

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(Registration number 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The management of properties, equities, movables and other related assets and any related activities
Directors	P D Kilpin - Chairperson I H Walton - Vice chairperson D G A Mudge A J M Smith K M Bradley
Registered office	Main Road Grabouw 7160
Business address	Main Road Grabouw 7160
Postal address	P.O Box 650 Grabouw 7160
Auditor	BBR van der Grijp and Associates Chartered Accountant (SA) Registered Auditor
Secretary	G Brown
Company registration number	2007/012074/07
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The annual financial statements were independently compiled by: R Eales Professional Accountant (S.A.)
Issued	25 October 2018

ELGIN FRUITGROWERS PROPRIETARY LIMITED
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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, 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 fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors 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 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 have reviewed the company's cash flow forecast for the year to 28 February 2019 and, in the light of this review and the current financial position, They 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 annual financial statements. The annual financial statements have been examined by the company's external auditor and their report is presented on page 6.

The annual financial statements set out on page 8 - 22, which have been prepared on the going concern basis, were approved by the board of directors on 25 October 2018 and were signed on its behalf by:

Approval of annual financial statements



P D Khipin - Chairperson



I H Walton - Vice chairperson

ELGIN FRUITGROWERS PROPRIETARY LIMITED

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DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Elgin Fruitgrowers Proprietary Limited for the year ended 28 February 2018.

1. Nature of business

Elgin Fruitgrowers Proprietary Limited is a property holding company incorporated in South Africa. The company operates in South Africa.

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

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

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

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividends were declared or paid during the year.

5. Directors

The directors in office at the date of this report are as follows:

Directors

P D Kilpin - Chairperson
I H Walton - Vice chairperson
D G A Mudge
A J M Smith
K M Bradley

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

7. Special resolution

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

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and 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.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
DIRECTORS' REPORT

10. Auditors

BBR van der Grijp and Associates continued in office as auditors for the company for 2018.

BBR VAN DER GRIJP & ASSOCIATES

CHARTERED ACCOUNTANTS (S.A.)

Registration: 920 932 E

P. O. BOX 1448

SOMERSET WEST 7129

1106 COURTYARD

GANTS CENTRE,
STRAND 7140

BBR van der Grijp CA(SA) BCOM (HONS)

Tel: (021) 854-9060

Fax: (021) 854-8352

E-mail: info@bbbraudit.com

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Elgin Fruitgrowers Proprietary Limited

Opinion

I have audited the annual financial statements of Elgin Fruitgrowers Proprietary Limited set out on 8 - 22, which comprise the statement of financial position as at 28 February 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In my opinion, the annual financial statements present fairly, in all material respects, the financial position of Elgin Fruitgrowers Proprietary Limited as at 28 February 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of my report. I am independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

Without qualifying my opinion, I draw attention to the fact that the company has not obtained an independent valuation of the fair value of the post retirement medical benefit obligation since February 2002.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the annual financial statements and my auditor's report thereon.

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

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

INDEPENDENT AUDITOR'S REPORT

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

My objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



BBR van der Grijp
Chartered Accountant (S.A.)
Registered Auditor

25 October 2018
Strand

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

Figures in Rand

	Notes	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	7,324	1
Investment property at fair value	3	35,085,000	25,114,000
Other financial assets	4	1,446	1,446
Deferred tax	5	184,447	371,984
		35,278,217	25,487,431
Current Assets			
Trade and other receivables	6	1,001,410	752,788
Cash and cash equivalents	7	22,342	8,970
		1,023,752	761,758
Total Assets		36,301,969	26,249,189
Equity and Liabilities			
Equity			
Reserves		13,127,248	5,389,752
Retained income		2,413,429	1,965,876
Share capital	8	8,404,157	8,404,157
		23,944,834	15,759,785
Liabilities			
Non-Current Liabilities			
Deferred tax	5	3,789,309	1,555,805
Other financial liabilities	11	4,849,557	5,288,149
Post-retirement medical benefits	12	658,736	658,736
		9,297,602	7,502,690
Current Liabilities			
Bank overdraft	7	388,421	222,589
Trade and other payables	10	1,697,772	2,000,633
Current tax payable		5,290	-
Other financial liabilities	11	968,050	763,492
		3,059,533	2,986,714
Total Liabilities		12,357,135	10,489,404
Total Equity and Liabilities		36,301,969	26,249,189

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand

	Notes	2018	2017
Revenue		4,556,619	4,288,842
Other income		81,821	92,331
Operating expenses		(3,360,764)	(3,606,613)
Operating profit	13	1,277,676	774,560
Investment revenue	14	645	770
Fair value adjustments - property		9,971,000	-
Finance costs	15	(637,940)	(725,216)
Profit before taxation		10,611,381	50,114
Taxation	16	(2,426,332)	(26,064)
Profit for the year		8,185,049	24,050

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for fair value of property	Retained income	Total equity
Figures in Rand				
Balance at 01 March 2016	8,404,157	5,389,752	1,941,826	15,735,735
Profit for the year	-	-	24,050	24,050
Balance at 01 March 2017	8,404,157	5,389,752	1,965,876	15,759,785
Profit for the year	-	-	8,185,049	8,185,049
Transfer to fair value reserve: Increase in deferred tax due to revaluation	-	(2,233,504)	2,233,504	-
Revaluation of investments	-	9,971,000	(9,971,000)	-
Balance at 28 February 2018	8,404,157	13,127,248	2,413,429	23,944,834
Notes	8			

ELGIN FRUITGROWERS PROPRIETARY LIMITED
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STATEMENT OF CASH FLOWS

Figures in Rand

	Notes	2018	2017
Cash flows from operating activities			
Cash generated from operations	18	729,797	1,822,064
Interest income		645	770
Finance costs		(637,940)	(725,216)
Net cash from operating activities		92,502	1,097,618
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(10,929)	-
Sale of property, plant and equipment	2	-	20,000
Net cash from investing activities		(10,929)	20,000
Cash flows from financing activities			
Repayment of other financial liabilities		(234,034)	(685,836)
Finance lease payments		-	(29,263)
Net cash from financing activities		(234,034)	(715,099)
Total cash movement for the year		(152,461)	402,519
Cash at the beginning of the year		(213,619)	(616,138)
Total cash at end of the year	7	(366,080)	(213,619)

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
ACCOUNTING POLICIES

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Key sources of estimation uncertainty

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

1.2 Investment property

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit or loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

1.3 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	5 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018
ACCOUNTING POLICIES

1.4 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
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ACCOUNTING POLICIES

1.7 Impairment of assets (continued)

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.9 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

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

Provisions are not recognised for future operating losses.

1.10 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2018

2017

2. Property, plant and equipment

	2018			2017		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Plant and machinery	37,841	(37,841)	-	37,841	(37,841)	-
Furniture and fixtures	14,867	(7,544)	7,323	3,938	(3,938)	-
Motor vehicles	354,071	(354,070)	1	354,071	(354,070)	1
Total	406,779	(399,455)	7,324	395,850	(395,849)	1

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Closing balance
Furniture and fixtures	-	10,929	(3,606)	7,323
Motor vehicles	1	-	-	1
	1	10,929	(3,606)	7,324

3. Investment property at fair value

Reconciliation of investment property at fair value - 2018

	Opening balance	Fair value adjustments	Total
Investment property	25,114,000	9,971,000	35,085,000

Reconciliation of investment property at fair value - 2017

	Opening balance	Total
Investment property	25,114,000	25,114,000

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2018

2017

3. Investment property at fair value (continued)

Details of property

Property 1

Being portion 58 of the Palmiet River Farm number 319 and the remainder of Erf 684, situated in the municipal district of Grabouw, in the division of Caledon, Western Cape, measuring 5 193 square meters and 54 948 square meters respectively.

- Registration date: 21 January 1957 and 10 June 1977

- Fair value adjustments - 28 February 2018

- Improvements

7,626,000	7,626,000
16,756,556	6,785,556
417,444	417,444

24,800,000	14,829,000
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Property 2

Being remainders of portion 18 of the Palmiet River Farm number 319, situated in the municipal district of Grabouw, in the division of Caledon, Western Cape measuring 4 989 square meters.

- Purchase price: 29 April 2008

1,800,000	1,800,000
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Property 3

Being Erf 1337 situated in the municipal district of Grabouw, in the division of Caledon, Western Cape, measuring 864 square meters.

- Purchase price: 16 August 2008

- Fair value adjustment - 12 February 2016

525,000	525,000
160,000	160,000

685,000	685,000
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Property 4

Being Erf 1257 situated in the municipal district of Grabouw, in the division of Caledon, Western Cape, measuring 3 690 square meters.

- Purchase price: 30 November 2010

4,300,000	4,300,000
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Property 5

Being Erf 5140 situated in the municipal district of Grabouw, in the division of Caledon, Western Cape, measuring 3077 square meters.

- Purchase price: 26 March 2015

3,500,000	3,500,000
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Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Details of valuation

The effective date of the revaluation was 28 February 2018.

The valuation of Farm 319 Portion 58 was performed on 28 February 2018 by an independent valuer, Mr W Jooste (Professional Valuer, reg no. 2628), of Proval Valuations CC. Proval Valuations CC is not connected to the company and has recent experience in location and category of the investment property being valued. The valuation was based on the open market value of the property. The remaining properties are to be revalued in the 2019 financial year.

4. Other financial assets

At fair value

Unlisted shares

1,446	1,446
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Villiersdorp Kooperasie Limited - 723 Ordinary shares valued at R2.00 each.

Non-current assets

At fair value

1,446	1,446
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ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2018 **2017**

4. Other financial assets (continued)

5. Deferred tax

Deferred tax liability	(3,789,309)	(1,555,805)
Deferred tax asset	184,447	371,985
Total net deferred tax liability	(3,604,862)	(1,183,820)

The major components of the deferred tax balance are as follows:

Deferred tax liability

Revaluation of investment property and share investments	(3,789,309)	(1,555,805)
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Deferred tax asset

Revaluation of defined benefit plan	184,447	184,447
Tax losses available for set off against future taxable income	-	187,538
Total deferred tax asset	184,447	371,985

Reconciliation of deferred tax asset/(liability)

At beginning of year	(1,183,820)	(1,157,756)
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Recognised in profit or loss:

Increase (decrease) in tax loss available for set off against taxable income	(187,538)	(26,064)
Movement in temporary differences on investment properties	(2,233,504)	-
	(3,604,862)	(1,183,820)

6. Trade and other receivables

Trade receivables	913,940	716,691
Prepayments	20,321	17,777
Deposits	67,149	18,320
	1,001,410	752,788

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	18,497	5,249
Short-term deposits	3,845	3,721
Bank overdraft	(388,421)	(222,589)
	(366,079)	(213,619)
Current assets	22,342	8,970
Current liabilities	(388,421)	(222,589)
	(366,079)	(213,619)

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2018

2017

8. Share capital

Authorised

200 000 000 Ordinary shares of 10c each

20,000,000

20,000,000

Issued

84 041 569 Ordinary shares of 10c each

8,404,157

8,404,157

Unissued ordinary shares are under the control of the directors in terms of a resolution of members. This authority remains in force until the next annual general meeting.

9. Reserve for fair value of property

Fair value adjustments on Investment Property

16,916,557

6,945,556

Deferred tax on fair value adjustments

(3,789,309)

(1,555,804)

13,127,248

5,389,752

10. Trade and other payables

Amounts received in advance

121,188

96,613

Trade payables

1,483,931

1,836,743

VAT

92,653

67,277

1,697,772

2,000,633

11. Other financial liabilities

At fair value

Loans from directors

527,381

368,136

The loans are unsecured, bear interest at 9.25% per annum and have no terms of repayment.

At amortised cost

Absa Bank Limited - Mortgage bond

1,274,984

1,333,215

The mortgage bond is secured over Eft 319 (refer to note 3) and bears interest at the prime rate less 0.35% per annum, repayable in monthly installments of R15 712.06, with the final installment due in October 2029.

Absa Bank Limited - Medium Term Loan 1

2,824,369

3,061,241

The medium term loan is secured over Erf 1257 and Erf 1337 (refer to note 2) and bears interest at the prime rate less 0.25% per annum, repayable in monthly installments of R45 084.90, with the final installment due in February 2025.

Absa Bank Limited - Medium Term Loan 2

1,190,873

1,289,049

The medium term loan is secured over Erf 5140 (refer to note 2) and bears interest at the prime rate per annum, repayable in monthly installments of R18 990.92, with the final installment due in August 2025.

5,290,226

5,683,505

5,817,607

6,051,641

Non-current liabilities

At amortised cost

4,849,557

5,288,149

Current liabilities

At fair value

527,381

368,136

At amortised cost

440,669

395,356

968,050

763,492

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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2018 **2017**

11. Other financial liabilities (continued)

5,817,607 6,051,641

12. Post-retirement medical benefits

Opening balance	Total
658,736	658,736

Provision for employee post-retirement medical benefits

13. Operating profit

Operating profit for the year is stated after accounting for the following:

Property, plant and equipment	-	20,000
Employee costs	1,374,113	1,253,418

14. Investment revenue

Interest revenue

Bank	124	120
Interest on Eskom deposit	521	650
	645	770

15. Finance costs

Non-current borrowings	608,695	632,177
Trade and other payables	-	2,568
Bank	-	30,370
Interest paid on directors loans	29,245	60,101
	637,940	725,216

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2018

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16. Taxation

Major components of the tax expense

Current taxation

South African normal tax - year

5,290

-

Deferred taxation

South African deferred tax - current year

2,421,042

26,064

2,421,042

26,064

2,426,332

26,064

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit

10,611,381

50,114

Tax at the applicable tax rate of 28% (2017: 28%)

2,971,187

14,032

Tax effect of adjustments on taxable income

Temporary differences

(544,855)

12,032

2,426,332

26,064

17. Auditor's remuneration

Fees

26,125

23,400

18. Cash generated from operations

Profit before taxation

10,611,381

50,114

Adjustments for:

Depreciation

3,606

23,636

Profit on sale of assets

-

(20,000)

Interest received

(645)

(770)

Finance costs

637,940

725,216

Fair value adjustments

(9,971,000)

-

Changes in working capital:

Trade and other receivables

(248,624)

86,212

Trade and other payables

(302,861)

957,656

729,797

1,822,064

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2018

2017

19. Related parties

Relationships

Members of key management (directors)

PD Kilpin
 IH Walton
 DGA Mudge
 AJM Smith
 KM Bradley

Related party balances and transactions with key management personnel of the company or its parent

Related party balances

Loan accounts - Owing (to) by related parties

Loans from directors

(527,381)

(368,136)

Related party transactions

Interest paid to (received from) related parties

Interest paid on directors loans

29,245

60,101

20. Directors' remuneration

Non-executive

2018

For services as directors

Directors' fees
 113,750

Total
 113,750

2017

For services as directors

Directors' fees
 105,000

Total
 105,000

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

INCOME STATEMENT (OPERATIONAL)

Figures in Rand

	Notes	2018	2017
Revenue			
Rental income		3,573,073	3,357,843
Rebate: Kaap Agri		983,546	930,999
		4,556,619	4,288,842
Other income			
Leaf analysis income (net)		81,821	72,331
Interest received	14	645	770
Gains on disposal of assets		-	20,000
Fair value adjustments		9,971,000	-
		10,053,466	93,101
Operating expenses			
Administrative costs		181,497	138,908
Donations		13,800	-
Employee costs		1,374,113	1,253,418
Operational expenses		1,079,546	1,570,328
Finance costs		637,940	725,216
Post retirement (medical)		250,118	256,312
Municipal costs		461,690	387,647
		3,998,704	4,331,829
Profit before taxation		10,611,381	50,114
Taxation	16	(2,426,332)	(26,064)
Profit for the year		8,185,049	24,050