



ELGIN
FRUITGROWERS
(PTY) LTD

**MINUTES OF THE 11TH ANNUAL GENERAL MEETING
OF ELGIN FRUITGROWERS PROPRIETARY LIMITED
HELD IN THE ELGIN FRUITGROWERS HALL
ON WEDNESDAY 11 OCTOBER 2017**

Present

P.D Kilpin (in the chair)

Directors:

I. Walton	A. Smith	D. Mudge (Not present – Apologies)
K. Bradley	G. Brown (General Manager/Company Secretary)	

Shareholders:

Bradpak Orchards (Pty) Ltd	Gregory John Brown	De Rust Landgoed (Edms) B
Dennebos Farm	Derek Corder Family Trust	Elgin Orchards (Pty) Ltd
Andries Johannes Erwee	JJ Erwee of Monteith Trust	Glen Fruin Farms (Pty) Ltd
MG Howell Of Houtveld	Hutton-Squire Farms(Pty)Ltd	Kentucky Farm Cape CC
Loubser Broers Boerdery BK	Restanwold Trust	Nicolaas Basson Rust
Andrew John Selfe	Mark Stanford	The Fruitways Group (Pty) Ltd
The Yorkshire Trust	Witvlei Apple Farms CC	

Proxy

JSS Beukes of Dennegeur B	– held by Chairman
Johannes Petrus Beyers	– held by Chairman
Chiltern Farms (Pty) Ltd	– held by Greg Brown
Susan Anita Cunningham	– held by Chairman
Desmond Mudge Trust	– held by Greg Brown
Die JS Beukes Trust	– held by Chairman
Ryk Johan Joubert	– held by Phil Kilpin
JS Beukes (Edms) Bpk	– held by Chairman
Cornelus Keevy	– held by Chairman
Merryells CC	– held by Chairman
Morgenster (Cape Vintage)	– held by Chairman
Oak Valley Estate (Pty) Ltd	– held by Chairman
Remhoogte Boerdery	– held by Chairman
P Reuvers of Texel	– held by Chairman
Spioenkop Boerdery	– held by Chairman

By Invitation

Brian Van Der Grijp Auditors (External Auditors)
Clive Forbes (Apple Accounting – Internal Auditors)

Verskonings vir afwesigheid

George Peter Dall
David Charles Cooper Evans
Braeview Farm CC (Duncan Churchman)

Prayer

Mr A Erwee opened the meeting with a prayer.

Quorum

The chairman declared that a quorum was present and that the meeting was properly constituted.

Discussion at Meeting

The chairman extended a warm welcome to special guests, as well as shareholders present. At the same time he reminded those present that discussion at the Fruitgrowers Annual General Meeting was strictly confined to shareholders of Fruitgrowers who were entitled to vote and to those who were the legally appointed representatives of member/shareholding companies and who were entitled to vote on behalf of those companies.

Where a holding company controlled one or more subsidiary companies, only the holding company's representative was entitled to vote.

Notice of Meeting

The notice convening the meeting, having been circulated, was taken as read.
(Proposed D. Corder, seconded I. Walton)

Notule

Aangesien die notule van die vorige Algemene Jaarvergadering gehou op 16 November 2016 reeds gesirkuleer was, is dit as gelese beskou, bevestig dat dit in orde is, en dienooreenkomstig deur die Voorsitter geteken.

(Resolution 1 - Proposed A. Moodie, seconded S. Maxwell)

Chairman's Address

CHAIRMAN'S REPORT - EFG - 2017

Ladies and gentlemen, welcome to our 11th AGM as a company (Ltd and Pty Ltd) and 94th year of our existence.

As usual, a lot has taken place in the past 18th months. I say 18 months as there is always a spill over of time between the February year end and the present. New tenants, Gryphon engineering moved into the back of the New Holland building. New Holland itself moved in on the 1st December 2016. Agrimaster was fully operational in their new building by April. Alquan moved into their new "AME STEEL" building on the 1st March.

Harms du Toit has retired and vacated his building Overberg Implemente and Alquan has moved into it, while their vacated warehouse has been taken up by Intelligro and an expanding 4 Every Event.

As usual, your company is oversubscribed and people are always asking for space.

I can now say with authority that after a 5 year run-around, the old Engen site will not pump fuel again, certainly not in the short to medium term, if ever. A series of events have resulted in the EFG losing income on the one side but gaining benefits on the other side. EFG paid a substantially discounted price for the property because of the poor condition of the buildings and the fact that the site might be contaminated.

Your board was determined not to foot the bill for decontamination which to our best knowledge reached R1,7M. We also did not want any possibility of the river being contaminated. This process took much longer to sort out than was expected. The upside of all of this was that time gave us the ability to restore the buildings cheaply and well, for Kaap Agri to remove the old Caltex site near the river, for Engen to pay the cost of decontamination and for EFG to

secure new tenants. The downside was a loss of income and the loss of the fuel pumping licence. It is intended by Kaap Agri that the last space on the site will be filled by an upmarket Kaap Agri Liquor Mart, if and once they get a licence. Currently, EFG is cleaning up below the old Overberg Implemente site and preparing the ground for a small expansion there. The New Holland site opposite the building has been walled and is being filled and levelled as material becomes available. The 'store-secure' site, as we call it, (next to the dam and Agrimaster), has been settling for a few years now.

We therefore have 3 areas ready for future expansion if and when needed and finances are available.

The Bear and the Barrel/Museum complex is in dire need of a facelift and new tenants and the whole site needs to be upgraded. It is envisaged that this will be tackled in the coming summer months if finances allow. The New Holland building needs a new roof.

Two events beyond our control occurred this year. First, a very strong North West storm created a lot of damage to the warehouse roofs on the property. Second, a fire started on the Grabouw side in the river and a very strong wind fanned this across to EFG. Many people from the district and the fire brigade worked together to avert what could have been a disaster.

The river bed has now been opened up and EFG has been exposed security-wise. A security fence will be essential. Greg has been and will continue to clean the property down to the river. EFG has also made a contribution to those cleaning up the river.

On the financial front, EFG has had a good year. Income has increased by 14% from R3.8M to 4,36M. Expenses have been well contained and are up by only 6.5%, resulting in a net profit before tax of R 50,113. The financial position of EFG is in actual fact even healthier than it appears and I will ask Greg to speak to you about this, after my address.

Currently the Net Asset Value of the shares of EFG is about 18 to 19 cents per share. A re-valuation of the properties is done every 3 years and is due at the next financial year end. This should see a substantially increased share value. While doing repair work to the warehouse after the wind damage Marco was seriously injured. I am very pleased to say that he will be starting work again this week. Thanks to Greg and Catherine for all their help and support they have given Marco, and to Megan for her calm disposition on the day of the accident. My thanks to Koos and his team, to Apple Accounting, BBR and Associates and lastly to my Board and in particular, Ian, for all their efforts on behalf of EFG. Ian has decided to step down from the Board at the end of February 2018. We will miss his wise and stable input which he has contributed over the years. He is probably the forerunner to a few more retirements in the near future!

Thank You.

Directors' Report, Auditors Report and Financial Statements

General Manager presented a summarised report on Fruitgrowers financial position.

INCOME STATEMENT

R'000

INCOME

Description	F16	F17	Growth	%
Rental	2904	3358	454	15.6
% Sales Rebate – WPK	850	931	81	9.5
Leaf Analysis (net)	69	72	3	4.3
Dividends	1	-	(1)	-
Interest Received	3	-	(3)	-
Asset/Share Disposal	45	20	(25)	(55.6)
Fair Value Adjustment	-	-	-	-
TOTAL INCOME	3872	4381	509	13.1

EXPENSES

Description	F16	F17	Growth	%
Admin Costs	252	139	113	44.8
Employee Costs	1144	1253	(109)	(9.5)
Finance Costs	532	725	(193)	(36.3)
Municipal Costs	435	388	47	10.8
Operational Expenses	1440	1570	(130)	(9.0)
Post Retirement (Med)	263	256	7	2.7
TOTAL EXPENSES	4066	4331	(265)	(6.5)

NET PROFIT BEFORE TAX

F16 F17 %
(194) 50 125.7

Adjusted by Abnormal Expenses

Plus Major Property Improvements	791	1032
Asset/Share Disposal	(45)	(20)
Fair Value Adjustment	-	-
Post Retirement (Medical)	261	254

ADJUSTED NET PROFIT BEFORE TAX

1316 813 61.9

The Directors' Report, Auditors and Financial Accounts were unanimously adopted.
(Resolution 2 - Proposed P. Kilpin, seconded J. Hutton-Squire)

Verkiesing van Direkteure

Drie nominasies is ontvang vir die vakature wat ontstaan het as gevolg van uittrede van direkteure. Die genomineerde is Phil Kilpin en Ian Walton.
(Resolution 3 – Voorsteller G. Brown, sekondant P. Cluver)

Verkiesing van Ouditeure

BBR Van Der Grijp & Associates se aanstelling as die Elgin Fruitgrowers se ouditeure vir die volgende finansiële jaar word bevestig, onderhewig aan die aanvaarding van die kwotasie deur die Raad.

(Resolution 4 – Voorsteller N. Rust, sekondant A. Selfe)

Other Business

- General Manager obtained authorisation from the floor for the budgeted director fees to be paid.
(Proposed S. Maxwell, seconded D. Corder)
- It was agreed that most topics were covered in the chairman's address.
- It was once again confirmed that both the Minutes and Financials would be distributed via the Elgin Fruitgrowers link on the BBR Chartered Accountants website under the heading "shares". www.bbraidit.com. – Hard copies to be brought to next AGM by individual shareholders if required.
- The General Manager again reiterated that should any person wish to purchase Elgin Fruitgrowers shares, the procedure to follow would be to make contact with the share desk, situated at BBR Van Der Grijp and Associates.

Vergadering verdaag

Aangesien geen verdere sake geopper word nie. Verklaar die Voorsitter die vergadering gesluit.

CHAIRMAN

DATE