20 financial year.

Board Composition Demographics: as at 30 June 2020



Board Composition and Attendance of Board Meetings

| Name of Board Member | Number of meetings Attended |
|------------------------------------|-----------------------------|
| Dr EA Messina (Chairperson) | 6/6 |
| Ms ME Africa | 6/6 |
| Mr H Bailey | 4/6 |
| Mr PWJ Bosman | 6/6 |
| Ms HMJ Du Preez | 6/6 |
| Ms EN Gillman | 6/6 |
| Mr MW Jongolo | 5/6 |
| Ms SM Lehmann (Vice-Chairperson) | 4/6 |
| Mr TA Maphoto | 6/6 |
| Mr MM Mokhoru | 4/6 |
| Ms RH Omar | 4/6 |
| Ms B Pillay | 6/6 |
| Mr AJ Van Velden* | 2/6 |
| Mr PB Retief** | 2/6 |
| Mr A W Eksteen (Company Secretary) | 6/6 |

* Retired 21 November 2019

** Appointed 11 March 2020

Board Committees

The Board has established the following committees:

AUDIT AND RISK COMMITTEE

Assists the Board with overseeing assurance, integrity of financial reporting, risk governance as well as technology and information governance.

MEMBERS

Ms Gillman (Chair)
Ms Lehmann
Mr Maphoto

HUMAN RESOURCES COMMITTEE

Assists the Board with overseeing fair and responsible HR practices and policies, fair and responsible remuneration and transparent remuneration disclosure.

MEMBERS

Ms Africa
Mr Jongolo (Chair)
Mr Mokhorro
Ms Pillay

NOMINATIONS COMMITTEE

Assists the Board with overseeing board composition, succession planning for Board and management, Board nominations and Board evaluation.

MEMBERS

Mr Bailey
Ms Lehmann (Chair)
Dr Messina

ANNUAL FARMING & OPERATIONS COMMITTEE

Assists the Board with the analysis of the annual budget.

MEMBERS

Mr Bosman (Chair)
Ms Gillman
Ms Lehmann
Dr Messina

Company Secretary

The Company Secretary assists the Board and its Committees in fulfilling their functions and is empowered by the Board to perform his duties. In addition, the Company Secretary creates awareness to the Board, Committee members and Executive Management on relevant legislation and other corporate governance regulations. The current Company Secretary is Mr. Albert Eksteen. The Company Secretary is not a member of the Board and acts independently from the Board, maintaining an arm's length relationship. In line with good corporate governance principles, the Company Secretary is appointed and removed by the Board.



9. Conclusion

At the time of writing the report last year, no one could foresee what the 2020 year would bring. We were already living in unprecedented economic times, as we reported last year. Now we live in a world that has changed irrevocably and certain new practices will remain in place for the generation to come (and longer). There is no truer way to describe our current world and the impact of the pandemic with the words that "change is the only constant." The world was completely caught off guard and the unprecedented times poses some of the greatest challenges in more than a century.

Previous pandemics and human tragedies have come and gone and left their indelible imprint on the course of history, most societies, communities and individuals. It was, however, the human spirit which is helping to respond to dire adverse situations. This time it will be no different. We have to be especially mentally prepared for the next number of years. We will have to make even more new plans, adapt and change our systems, approach and execution thereof in order to move into the unknown future.

The exciting aspect of the new situation is that we can help shape and give content to it. Groot Constantia, fortunately, has the advantage of experience, as well as a rock-solid institutional memory. This is the second pandemic the estate is encountering in its 335 years of existence.

WE WILL CONTINUE TO BUILD ON THIS HISTORY AND HERITAGE.

Many things have changed, yet the basis of the production of award-winning wines - our terroir - has not changed. We will continue to utilize this resource to the best of our ability and in the most sustainable way possible.

Most importantly, our people - now more than ever before - are our most precious resource. Their creativity, innovative spirit, resilience, enthusiasm, dedication and commitment have seen us through for yet another year. We thank our CEO, Jean Naude, as well as the rest of the management team and every person who are in our employ most sincerely for what they have achieved under extremely challenging conditions. We furthermore reaffirm that Groot Constantia is not an island. We could not achieve what we have without the ever-solidifying relationships with all of our partners, associates, supporters, critics and the hundreds of thousands of visitors from the different corners of the earth. We value all of them more than ever.



GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

General Information

| | |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Country of incorporation and domicile | South Africa |
| Nature of business and principal activities | To protect, promote and operate Groot Constantia Estate |
| Directors | E A Messina (Chairperson) S M Lehmann (Vice-Chairperson) H Bailey H M J Du Preez M E Africa M M Mokhorro M W J Jongolo R H Omar T A Maphoto E N Gillman P W J Bosman B L Pillay AP B Retief |
| Postal address | Groot Constantia Estate Private Bag X1 Constantia 7848 |
| Bankers | ABSA Bank Limited Standard Bank of South Africa Limited |
| Auditor | Mazars Registered Auditor |
| Secretary | A W Eksteen |
| Company registration number | 1993/003391 /08 |
| Level of assurance | These summary annual financial statements are a summary of the information contained in the Company's audited annual financial statements for the year ended 30 June 2020. Those financial statements have been audited and the Auditor's report was not qualified in any respect. |
| Preparer | The summary annual financial statements were independently compiled by: Ruan van der Burgh Chartered Accountant (SA) VDB Chartered Accountants Proprietary Limited |
| Published | 15 September 2020 |
| Full audited financial statements | Copies of the full audited annual financial statements are available to members on request from the Company's registered office. |

10. Financial Statements

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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GROOT CONSTANTIA
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The reports and statements set out below comprise the summary annual financial statements presented to the members

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7550

INDEPENDENT COMPILER'S REPORT

To the Members of Groot Constantia Trust NPC RF

On the basis of information provided by the directors, we have compiled the summarised annual financial statements of Groot Constantia Trust NPC RF for the year ended 30 June 2020 in accordance with the International Standards on Related Services (ISRS) 4410 (Revised) as set out on pages 8 to 14. These summarised annual financial statements comprise the summary statement of financial position as at 30 June 2020, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and the directors' report as derived from the audited annual financial statements of Groot Constantia Trust NPC RF for the year ended 30 June 2020.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by the directors to us to compile these summarised annual financial statements. Accordingly, we do not express an assurance opinion on these summarised annual financial statements.

R van der Burgh
Chartered Accountant (SA)
VDB Chartered Accountants Proprietary Limited

15 September 2020
Cape Town

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GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

CERTIFICATE OF COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act of South Africa, I certify that Groot Constantia Trust NPC RF has lodged with the Commissioner all such returns and notices as are required by the Companies Act of South Africa and that all such returns and notices are true, correct and up to date.



A W Eksteen
Company Secretary

Cape Town
15 September 2020



INDEPENDENT AUDITOR'S REPORT ON SUMMARY ANNUAL FINANCIAL STATEMENTS

To the Members of Groot Constantia Trust NPC RF

Opinion

The summary annual financial statements of Groot Constantia Trust NPC RF, which comprise the summary statement of financial position as at 30 June 2020, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended, as set out on pages 11 to 14, are derived from the audited annual financial statements of Groot Constantia Trust NPC RF for the year ended 30 June 2020.

In our opinion, the accompanying summary annual financial statements derived from the audited annual financial statements of Groot Constantia Trust NPC RF for the year ended 30 June 2020, are consistent in all material respects, with (or a fair summary of) those annual financial statements, in accordance with the criteria established by the board of directors.

Summary Financial Statements

The summary annual financial statements do not contain all the disclosures required by the International Financial Reporting Standards for Small and Medium-sized Entities. Reading the summary annual financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited annual financial statements of Groot Constantia Trust NPC RF. The summary annual financial statements and the audited annual financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited annual financial statements.

The Audited financial statements and our Report Thereon

We expressed an unmodified audit opinion on the audited annual financial statements in our report dated 15 September 2020.

Emphasis of matter – Impact of COVID-19

In forming our opinion on the audited annual financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 and the consideration in the going concern basis of preparation in note 23 and 24 of the audited annual financial statements.

Since the balance sheet date, the company has assessed the impact of COVID-19 on the audited annual financial statements and considered the potential impact on the business. While it is envisaged that there will be a negative impact on the performance of the company over the remainder of the financial year, the full impact of COVID-19 is not yet known at this point in time. Note 23 and 24 disclosed in the audited annual financial statements also describes the effects of COVID-19 and the reasons for maintaining the use of the going concern as well as the impact of COVID-19 on the determination of material judgements and estimates if any.

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS(SA) • IRBA REGISTRATION NUMBER 900222

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PARTNERS: MC OCKERS (NATIONAL CO-CEO), MV NINAN (NATIONAL CO-CEO), JM BARNARD, AK BATT, FJ CRONJE, AS DE JAGER, D DOLLMAN, M EDELBURG, Y FERREIRA, T GANGEN, R GROENEWALD, AK HOOSAIN, MY ISMAIL, N JANSSEN, J MARAIS, B MBUNGE, FN MILLER, G MOLYNELUX, S NAIDOO, MG ODENDAAL, W OLIVIER, D RESNICK, BG SACKS, MA SALEE, N SILBOWITZ, SM SOLOMON, HH SWANEPOEL, MJA TEUCHERT, N THELANDER, JC VAN TUBBERGH, EC VAN HEERDEN, N VOLSCHENK, J WATKINS-BAKER

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT www.mazars.co.za



INDEPENDENT AUDITOR'S REPORT ON SUMMARY ANNUAL FINANCIAL STATEMENTS

Management will continue to assess the financial impact of COVID-19 and its impact on the company's financial condition, liquidity, operations, suppliers, industry and workforce, while placing the health and safety of employees first.

Directors' *Responsibility* for the Summary Annual Financial Statements

The company's directors are responsible for the preparation of a summary of the audited annual financial statements in accordance with the criteria established by the board of directors as noted in the directors report.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary annual financial statements are consistent, in all material respects, with (or are a fair summary of) the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

The logo for Mazars, featuring a stylized 'M' followed by the word 'MAZARS' in a bold, sans-serif font.

Mazars
Partner: Jonathan Watkins- Baker
Registered Auditor
15 September 2020
Cape Town

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the summary annual financial statements and related financial information included in this report. It is their responsibility to ensure that the summary annual financial statements are derived accurately from the audited annual financial statements of Groot Constantia Trust NPC RF for the year ended 30 June 2019. The audited annual financial statements are available at the company's registered office. The external auditors are engaged to express an independent opinion on the summary annual financial statements.

The summary annual financial statements are derived from the audited annual financial statements of Groot Constantia Trust NPC RF for the year ended 30 June 2020.

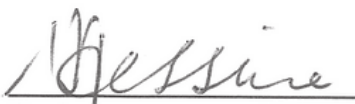
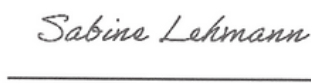
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal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

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

The directors are satisfied that the company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's summary annual financial statements. The summary annual financial statements have been independently audited by the company's external auditor and their report is presented on pages 5 to 6.

The summary annual financial statements set out on pages 8 to 14, which have been prepared on the going concern basis, were approved by the board on 15 September 2020 and were signed on its behalf by:


Director
Director

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the summary annual financial statements of Groot Constantia Trust NPC RF for the year ended 30 June 2020.

1. Incorporation

The company was incorporated in South Africa on 22 June 1993 as a company without share capital in terms of Act no 58 of 1993: Groot Constantia Trust Act, 1993.

2. Nature of business

The main objective of the company is to keep Groot Constantia Estate in trust, to fund it and to operate it on a commercial basis in all respects, in order to promote and protect it as a cultural and historical monument, as an educational asset and as a wine producing estate.

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

3. Review of financial results and activities

The summary annual financial statements have been prepared in accordance with the criteria established by the board of directors.

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

4. Share capital

In terms of the Certificate of Incorporation and paragraph 8.1 of the Memorandum of Incorporation, the company does not have share capital.

5. Dividends

In terms of Clause 6.1 of the Memorandum of Incorporation, no dividends are paid by the company.

6. Directors

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

| Directors | Changes |
|--------------------------------|--------------------------|
| E A Messina (Chairperson) | |
| S M Lehmann (Vice-Chairperson) | |
| A J van Velden | Retired 21 November 2019 |
| H Bailey | |
| H M J Du Preez | |
| M E Africa | |
| M M Mokhorro | |
| M W J Jongolo | |
| R H Omar | |
| T A Maphoto | |
| E N Gillman | |
| P W J Bosman | |
| B L Pillay | |
| P B Retief | Appointed 11 March 2020 |

The summary annual financial statements are derived from the Company's annual financial statements and directors' report and do not contain sufficient information to allow for full understanding of the Company's results and its state of affairs. Copies of the full audited financial statements are available to members on request from the registered office.

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' REPORT**7. Special resolutions**

No special resolutions, the nature of which might be significant to the members in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

8. Going concern

On the 11th of March 2020, the World Health Organization (WHO) declared COVID-19 a Global Pandemic and the President of South Africa, on the 23 March 2020 announced a National State of Disaster and a nationwide lockdown on all non-essential services effective 27 March 2020.

The COVID-19 pandemic has had a profound impact on the global tourism sector. Governments across the world have had to implement necessary measures to contain the spread of the coronavirus to ensure that the capacity of the health system is not overwhelmed by the rate of transmission. A direct impact of this was a restriction of movement globally that had an adverse impact of the global capacity utilisation within the tourism sector.

South Africa's wine industry is reeling after a series of pandemic-induced shocks, including successive bans on the sale of alcohol totalling some 14 weeks. South Africa banned the sale of alcohol early in its response to the coronavirus pandemic in a bid to open up hospital beds for potential COVID-19 patients. The country moved to alert level two of lockdown, starting at midnight on 17 August when the sale of liquor was unbanned.

Groot Constantia was responsive to the COVID-19 threat with the creation of an Ad Hoc Committee to assist the CEO and act as a sounding board with the many developments and challenges facing the business.

The Committee met regularly and helped shape effective strategic responses to the situation in the form of providing up to date and informed industry information, formulating a worst-case scenario and ensuring that immediate cost-cutting would be implemented to curb losses and protect the cash position of Groot Constantia as much as possible. There was also renewed focus on the enabling and facilitation of online domestic wine sales, as well as the need to drive international sales in the form of exports, given the uncertainty of the duration of the ban on travel.

The company reflects strong inventory holdings of R 64.5 million (2019: R 56 million). Wine is a product that has a long shelf-life and often increase in value over time. The overdraft facility has also been increased to ensure that there is adequate liquidity to continue daily operations.

The move to alert level two of lockdown also brings a positive shift in both the tourism and wine industry. The reopening of restaurants across South Africa and their ability to serve wine with meals will improve domestic wine sales. The company may also sell wine from the Estate during specified hours, and the reopening of the restaurants on the Estate will also contribute to sales and visitor numbers. There is a sense of careful optimism that the worst is behind us, although a very realistic approach to cash management will continue to be followed.

Management will continue to assess the financial impact of Covid-19 pandemic while placing the health and safety of the employees first.

At this point in time there are insufficient data points to understand the long term impacts of the Covid-19 pandemic on future profitability and the consequent carrying value of assets. Other than as outlined above, there has not arisen in the interval between the end of the financial year and the date of this report any item transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect substantially the operations of Groot Constantia.

The summary annual financial statements are derived from the Company's annual financial statements and directors' report and do not contain sufficient information to allow for full understanding of the Company's results and its state of affairs. Copies of the full audited financial statements are available to members on request from the registered office.

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORS' REPORT**9. Events after the reporting period**

Despite the current Covid-19 pandemic and suppressed market conditions, there has been no further impact on the financial statements and what was raised at year end, up to the date of the release of these Annual Financial Statements. The directors are not aware of any other material reportable event affecting the annual financial statements which occurred after the reporting date and up to the date of this report.

10. Auditor

Mazars will continue in office in accordance with section 90 of the Companies Act of South Africa.

11. Secretary

The company's secretary is A W Eksteen.

Business address

Groot Constantia Estate
Private Bag X1
Constantia
7848

12. Summarised annual financial statements

The recognition and measurement criteria applied in preparing the annual financial statements is the International Financial Reporting Standard for Small and Medium-sized Entities. The summarised annual financial statements is summarised in such a way that none of the notes to the annual financial statements are presented. Copies of the full audited annual financial statements, containing the accounting policies and notes, are available to members on request from the company's registered office.

The summary annual financial statements are derived from the Company's annual financial statements and directors' report and do not contain sufficient information to allow for full understanding of the Company's results and its state of affairs. Copies of the full audited financial statements are available to members on request from the registered office.

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

SUMMARY STATEMENT OF FINANCIAL POSITION

| Figures in Rand | 2020 | 2019 |
|-------------------------------------|--------------------|--------------------|
| Assets | | |
| Non-Current Assets | | |
| Property, plant and equipment | 31,555,193 | 31,319,433 |
| Biological assets | 9,421,454 | 9,123,004 |
| Intangible assets | 32,295 | 52,503 |
| Deferred tax asset | 247 | 50,198 |
| | 41,009,189 | 40,545,138 |
| Current Assets | | |
| Cash and cash equivalents | 1,719,519 | 1,856,661 |
| Inventories | 64,506,227 | 55,960,360 |
| Trade and other receivables | 4,791,357 | 5,285,790 |
| | 71,017,103 | 63,102,811 |
| Total Assets | 112,026,292 | 103,647,949 |
| Equity and Liabilities | | |
| Equity | | |
| Clause 15 reserves | 500,000 | 500,000 |
| Retained surplus | 99,376,030 | 93,825,671 |
| | 99,876,030 | 94,325,671 |
| Liabilities | | |
| Non-Current Liabilities | | |
| Other financial liability | 518,650 | 594,700 |
| Current Liabilities | | |
| Other financial liability | 70,200 | 70,200 |
| Current tax payable | 133,776 | 123,992 |
| Bank overdraft | 5,708,745 | 2,365,531 |
| Trade and other payables | 5,718,891 | 6,167,855 |
| | 11,631,612 | 8,727,578 |
| Total Liabilities | 12,150,262 | 9,322,278 |
| Total Equity and Liabilities | 112,026,292 | 103,647,949 |

The summary annual financial statements are derived from the Company's annual financial statements and directors' report and do not contain sufficient information to allow for full understanding of the Company's results and its state of affairs. Copies of the full audited financial statements are available to members on request from the registered office.

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

| Figures in Rand | 2020 | 2019 |
|--------------------------------|-------------------|-------------------|
| Revenue | 54,672,012 | 63,349,934 |
| Cost of sales | (23,897,999) | (30,335,595) |
| Gross surplus | 30,774,013 | 33,014,339 |
| Other income | 5,242,423 | 4,587,150 |
| Operating expenses | (29,905,590) | (31,558,027) |
| Operating surplus | 6,110,846 | 6,043,462 |
| Investment revenue | 440 | 558 |
| Finance costs | (403,569) | (374,390) |
| Surplus before taxation | 5,707,717 | 5,669,630 |
| Taxation | (157,358) | (215,885) |
| Surplus for the year | 5,550,359 | 5,453,745 |

The summary annual financial statements are derived from the Company's annual financial statements and directors' report and do not contain sufficient information to allow for full understanding of the Company's results and its state of affairs. Copies of the full audited financial statements are available to members on request from the registered office.

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

SUMMARY STATEMENT OF CHANGES IN EQUITY

| Figures in Rand | Clause 15 Reserve | Retained surplus | Total equity |
|--------------------------------|----------------------|---------------------|-------------------|
| Balance at 01 July 2018 | 500,000 | 88,371,926 | 88,871,926 |
| Surplus for the year | - | 5,453,745 | 5,453,745 |
| Balance at 01 July 2019 | 500,000 | 93,825,671 | 94,325,671 |
| Surplus for the year | - | 5,550,359 | 5,550,359 |
| Balance at 30 June 2020 | 500,000 | 99,376,030 | 99,876,030 |

The summary annual financial statements are derived from the Company's annual financial statements and directors' report and do not contain sufficient information to allow for full understanding of the Company's results and its state of affairs. Copies of the full audited financial statements are available to members on request from the registered office.

GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

SUMMARY STATEMENT OF CASH FLOWS

| Figures in Rand | 2020 | 2019 |
|--------------------------------------------------------|--------------------|--------------------|
| Cash flows from operating activities | | |
| Cash generated from operations | 4,156,737 | 9,821,729 |
| Interest received | 440 | 558 |
| Finance costs | (403,569) | (374,390) |
| Tax (paid)/received | (97,623) | 14,454 |
| Net cash from operating activities | 3,655,985 | 9,462,351 |
| Cash flows used in investing activities | | |
| Purchase of property, plant and equipment | (7,029,587) | (7,387,283) |
| Proceeds on disposal of property, plant and equipment | 141,324 | 158,063 |
| Purchase of intangible assets | (2,649) | (60,036) |
| Establishment cost of biological assets | (832,140) | (539,709) |
| Net cash used in investing activities | (7,723,052) | (7,828,965) |
| Cash flows (used in) from financing activities | | |
| (Repayment of) proceeds from other financial liability | (76,050) | 664,900 |
| Net cash (used in) from financing activities | (76,050) | 664,900 |
| Total cash movement for the year | (4,143,117) | 2,298,286 |
| Cash at the beginning of the year | (508,870) | (2,772,760) |
| Effect of exchange rate movement on cash balances | 663,402 | (34,396) |
| Total cash at end of the year | (3,988,585) | (508,870) |

The summary annual financial statements are derived from the Company's annual financial statements and directors' report and do not contain sufficient information to allow for full understanding of the Company's results and its state of affairs. Copies of the full audited financial statements are available to members on request from the registered office.



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GROOT CONSTANTIA

— LANDGOED • ESTATE —

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