

GESTIG 1685 FOUNDED

# GROOT CONSTANTIA

LANDGOED • ESTATE

A nighttime photograph of the Groot Constantia Landgoed Estate. The main building is a long, white, two-story structure with a central gabled section. It features numerous arched windows, many of which are illuminated from within, casting a warm glow. The building is reflected in a body of water in the foreground. Bare trees frame the scene on both sides, and the sky is dark with some clouds.

Integrated Annual Report 2021



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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.



## INTRODUCTION

The business conditions during the past year were again not favourable and we again had to rely on reserves to carry us through the tough financial year. The fact that we had a healthy business prior to the Covid-19 pandemic enabled Groot Constantia to navigate through the negative business conditions and remain a going concern. During these difficult times, we received excellent support from our local client base and existing export markets. We are looking forward to a better year in which the tourist markets will start to recover as more and more of the world's population is receiving vaccinations.



## FINANCIAL SUSTAINABILITY

Our income level was further reduced during the past year to a level of only 69% of 2018/19. This was mainly caused by the lack of international tourism and further by lockdown measures that made it illegal to sell alcohol. A major restriction for us was the rule that alcohol could not be sold during weekends for long periods of time during the reporting period.

Sales of expensive products like Gold Selections, Vintage Wines, Grand Constance and Gouverneurs Reserve came to a standstill, as the local market do not have the appetite nor the purchasing power to buy these novelty items in significant volumes.

During the course of the year we were still producing wine and building stock while the reduced income did not provide a sufficient cash inflow to finance this activity, placing huge pressure on our overdraft facility. The stock in our warehouse is of a high quality and is improving over time, aligning with our long-term strategy to release our red wines later. Although our cash flow is taking strain, we are building a highly sellable reserve in the form of stock that will in future reduce our exposure to production fluctuations caused by short-term climatic effects.

The long-term sustainability of the business was therefore not affected at all. We reduced the cash flow pressures in many other ways, rather than discounting the precious stock reserves for income generation. The most important measure was to reduce and delay capital and normal expenditure, without impacting negatively on income generation.

Our balance sheet reflects the above situation, clearly showing the reduction in cash but also showing a similar growth in the inventory. We have ended the year with a deficit of R3 054 819 compared to the surplus of R5 550 359 last year. This situation will be reversed once we have a recovery in tourism. With our additional stock, we are ideally positioned to capitalise on any future upturn in market demand, which is a likely scenario following the trends of previous world pandemics.

Our market and client base have been solid during the past year, and our financial challenges can largely be attributed to the non-participation of a single market segment, i.e., international visitors to the Estate. The others all made a solid contribution and most of our clients have shown growth over the past year. The benefits of market diversification were apparent during these troubled times. Financial control and financial projections are now more important than ever before to enable sound management decisions.



# 3 STAFF

All twelve months of the reporting period were affected by Covid-19 and it was by far the most important factor that influenced our world, discussion and visions. Staff reacted pro-actively to the challenges and kept themselves and their families healthy to such an extent that we can report that none of our activities were ever influenced or dictated by our staff's state of health. By now, everyone has adjusted and has learnt to mentally manage and to cope with the challenging situation that has now become the new normal.

Groot Constantia is committed to, and supports the increased global focus on human dignity and human rights. The pandemic, its effects and proposed changes to the Occupational Health and Safety Amendment Bill 2020 reinforced our accountability for the Health & Safety of our people. We have, however, always been striving to go beyond basic compliance where possible. The following are examples of measures currently in place designed to foster employee well-being:

- Providing transport to 21 of our children to 6 different schools.
- Transport for sport and school activities. In the event of illness, transport for immediate family members is also provided.
- We contribute 16% of salary costs towards an employee pension fund. Employees contribute 7%. This is a total monthly contribution of 23%.
- Groot Constantia further contributes to the pension fund to ensure that our employees are covered for dread diseases. Employees would not normally qualify for this cover in their personal capacity.
- We provide accommodation on the estate for employees with housing rights. In addition, we provide electricity, water and Wi-Fi for the employees living on the estate at no charge.
- We provide free crèche schooling and day care on the Estate as well as transport which is available to biological and adopted children of employees legitimately residing on the farm.
- Our policy is to remunerate employees at 100% of the rate with regards to workers compensation insurance (WCI) leave resulting from work-related injuries, instead of the prescribed 75%.
- We have been funding 4 ABET learnerships per annum, for 4 disabled learners, as of 2018.
- Groot Constantia funds an athletics club and other wellness activities for our employees.
- As part of our social development program, we entertain the children on our Estate by taking them on regular educational day trips during the school holidays.
- Education has always been a focus for our CSI activities, and we have supported the Constantia Primary School – which many of our employees' children attend – with a variety of initiatives over several years.
- The Anna Foundation assists the teachers of both the crèche and aftercare with curriculum development and support via their 3 R's programme.
- Long service awards are a part of rewarding staff for loyalty.

We are committed to nurture independence, open dialogue, and communication with our employees via meaningful, regular and consistent consultations, where they not only raise their concerns but form part of the solution. For this purpose, we have a weekly meeting with a chosen committee made up of Groot Constantia workers and union members to get regular feedback. Further to the above, there is an open invitation to all workers to approach the CEO with their problems should they deem it necessary. We are glad to convey that some employees have used this opportunity.

It is a strong focus of the Board and Management that employees reflect the diversity of the population of South-Africa at all levels in the business. This is a journey and we have achieved many milestones to date.

It is with sadness that we are reporting on the passing of two retired employees, who were living on the farm, during the past year. Sampie Jordaan and Adam Platjies served the farm for many years, both as tractor drivers. Our deepest condolences go out to their respective families.



## BRAND AND REPUTATION

The Groot Constantia Brand has had another good year of positive exposure and is fulfilling its role as an ambassador for South-Africa and its wine industry. The fact that we are inspired by 336 years of colorful and glamorous heritage is acting as a reminder that we are today building something that will in future form part of that heritage. There is therefore no room for complacency as we are building this for the greater good of the broader South-African Nation.

Groot Constantia carried on achieving recognition at wine shows and the list of awards is just ongoing from year to year. We were honored and humbled by being awarded the International Sauvignon Blanc Trophy at the International Wine Challenge, which essentially means that the Groot Constantia Sauvignon Blanc 2019 was rated the best in the world. It is an amazing achievement that followed a few years after we had won a similar award for our Chardonnay 2013. Furthermore 9 of our wines received the honor of being selected as part of the TOP 100 Wines in South-Africa as determined by The National Wine Challenge. It is therefore not surprising that Groot Constantia was listed as the 86th best Winery in the world.

We received excellent media exposure when two bottles of Grand Constance of the 1821 vintage were auctioned by private wine collectors. The first achieved a price of R420 000 at the Cape Rare and Fine Wine Auction and a few months later, the second was sold for R967 000 at a Strauss & Co Auction. Both these achievements were record-breaking prices with a lot of media hype that followed. Reporting around the heritage of the farm and the origins of the bottle was accurate and re-established the farm as a pinnacle of South-African Wine Heritage. All in all, it is a clear indication that the Groot Constantia Brand is respected and valued as exceptional.

We are working in close co-operation with our many stakeholders in communicating this position of significance. All our distributors and exporters are actively participating in the social media campaigns to their customers across the globe to emphasise our significance. The process of building the Brand through the visitor experience is still our primary focus and we will not deviate from it, as it also forms an important part of our primary business objective stipulated in our MOI.

The Estate itself is still impressive, despite the fact that we have reduced spending on garden services and maintenance. We have introduced the first phase of our retail project to enhance the visitors experience and to give local art talent an opportunity to participate and benefit from our tourism flow. Simons Restaurant has found a new owner, who is turning the business around to a vibrant entertainment facility that is attracting more people to the Estate. A very successful Wine Harvest celebration was held in February as a virtual function via the internet and which enabled us to spread the function and its positive exposure about the SA Wine Industry to a far wider audience across international borders.



## 5 PRESERVATION OF HERITAGE ASSETS

The preservation of Heritage Assets belonging to the company is a major priority. The Estate and business have survived for more than three centuries and therefore sustainability is a huge part of our focus and actions. Even though we are going through a financial crisis and the spend on maintenance of Heritage Assets has been curbed, we are making sure that no assets will suffer long-term damage as a result of cost-cutting measures.

We have upgraded our camera systems to cover all our heritage buildings to safeguard them and their content. New technology also simplifies monitoring and prevents human errors. Further expansion of the areas covered by cameras is being planned to give us and our response teams further valuable lead time over perpetrators.

The Board remains committed to the nomination of the Early Farmsteads of the Cape of Good Hope, which includes the Groot Constantia Estate, as a proposed World Heritage Site. Due to the Covid-19 pandemic, the Department of Cultural Affairs and Sport of the Western Cape has not, as yet, consulted stakeholders regarding the draft Integrated Conservation Management Plan (ICMP). In the meantime, Groot Constantia has attended to some of the recommendations made in the draft ICMP.

During the preparation of the nomination dossier, historical information was uncovered, which adds to the narrative of the estate. One of the facts that came to light was that in May 1804, Jacob Abraham Uitenhage de Mist, Commissioner-General of the Batavian Republic at the Cape, had sent some white and red Constantia wine to Paris with the purpose to offer some to Napoleon Bonaparte, who was the First Consul of France at the time. This is the earliest documented reference to Napoleon Bonaparte having the opportunity to taste Constantia wine.





## NATURAL CAPITAL MANAGEMENT

Rainfall has increased from the previous years and we experienced a normal year, without any climatic concerns. This resulted in a normal crop, both in terms of quality and volume. The drought of a few years ago is still on top of mind and we continue to follow water saving procedures habitually.

We were shortlisted as a finalist in the Great Wine Capitals of the World Competition in the category of WWF Conservation Pioneer Award. Although we did not win it, we are still extremely proud and satisfied that our efforts in this regard are being acknowledged. The farm is a haven for wildlife and we will protect it accordingly and share it with our visitors, as terroir is one of the pillars of our Brand.

The mindset of preservation at Groot Constantia stretches across various disciplines and the preservation of nature cannot be separated from financial sustainability, nor cultural heritage preservation.

## COMMUNITY RESPONSIBILITY

During the troubled economic times of the Covid-19 pandemic, Groot Constantia stood as a beacon of hope amongst the turmoil. We absorbed the effects of the various and ongoing lockdown measures and continue to do the following:

- Making our monthly contribution to the Constantia Primary school to pay an extra teacher.
- Providing additional education to staff's children living on the farm.
- Accommodating all our staff and not retrenching anyone, although we have had lost a significant percentage of our normal income.
- Being the driving force behind the annual Wine Harvest Commemorative function, serving the industry and making a sizable financial contribution towards it.

We depend on the community, but also serve our community. We have remained open for visitors to walk and jog on the Estate and, in turn, they have supported our wine sales and restaurants. The collaboration between the various role players on the Estate is excellent and we are supportive of each other.

We are an active member of various industry bodies, each with its own focus areas, but also serving the broader community and its environment.



# THE BOARD OF DIRECTORS

Pandemics cause great havoc and historically major changes are brought about within societies globally. Extra-ordinary times require extra-ordinary efforts and as a business we were severely affected by the pandemic on an organizational as well as a personal level. We have weathered the storms albeit not over yet. We accept our world and how we do business has irrevocably changed.

A strong and resilient spirit is now needed more than ever before. Our foundation is strong in a number of respects: a diverse and committed board, deep domain knowledge over a wide spectrum of what is required for a business like ours, and a management team who have demonstrated how innovative they are and a commitment to the task at hand that is truly admirable. This is also true of our partners – locally and globally, loyal supporters, associates and the public at large. We have come to realize anew over the last year how critically important mutually trusting relationships are. We value and treasure this aspect of our endeavors even more so.

We were saddened by the passing on of an esteemed former colleague, Herman Bailey due to Covid. He has served the Groot Constantia board for many years and the impact of his direct and indirect contributions will be appreciated and valued well into the future.

We have continued to democratize our activities with increased leadership roles of our board members in respect of committees. In this way we continue to develop and grow the board members and draw on their expertise and wisdom. We have this year also focused more on succession planning. We did this to help ensure sustainability and building the legacy of Groot Constantia.

The year ahead will continue to pose challenges – especially due to the continued presence of the coronavirus pandemic. We await with great anticipation the increased opening of our borders to welcome visitors from abroad and from the rest of the continent. We appreciate and value our fellow citizens even more so now. Equally we have come to appreciate even more all of our people. Their efforts, resilience, grit and determination and willingness to serve make the role of the board in leading this phenomenal historic organization much easier.

There remains much work to be done. We are ready willing and able to do what is required of us going forward. We have at least one additional responsibility as a board namely to oversee the writing of the complete history of Groot Constantia. Our responsibility reaches beyond the confines of the estate. Groot Constantia embodies the foundation of the wine industry in South Africa.

If our history is incomplete the history of the South African wine industry is also incomplete. Furthermore, the industry has a long way to go to address and endeavor to address inequality and disadvantage in the industry. We are committed to help facilitate action on both these issues. We need all hands-on deck for these exciting and long overdue projects. Our future will be shaped differently as we make progress on these very important aspects of work.

Finally, thank you to all our staff capably lead by our CEO, Jean Naude and the entire management team, everyone who has made a contribution big and small in what will go down in the history of humankind as one of the most challenging years in our lifetime. We wish you well in all your endeavors for the next year and may we all be inspired to serve wherever we serve.





## BOARD COMPOSITION DEMOGRAPHICS: AS AT 30 JUNE 2021



## BOARD COMPOSITION & ATTENDANCE OF BOARD MEETINGS

Name of Board Member	Number of meetings Attended
Dr EA Messina (Chairperson)	6/6
Ms ME Africa	5/6
Mr H Bailey * (retired)	2/6
Mr PWJ Bosman	6/6
Ms HMJ Du Preez	6/6
Ms EN Gillman	4/6
Mr MW Jongolo	4/6
Ms SM Lehmann (Vice-Chairperson)	5/6
Mr TA Maphoto	3/6
Mr MM Mokhorro	6/6
Ms RH Omar	5/6
Ms B Pillay	6/6
Mr PB Retief	4/6
Mr MJ Mbatha	Appointed 10 June 2021
Mr A W Eksteen (Company Secretary)	6/6

## BOARD 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

### 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

### 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 Mokhoro  
Ms Pillay

### 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.



**GROOT CONSTANTIA TRUST NPC RF**

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**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 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 M Mbatha
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 2021. 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 2021
Full audited financial statements	Copies of the full audited annual financial statements are available to members on request from the Company's registered office.



# ANNUAL FINANCIAL STATEMENTS

## GROOT CONSTANTIA TRUST NPC RF

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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**GROOT CONSTANTIA**  
LANDGOED • ESTATE

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4 QUEEN STREET  
DURBANVILLE  
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 2021 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 2021, 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 2021.

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 2021  
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 2021

**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 2021





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## Independent Auditor's Report

30 June 2021

*To the Members of Groot Constantia Trust NPC RF*

## Report on the Audit of the Summary Financial Statements

### Opinion

The summary annual financial statements of *Groot Constantia Trust NPC RF*, which comprise the summary statement of financial position as at 30 June 2021, 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 2021.

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 2021, 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 16 September 2021.

### 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, 24 and 26 of the audited annual financial statements.

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222  
Partners: MC Olckers (National Co-CEO), MV Ninan (National Co-CEO), JM Barnard, AK Batt, AS De Jager, DS Dollman, M Edelberg, Y Ferreira, T Gangen, R Groenewald, AK Hoosain, MY Ismail, N Jansen, J Marais, B Mbunge, FN Miller, G Molyneux, A Moruck, S Naidoo, MG Odendaal, W Olivier, D Resnick, BG Sacks, MA Salee, N Silbowitz, SM Solomon, HH Swanepoel, AL Swartz, MJA Teuchert, N Thelander, JC Van Tubbergh, N Volschenk, J Watkins-Baker  
A full list of national partners is available on request or at [www.mazars.co.za](http://www.mazars.co.za)



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. Notes 23, 24 and 26 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.

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".

A stylized signature logo for Mazars, featuring a large, cursive 'M' followed by the word 'MAZARS' in a smaller, uppercase sans-serif font.

Mazars  
Partner: Jonathan Watkins- Baker  
Registered Auditor  
16 September 2021  
Cape Town



**GROOT CONSTANTIA TRUST NPC RF**

(REGISTRATION NUMBER 1993/003391/08)

SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**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 2021. 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 2021.


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.

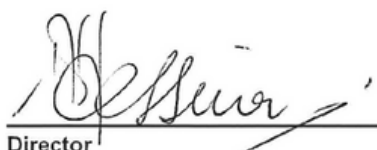
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the summary annual financial statements. However, any system of internal 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 2021 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 2021

**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 2021.

**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)	
H Bailey	Retired 19 November 2020
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	
M Mbatha	Appointed 10 June 2021

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**GROOT CONSTANTIA TRUST NPC RF**

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SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**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**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future, including specific consideration of the risk associated with COVID-19. Accordingly the annual financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

**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 other than 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.

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**DIRECTORS' REPORT****13. COVID-19**

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.

Tourism in South Africa was equally thrown into crisis by the COVID19 pandemic, putting thousands of businesses and jobs at risk. However, with vaccines becoming widely available across the world, there is a slow movement towards recovery in the industry as a whole.

Cape Town remains a favourite domestic and international destination, and Groot Constantia is fortunate to be one of the main attractions in the area. As soon as there is an influx of tourists into the Western Cape, Groot Constantia benefits from an increase in visitor numbers as a direct correlation, which increases sales on the Estate. The impact of this should start to become apparent in the new year.

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, while the industry slowly shifts into recovery.

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.

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SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## SUMMARY STATEMENT OF FINANCIAL POSITION

Figures in Rand	2021	2020
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	28,674,039	31,555,193
Biological assets	9,629,355	9,421,454
Intangible assets	11,400	32,295
Deferred tax asset	60,289	247
	<b>38,375,083</b>	<b>41,009,189</b>
<b>Current Assets</b>		
Cash and cash equivalents	758,583	1,719,519
Current tax receivable	8,878	-
Inventories	68,116,566	64,506,227
Trade and other receivables	6,388,608	4,791,357
	<b>75,272,635</b>	<b>71,017,103</b>
<b>Total Assets</b>	<b>113,647,718</b>	<b>112,026,292</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Clause 15 reserves	500,000	500,000
Retained surplus	96,321,211	99,376,030
	<b>96,821,211</b>	<b>99,876,030</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Other financial liabilities	1,987,301	518,650
<b>Current Liabilities</b>		
Other financial liabilities	351,000	70,200
Current tax payable	-	133,776
Bank overdraft	9,620,201	5,708,745
Trade and other payables	4,868,005	5,718,891
	<b>14,839,206</b>	<b>11,631,612</b>
<b>Total Liabilities</b>	<b>16,826,507</b>	<b>12,150,262</b>
<b>Total Equity and Liabilities</b>	<b>113,647,718</b>	<b>112,026,292</b>

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SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	2021	2020
Revenue	43,978,799	54,672,012
Cost of sales	(24,352,824)	(23,897,999)
<b>Gross surplus</b>	<b>19,625,975</b>	<b>30,774,013</b>
Other income	3,252,954	5,242,423
Operating expenses	(25,333,214)	(29,905,590)
<b>Operating (deficit) surplus</b>	<b>(2,454,285)</b>	<b>6,110,846</b>
Investment revenue	16	440
Finance costs	(660,592)	(403,569)
<b>(Deficit) surplus before taxation</b>	<b>(3,114,861)</b>	<b>5,707,717</b>
Taxation	60,042	(157,358)
<b>(Deficit) surplus for the year</b>	<b>(3,054,819)</b>	<b>5,550,359</b>

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SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## SUMMARY STATEMENT OF CHANGES IN EQUITY

<b>Figures in Rand</b>	<b>Clause 15 Reserve</b>	<b>Retained surplus</b>	<b>Total equity</b>
<b>Balance at 01 July 2019</b>	<b>500,000</b>	<b>93,825,671</b>	<b>94,325,671</b>
Surplus for the year	-	5,550,359	5,550,359
<b>Balance at 01 July 2020</b>	<b>500,000</b>	<b>99,376,030</b>	<b>99,876,030</b>
Deficit for the year	-	(3,054,819)	(3,054,819)
<b>Balance at 30 June 2021</b>	<b>500,000</b>	<b>96,321,211</b>	<b>96,821,211</b>

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SUMMARY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## SUMMARY STATEMENT OF CASH FLOWS

Figures in Rand	2021	2020
<b>Cash flows (used in) from operating activities</b>		
Cash (used in) generated from operations	(1,470,408)	4,156,737
Interest received	16	440
Finance costs	(660,592)	(403,569)
Tax paid	(142,654)	(97,623)
<b>Net cash (used in) from operating activities</b>	<b>(2,273,638)</b>	<b>3,655,985</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment	(3,463,351)	(7,029,587)
Proceeds on disposal of property, plant and equipment	94,835	140,683
Purchase of intangible assets	-	(2,649)
Establishment cost of biological assets	(783,505)	(832,140)
<b>Net cash used in investing activities</b>	<b>(4,152,021)</b>	<b>(7,723,693)</b>
<b>Cash flows from (used in) financing activities</b>		
Repayment of other financial liabilities	(117,000)	(76,050)
Proceeds from other financial liabilities	1,866,451	-
<b>Net cash from (used in) financing activities</b>	<b>1,749,451</b>	<b>(76,050)</b>
<b>Total cash movement for the year</b>	<b>(4,676,208)</b>	<b>(4,143,758)</b>
Cash at the beginning of the year	(3,989,226)	(508,870)
Effect of exchange rate movement on cash balances	(196,184)	663,402
<b>Total cash at end of the year</b>	<b>(8,861,618)</b>	<b>(3,989,226)</b>

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