

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(Registration number 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

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 K M Bradley - Vice chairperson D G A Mudge A J M Smith I H Walton
Registered office	Main Road Grabouw 7160
Business address	Main Road Grabouw 7160
Postal address	PO Box 650 GRABOUW Grabouw 7160
Auditors	TGS South Africa Incorporated Chartered Accountant (S.A.) 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: 123 Consulting Proprietary Limited Represented by: R Eales Professional Accountant (S.A.)
Issued	22 May 2019

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

INDEX

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

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Accounting Policies	12 - 14
Notes to the Annual Financial Statements	15 - 21
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Income Statement (Operational)	22

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019
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 auditors are 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 29 February 2020 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 auditors are 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 auditors and their report is presented on pages 6 to 7.

The annual financial statements set out on page 8 to 22, which have been prepared on the going concern basis, were approved by the board of directors on 22 May 2019 and were signed on its behalf by:



P D Kilpin - Chairperson



K M Bradley - Vice chairperson

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019
DIRECTORS' REPORT

The directors submit their report on the annual financial statements of Elgin Fruitgrowers Proprietary Limited for the year ended 28 February 2019.

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

Refer to note 8 of the annual financial statements for detail of the movement in authorised and issued share capital.

1 200 000 ordinary shares were issued at nominal value during the year.

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

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 2019
DIRECTORS' REPORT

10. Auditors

TGS South Africa Incorporated continued in office as auditors for the company for 2019.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Elgin Fruitgrowers Proprietary Limited

Opinion

We 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 2019, 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 our opinion, the annual financial statements present fairly, in all material respects, the financial position of Elgin Fruitgrowers Proprietary Limited as at 28 February 2019, 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

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

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

In connection with our audit of the annual financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Johannesburg | Cape Town | Durban

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Directors | F.L. Aldrighetti B.Comm, B.Acc, CA(SA), RA, CIMA, Dip.Prod.Mgmt | D.H. Odendaal B.Compt(Hons), CTA, CA(SA), RA | P. Daver Rampersadh B.Comm(Acc), PGDA, CA(SA), RA | L.J. Wood CA(SA)
N.P. Shaikh-Arab B.Comm, B.Compt(Hons), CA(SA), ACCA, RA | A. Cecchin B.Comm(Acc), B.Compt(Acc)(Hons), CA(SA), RA | B.B.R. van der Grijp B.Comm(Hons), CA(SA), RA

TGS South Africa is an independent member of TGS. As a separate and independent legal entity to TGS, TGS South Africa is solely responsible for the work it carries out and services it provides to its clients. TGS and the other members of the Network are not responsible and have no liability for the acts or omissions of TGS South Africa and TGS South Africa has no liability for the acts or omissions of other member firms. Reg no.: 2015/058538/21

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

Our 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 our 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

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



TGS South Africa Incorporated
BBR van der Grijp
Chartered Accountant (S.A.)
Registered Auditor

22 May 2019
Strand

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2019

Figures in Rand

	Notes	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	3 717	7 324
Investment property at fair value	3	38 500 000	35 085 000
Other financial assets	4	1 446	1 446
Deferred tax	5	184 447	184 447
		38 689 610	35 278 217
Current Assets			
Trade and other receivables	6	952 063	1 001 411
Cash and cash equivalents	7	27 056	22 342
		979 119	1 023 753
Total Assets		39 668 729	36 301 970
Equity and Liabilities			
Equity			
Reserves		15 777 288	13 127 248
Retained income		2 403 759	2 413 430
Share capital	8	8 524 157	8 404 157
		26 705 204	23 944 835
Liabilities			
Non-Current Liabilities			
Deferred tax	5	4 554 269	3 789 309
Other financial liabilities	9	4 336 886	4 849 557
Post-retirement medical benefits	10	658 736	658 736
		9 549 891	9 297 602
Current Liabilities			
Bank overdraft	7	139 747	388 421
Trade and other payables	11	2 024 256	1 697 772
Current tax payable		19 675	5 290
Other financial liabilities	9	1 229 956	968 050
		3 413 634	3 059 533
Total Liabilities		12 963 525	12 357 135
Total Equity and Liabilities		39 668 729	36 301 970

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand

	Notes	2019	2018
Revenue		4 888 818	4 556 619
Other income		52 727	81 821
Operating expenses		(4 348 449)	(3 360 763)
Operating profit	13	593 096	1 277 677
Investment revenue	14	124	645
Fair value adjustments - property		3 415 000	9 971 000
Finance costs	15	(577 316)	(637 940)
Profit before taxation		3 430 904	10 611 382
Taxation	16	(790 535)	(2 426 332)
Profit for the year		2 640 369	8 185 050

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for fair value of property	Retained income	Total equity
Figures in Rand				
Balance at 01 March 2017	8 404 157	5 389 752	1 965 876	15 759 785
Profit for the year	-	-	8 185 050	8 185 050
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 01 March 2018	8 404 157	13 127 248	2 413 430	23 944 835
Profit for the year	-	-	2 640 369	2 640 369
Issue of shares	120 000	-	-	120 000
Transfer to fair value reserve: Increase in deferred tax due to revaluation	-	(764 960)	764 960	-
Revaluation of investments	-	3 415 000	(3 415 000)	-
Balance at 28 February 2019	8 524 157	15 777 288	2 403 759	26 705 204
Note	8			

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

STATEMENT OF CASH FLOWS

Figures in Rand

	Notes	2019	2018
Cash flows from operating activities			
Cash generated from operations	18	972 535	729 798
Interest income		124	645
Finance costs		(577 316)	(637 940)
Tax paid		(11 190)	-
Net cash from operating activities		384 153	92 503
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(10 929)
Cash flows from financing activities			
Proceeds on share issue	8	120 000	-
Movement of other financial liabilities		(250 765)	(234 034)
Net cash from financing activities		(130 765)	(234 034)
Total cash movement for the year		253 388	(152 460)
Cash at the beginning of the year		(366 079)	(213 619)
Total cash at end of the year	7	(112 691)	(366 079)

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019
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 10 - 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 2019

ACCOUNTING POLICIES

1.4 Financial instruments (continued)

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

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.

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.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

ACCOUNTING POLICIES

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
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2019

2018

2. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	37 841	(37 841)	-	37 841	(37 841)	-
Furniture and fixtures	14 867	(11 151)	3 716	14 867	(7 544)	7 323
Motor vehicles	354 071	(354 070)	1	354 071	(354 070)	1
Total	406 779	(403 062)	3 717	406 779	(399 455)	7 324

Reconciliation of property, plant and equipment - 2019

	Opening balance	Depreciation	Closing balance
Furniture and fixtures	7 323	(3 607)	3 716
Motor vehicles	1	-	1
	7 324	(3 607)	3 717

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 - 2019

	Opening balance	Fair value adjustments	Total
Investment property	35 085 000	3 415 000	38 500 000

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

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2019

2018

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	16 756 556
417 444	417 444

24 800 000	24 800 000
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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
- Fair value adjustment - 28 February 2019

1 800 000	1 800 000
700 000	-

2 500 000	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 - 28 February 2019

525 000	525 000
1 475 000	160 000

2 000 000	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
- Fair value adjustment - 28 February 2019

4 300 000	4 300 000
1 100 000	-

5 400 000	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
- Fair value adjustment - 28 February 2019

3 500 000	3 500 000
300 000	-

3 800 000	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 2019.

The valuation of Farm 319 Portion 58 was performed on 28 February 2018 and the valuation of the all the other properties, except for Farm 319 Portion 18 were performed on 28 February 2019 by an independant valuer, Mr W Jooste (Professional Valuer, reg no. 2628), of Proval Valuations CC. Farm 319 Portion 18 was performed by M Halfpenny (Property Consultant) of Pam Golding Properties (Pty) Ltd. Proval Valuations CC and Pam Golding Properties (Pty) Ltd are not connected to the company and have recent experience in location and category of the investment property being valued. The valuation were based on the open market value of the property.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2019 **2018**

4. Other financial assets

At fair value

Unlisted shares	1 446	1 446
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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5. Deferred tax

Deferred tax liability	(4 554 269)	(3 789 309)
Deferred tax asset	184 477	184 447
Total net deferred tax liability	(4 369 822)	(3 604 862)

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

Deferred tax liability

Revaluation of investment property and share investments	(4 554 269)	(3 789 309)
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Deferred tax asset

Revaluation of defined benefit plan	184 477	184 447
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Reconciliation of deferred tax asset/(liability)

At beginning of year	(3 604 862)	(1 183 820)
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Recognised in profit or loss:

Increase (decrease) in tax loss available for set off against taxable income	-	(187 538)
Movement in temporary differences on investment properties	(764 960)	(2 233 504)
	(4 369 822)	(3 604 862)

6. Trade and other receivables

Trade receivables	906 792	913 941
Prepayments	-	20 321
Deposits	45 271	67 149
	952 063	1 001 411

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	23 087	18 497
Short-term deposits	3 969	3 845
Bank overdraft	(139 747)	(388 421)
	(112 691)	(366 079)

Current assets	27 056	22 342
Current liabilities	(139 747)	(388 421)
	(112 691)	(366 079)

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2019

2018

8. Share capital

Authorised

200 000 000 Ordinary shares of 10c each

20 000 000

20 000 000

Issued

85 241 569 Ordinary shares of 10c each (2018: 84 041 569 Ordinary shares)

8 524 157

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. Other financial liabilities

At fair value

Loans from directors

738 489

527 381

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

1 211 785

1 274 984

The mortgage bond is secured over Erf 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

2 552 793

2 824 369

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

1 063 775

1 190 873

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.

4 828 353 5 290 226

5 566 842 5 817 607

Non-current liabilities

At amortised cost

4 336 886

4 849 557

Current liabilities

At fair value

738 489

527 381

At amortised cost

491 467

440 669

1 229 956 968 050

5 566 842 5 817 607

10. Post-retirement medical benefits

Opening
balance

Total

Provision for employee post-retirement medical benefits

658 736

658 736

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2019

2018

11. Trade and other payables

Amounts received in advance	185 074	121 188
Deposits received	3 500	-
Trade payables	1 716 969	1 483 931
VAT	118 713	92 653
	2 024 256	1 697 772

12. Reserve for fair value of property

Fair value adjustments on Investment Property	20 331 557	16 916 557
Deferred tax on fair value adjustments	(4 554 269)	(3 789 309)
	15 777 288	13 127 248

13. Operating profit

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

Employee costs	1 835 398	1 374 113
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14. Investment revenue

Interest revenue

Bank	124	124
Interest on Eskom deposit	-	521
	124	645

15. Finance costs

Non-current borrowings	539 013	608 695
Interest paid on directors loans	38 303	29 245
	577 316	637 940

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2019

2018

16. Taxation

Major components of the tax expense

Current taxation

South African normal tax - year

25 463

5 290

South African normal tax - prior period (over) under provision

112

-

25 575

5 290

Deferred taxation

South African deferred tax - current year

764 960

2 421 042

764 960

2 421 042

790 535

2 426 332

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit

3 430 904

10 611 382

Tax at the applicable tax rate of 28% (2018: 28%)

960 653

2 971 187

Non-deductible expenses

Penalties and interest

1 127

-

1 127

-

Other

Fair value adjustments

(171 357)

(544 855)

Prior period (over) under provisions in current tax

112

-

(171 245)

(544 855)

790 535

2 426 332

17. Auditor's remuneration

Fees

28 000

26 125

18. Cash generated from operations

Profit before taxation

3 430 904

10 611 382

Adjustments for:

Depreciation

3 605

3 606

Interest received

(124)

(645)

Finance costs

577 316

637 940

Fair value adjustments

(3 415 000)

(9 971 000)

Changes in working capital:

Trade and other receivables

49 351

(248 624)

Trade and other payables

326 483

(302 861)

972 535

729 798

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2019

2018

19. Related parties

Relationships

Members of key management (directors)

PD Kilpin
 KM Bradley
 IH Walton
 DGA Mudge
 AJM Smith

Related party balances

Loan accounts - Owing (to) by related parties

Loans from directors

(738 489)

(527 381)

Related party transactions

Interest paid to (received from) related parties

Interest paid on directors loans

38 303

29 245

20. Directors' remuneration

Non-executive

2019

For services as directors

Directors' fees
 122 000

Total
 122 000

2018

For services as directors

Directors' fees
 113 750

Total
 113 750

ELGIN FRUITGROWERS PROPRIETARY LIMITED
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

INCOME STATEMENT (OPERATIONAL)

Figures in Rand

	Notes	2019	2018
Revenue			
Rental income		3 853 156	3 573 073
Rebate: Kaap Agri		1 035 662	983 546
		4 888 818	4 556 619
Other income			
Leaf analysis income (net)		52 727	81 821
Interest received	14	124	645
Fair value adjustments		3 415 000	9 971 000
		3 467 851	10 053 466
Operating expenses			
Administrative costs		67 525	74 385
Bank charges		37 284	45 088
Consulting and professional fees		9 737	5 263
Donations		-	13 800
Employee costs		1 835 398	1 374 113
Entertainment		35 450	40 846
Finance costs		577 316	637 940
Fines and penalties		4 025	-
Medical fees		177 603	250 118
Municipal costs		430 661	461 690
Operational expenses		1 720 132	1 079 546
Printing and stationary		18 923	10 160
Telephone and fax		11 711	5 754
		4 925 765	3 998 703
Profit before taxation		3 430 904	10 611 382
Taxation	16	(790 535)	(2 426 332)
Profit for the year		2 640 369	8 185 050