# Pinotage Association

**Annual Financial Statements**

**for the year ended 28 February 2026**

## Index

## General Information

| | |
|---|---|
| **Country of Incorporation and Domicile** | South Africa |
| **Nature of Business and Principal Activities** | The association is engaged in the wine industry. |
| **Registered Office** | p/a Simonsvlei Winery & Business Hub<br>R101<br>Old Paarl Rd<br>Paarl<br>7646 |
| **Postal Address** | Suite 151<br>Private Bad X3041<br>Paarl<br>7646 |
| **Bankers** | ABSA Bank Ltd |
| **Preparer** | Experity Accounting Services<br>The Loft, La Concorde<br>57 Main Road<br>Paarl, 7646 |

## Members' Responsibilities and Approval

The members are required by the Nonprofit Organisation Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the association, and explain the transactions and financial position of the business of the association at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the association and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the association and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the association and all employees are required to maintain the highest ethical standards in ensuring the association's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the association is on identifying, assessing, managing and monitoring all known forms of risk across the association. While operating risk cannot be fully eliminated, the association endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the members have no reason to believe that the association will not be a going concern in the foreseeable future. The annual financial statements support the viability of the association.

The independent reviewers are responsible for independently reviewing and reporting on the association's financial statements. The independent reviewers report is presented on page 5.

The financial statements set out on pages 6 to 13, and the supplementary information set out on pages 14 to 15 which have been prepared on the going concern basis, were approved by the members and were signed on 20 May 2026 on their behalf by:

| | |
|---|---|
| B Truter | DW Viljoen |

## Members' Report

The members present their report for the year ended 28 February 2026.

### 1. Review of financial results and activities

**Main business and operations**

The association is engaged in the wine industry. There were no major changes herein during the year.

The association generated a deficit after tax for the year ended 28 February 2026 of R26,835 (2025: surplus of R164,498).

The association's revenue increased from R2,877,825 in the prior year to R3,053,741 for the year ended 28 February 2026.

The association's cash flows from operating activities changed from an outflow of R105,711 in the prior year to an outflow of R26,117 for the year ended 28 February 2026.

### 2. Going concern

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

### 3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

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

### 4. Members

The members of the association during the year and up to the date of this report are as follows:
B Truter
DW Viljoen
A Beeslaar
E Louw

### 5. Independent Reviewers

Experity Accounting Services were the independent reviewers for the year under review.

## Report of the Independent Reviewer

**To the Members of Pinotage Association**

We have reviewed the financial statements of Pinotage Association set out on pages 6 to 13, which comprise the statement of financial position as at 28 February 2026, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

**Members' Responsibility for the Financial Statements**

The members are responsible for the preparation of these financial statements in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Nonprofit Organisation Act of South Africa, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent Reviewer's Responsibility**

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of Pinotage Association are not prepared, in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Nonprofit Organisation Act of South Africa.

**Experity Accounting Services**

**20 May 2026**

**Per: A Pienaar**
**Chartered Business Accountant in Practice**
**CIBA201509-1883**

**The Loft, La Concorde**
**57 Main Road**
**Paarl, 7646**

# Pinotage Association

Financial Statements for the year ended 28 February 2026

## Statement of Financial Position

| Figures in R | Notes | 2026 | 2025 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Inventories | 4 | 423,303 | 423,303 |
| Trade and other receivables | 5 | 226,574 | 164,054 |
| Loan to related party | 6 | 115,000 | - |
| Cash and cash equivalents | 7 | 318,132 | 495,512 |
| **Total current assets** | | **1,083,009** | **1,082,869** |
| **Total assets** | | **1,083,009** | **1,082,869** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Accumulated surplus | | 685,931 | 712,766 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 8 | 393,666 | 330,428 |
| Bank overdraft | 7 | 3,412 | 39,675 |
| **Total current liabilities** | | **397,078** | **370,103** |
| **Total equity and liabilities** | | **1,083,009** | **1,082,869** |

## Statement of Comprehensive Income

| Figures in R | 2026 | 2025 |
|---|---|---|
| Revenue | 3,053,741 | 2,877,825 |
| Cost of sales | (1,025,003) | (862,713) |
| **Gross surplus** | **2,028,738** | **2,015,112** |
| | | |
| Other income | 56,783 | 75,553 |
| Administrative expenses | (1,510,820) | (1,174,159) |
| Other expenses | (723,307) | (882,598) |
| **(Deficit) / surplus from operating activities** | **(148,606)** | **33,908** |
| | | |
| Finance income | 122,605 | 131,009 |
| Finance costs | (834) | (419) |
| **(Deficit) / surplus for the year** | **(26,835)** | **164,498** |

## Statement of Changes in Equity

| **Figures in R** | **Accumulated surplus** | **Total** |
|---|---|---|
| **Balance at 1 March 2024** | 548,268 | 548,268 |
| **Changes in equity** | | |
| Surplus for the year | 164,498 | 164,498 |
| Total comprehensive income for the year | 164,498 | 164,498 |
| **Balance at 28 February 2025** | **712,766** | **712,766** |
| **Balance at 1 March 2025** | 712,766 | 712,766 |
| **Changes in equity** | | |
| Deficit for the year | (26,835) | (26,835) |
| Total comprehensive income for the year | (26,835) | (26,835) |
| **Balance at 28 February 2026** | **685,931** | **685,931** |

## Statement of Cash Flows

| Figures in R | Notes | 2026 | 2025 |
|---|---|---|---|
| **Net cash flows used in operations** | 9 | **(147,888)** | **(236,300)** |
| Interest paid | | (834) | (419) |
| Interest received | | 122,605 | 131,008 |
| **Net cash flows used in operating activities** | | **(26,117)** | **(105,711)** |
| | | | |
| **Cash flows used in investing activities** | | | |
| Purchase of other financial assets | | (115,000) | - |
| **Cash flows used in investing activities** | | **(115,000)** | **-** |
| | | | |
| **Net decrease in cash and cash equivalents** | | **(141,117)** | **(105,711)** |
| | | | |
| Cash and cash equivalents at beginning of the year | | 455,837 | 561,548 |
| **Cash and cash equivalents at end of the year** | **7** | **314,720** | **455,837** |

## Accounting Policies

### 1. General information

Pinotage Association ('the association') is engaged in the wine industry.

The association is incorporated as a Association and domiciled in South Africa. The address of its registered office is p/a Simonsvlei Winery & Business Hub, R101, Old Paarl Rd, Paarl, 7646.

### 2. Basis of preparation and summary of significant accounting policies

The financial statements of Pinotage Association have been prepared in accordance with the basis of accounting set out below and the Nonprofit Organisation Act of South Africa. The financial statements have been prepared under the historical cost convention. They are presented in South African Rand.

The preparation of financial statements in conformity with the basis of accounting described below requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Financial instruments

**Trade and other receivables**

Most sales are made on the basis of normal credit terms and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in surplus or deficit.

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

**Cash and cash equivalents**

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

**Trade and other payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

### 2.2 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### 2.3 Revenue

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

## Accounting Policies

***Basis of preparation and summary of significant accounting policies continued...***

Revenue from the sale of goods is recognised when:

- significant risks and rewards of ownership of the goods have been transferred to the buyer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is recognised using the effective interest method.

**2.4 Borrowing costs**

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

**3. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Notes to the Financial Statements

| Figures in R | 2026 | 2025 |
|---|---|---|

### 4. Inventories

**Inventories comprise:**

| | | |
|---|---|---|
| Finished goods | 423,303 | 423,303 |

### 5. Trade and other receivables

**Trade and other receivables comprise:**

| | | |
|---|---|---|
| Trade receivables | 226,574 | 164,054 |

### 6. Loan to related party

**Loan to related party comprises the following balances**

| | | |
|---|---|---|
| Grand Pinotage Association | 115,000 | - |
| The loan bears no interest and has no fixed payment terms. It is expected that this loan will be settled in the following 12 months. | | |

### 7. Cash and cash equivalents

**7.1 Cash and cash equivalents included in current assets:**

| | | |
|---|---|---|
| **Cash** | | |
| Balances with banks | 318,132 | 495,512 |

**7.2 Net cash and cash equivalents**

| | | |
|---|---|---|
| Current assets | 318,132 | 495,512 |
| Current liabilities | (3,412) | (39,675) |
| | **314,720** | **455,837** |

**7.3 Detail of cash and cash equivalent balances**

| | | |
|---|---|---|
| **Bank balances** | | |
| ABSA Cheque Account - 410216949 | 10,015 | - |
| ABSA Investment Account - 9204768322 | 308,117 | 495,512 |
| **Total** | **318,132** | **495,512** |
| **Overdrawn bank balances** | | |
| ABSA Cheque Account - 410216949 | - | (39,675) |
| ABSA Credit Card - 4550 1900 5943 6019 | (3,412) | - |
| **Total** | **(3,412)** | **(39,675)** |

## Notes to the Financial Statements

| Figures in R | 2026 | 2025 |
|---|---|---|

### 8. Trade and other payables

**Trade and other payables comprise:**

| | | |
|---|---|---|
| Trade payables | 41,784 | 26,785 |
| Accrued liabilities | - | 100,000 |
| Value added tax | 351,882 | 203,643 |
| **Total trade and other payables** | **393,666** | **330,428** |

### 9. Cash flows from operating activities

| | | |
|---|---|---|
| **(Deficit) / surplus for the year** | **(26,835)** | **164,498** |
| **Adjustments for:** | | |
| Finance income | (122,605) | (131,009) |
| Finance costs | 834 | 420 |
| Impairment losses and reversal of impairment losses recognised in surplus or deficit | - | 257 |
| | | |
| **Change in operating assets and liabilities:** | | |
| Adjustments for increase in inventories | - | (423,303) |
| Adjustments for increase in trade accounts receivable | (62,520) | (38,764) |
| Adjustments for increase / (decrease) in trade accounts payable | 14,999 | (73,162) |
| Adjustments for increase in other operating payables | 48,239 | 264,763 |
| **Net cash flows from operations** | **(147,888)** | **(236,300)** |

## Detailed Income Statement

| Figures in R | 2026 | 2025 |
|---|---|---|
| **Revenue** | | |
| Entry fees | 170,100 | 137,300 |
| Membership and joining fee | 56,200 | 53,950 |
| Sponsorships | 2,827,441 | 2,650,000 |
| Winning wine decals | - | 36,575 |
| | **3,053,741** | **2,877,825** |
| **Cost of sales** | | |
| Awards events | (758,195) | (632,554) |
| Competition expenses | (107,757) | (124,987) |
| Judges fees | (97,959) | (72,579) |
| Member meetings | (61,092) | (32,593) |
| | **(1,025,003)** | **(862,713)** |
| **Gross surplus** | **2,028,738** | **2,015,112** |
| **Other income** | | |
| Seminars | 16,533 | 9,217 |
| General wine related income | 40,250 | 66,336 |
| | **56,783** | **75,553** |
| **Marketing expenses** | | |
| Advertisements | (69,369) | (200,581) |
| Golf days | (104,111) | (99,281) |
| Marketing - Pinotage 100 | (478,008) | (64,798) |
| Marketing - Digital | (166,050) | (289,574) |
| Marketing - Events and other | (102,779) | (333,253) |
| Marketing - General | (3,337) | 173,328 |
| Media marketing consultant fees | (399,354) | (360,000) |
| Wine purchases | (187,812) | - |
| | **(1,510,820)** | **(1,174,159)** |
| **Other expenses** | | |
| Accounting fees | (66,499) | (54,000) |
| Bad debts | - | (257) |
| Bank fees | (6,222) | (5,990) |
| Consulting fees | (377,491) | (360,000) |
| Entertainment | (36,787) | (38,452) |
| Management fees | (4,183) | (13,200) |
| Office expenses | (66,130) | (95,334) |
| Courier fees | (77,093) | (6,828) |
| Printing and stationery | (20,220) | (64,321) |
| Trade and other licences | - | (1,188) |
| Training - Student development | - | (225,388) |
| Travel - Local | (68,682) | (17,640) |
| | **(723,307)** | **(882,598)** |
| **(Deficit) / surplus from operating activities** | **(148,606)** | **33,908** |

## Detailed Income Statement

| Figures in R | 2026 | 2025 |
|---|---|---|
| **Finance income** | | |
| Bank interest received on investment account | 122,605 | 131,009 |
| **Finance costs** | | |
| Bank interest paid on overdraft | (834) | (419) |
| **(Deficit) / surplus for the year** | **(26,835)** | **164,498** |