



ELGIN
FRUITGROWERS
(PTY) LTD

**MINUTES OF THE 12TH ANNUAL GENERAL MEETING
OF ELGIN FRUITGROWERS PROPRIETARY LIMITED
HELD IN THE ELGIN FRUITGROWERS HALL
ON THURSDAY 01 NOVEMBER 2018**

Present

P.D Kilpin (in the chair)

Directors:

I. Walton
K. Bradley

A. Smith D. Mudge
G. Brown (General Manager/Company Secretary)

Shareholders:

Andrew John Selfe
Cornelius Keevy
Elgin Orchards (Pty) Ltd
Kentucky Farm Cape CC
Restanwold Trust
The Yorkshire Trust

Bradpak Orchards (Pty) Ltd
Derek Corder Family Trust
Glen Fruin Farms (Pty) Ltd
Mark Stanford
Susan Anita Cunningham
Chiltern Farms (Pty) Ltd
Desmond Mudge Trust
Gregory John Brown
Jeremy Arthur James Ricketts
The Fruitways Group (Pty) Ltd

Proxy

Braeview Farm CC	– held by Ian Walton
Vredelust Farm	– held by Phil Kilpin
Bruce Quinton Barrow	– held by Chairman
Morgenster (Cape Vintage)	– held by Chairman
P Reuvers of Texel	– held by Alastair Smith
Merryells CC	– held by Chairman
Adriaan Hendrick Botha	– held by Chairman
The Trelawney Trust	– held by Chairman
JJ Smith	– held by Alastair Smith

By Invitation

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

Verskonings vir afwesigheid

The Valley Family Trust (Michael Du Toit)
Stuart Maxwell
David Charles Cooper Evans

Prayer

Mr A Smith 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 A. Smith, seconded D. Corder)

Notule

Aangesien die notule van die vorige Algemene Jaarvergadering gehou op 11 October 2017 reeds gesirkuleer was, is dit as gelese beskou, bevestig dat dit in orde is, en dienooreenkomstig deur die Voorsitter geteken.

(Resolution 1 - Proposed D. Corder, seconded I. Walton)

Chairman's Address

CHAIRMAN'S REPORT – ELGIN FRUITGROWERS 2018

Ladies and gentlemen, welcome to our 12th AGM as a company (Ltd or Pty) and 95th year of our existence as a service provider to the Elgin district.

It has been another very satisfactory year and a lot has been achieved. As always, in reporting back I cover the financial year under review and also some items and events falling in the current new financial year.

An enormous amount of work has been done on the buildings of the various properties this past 18 months and I am sure you will all agree that everything is looking pretty smart and up-to-date.

The area down at Alquan/AME has been cleaned up, walled and fenced. A new conservancy tank is being installed to cope with demand for toilets in all the leased premises up the hill. Another small storage shed is being built there too. Alquan has contributed to a further extension of the AME steel building. Parking under shade has also been installed in various spots there.

The splitting of one of the warehouses has been completed for Intelligro to move into and to provide more storage for 4 Every Event.

Garages at the back of the offices have been secured to create a small workshop for Jaco Groenewald.

Part of the building has been converted into a security house with bed, shower and toilet for security personnel.

A secure structure has also been erected this side of the flats to act as a staffroom for Marco and his team.

The rest of the store-secure site has been walled in preparation for a future project.

The 4 Every Event site has now been brick-paved and walled and pillared, as has the New Holland and Bear and Barrel roadside. The authorities were a little obstructive at first but soon realized the benefits of having new pavements done for free.

The façade of the New Holland building has been improved. The site in the back of this premise has been walled and prepared for another future development.

The Bear and the Barrel which is in a shocking state because of vandalization, coming mostly from under the bridge, has now been secured until such time as this area can be upgraded. The idea is to upgrade Palmiet House and sell the property. This will pay off a bond and release much-needed cash to upgrade The Bear and the Barrel.

A painting programme on all the buildings is currently in progress. Fencing of the waterfront is also planned for security reasons.

Your company has produced a really good set of financials this year. The profit of R 8 185 049 is obviously inflated by the re-valuation of the main property , which I alluded to last year. However, one must delve a bit deeper to see what has happened.

Rental and rebate income has increased by 6,2% and pleasingly, costs have been reduced by 7,7%. The contributors here were bank charges, finance costs, telephone and repairs and maintenance, buildings and other.

The Kaap Agri rebate income increase of 5,6% is a little disturbing and would possibly indicate that their turnover increase is a purely inflationary one.

Some shareholders might be asking the question as to should the company not be declaring dividends. The answer at this stage is 'no'. Dividends can only come from retained income which currently stands at R 2 413 429 divided by 84M shares = 2,87 c/s. After dividend tax this would amount to 2,3 c/s or R 23/1000 shares or R2300/100 000 shares.

In this process, the NAV of the company would drop. As we speak, the liquidity ratio of the company is in a debt trap situation. Current liabilities exceed current assets by a ratio of 3 to 1.

Dividends can therefore not be declared because a company must be liquid after a dividend declaration. The current NAV of the company is 28,5 c/share, of which 10% is retained income, the rest being reserves and share capital. Last year the NAV was about 19 cents.

I will leave further discussion on the financials to Greg after my address.

Your board has been dedicated and has striven to ensure the future well-being of this 95 year old business. We are all getting older. Ian has now retired as Vice Chairman, but is happily remaining as a normal Board Member, with Keith Bradley taking over as Vice, if again nominated. I am due to retire in the not too distant future. With this in mind and the fact that people are not waiting in the wings to join the board, your board has developed a succession plan as a basis for going forward.

Finally, my thanks to Greg and his team for their dedicated and sterling work, done at times during periods of deep personal stress and worry. Thanks to Clive for his team's accounting and to Brian and his team for the audit and their great support. Lastly, thanks to my board for their wise council and on-going service to the community.

Directors' Report, Auditors Report and Financial Statements

General Manager presented a summarised report on Fruitgrowers financial position.

INCOME STATEMENT

R'000

INCOME

Description	F17	F18	Growth	%
Rental	3358	3573	215	6.4
% Sales Rebate – KAgri	931	984	53	5.7
Leaf Analysis (net)	72	82	10	13.9
Asset/Share Disposal	20	-	(20)	-
Fair Value Adjustment	-	9971	9971	-
Interest Received	-	-	-	-
TOTAL INCOME	4381	14610	10229	233.5

EXPENSES

Description	F17	F18	Growth	%
Admin Costs	139	181	(42)	30.0
Donations	-	14	(14)	-
Employee Costs	1253	1374	(121)	(9.7)
Finance Costs	725	638	87	12
Municipal Costs	388	462	(74)	(19.1)
Operational Expenses	1570	1080	490	31.2
Post Retirement (Med)	256	250	6	2.3
TOTAL EXPENSES	4331	3999	332	7.7

F17 F18 %

NET PROFIT BEFORE TAX

50 10611

Adjusted by Abnormal Expenses

Less Asset/Share Disposal	(20)	-
Fair Value Adjustment	-	(9971)
	30	640
Plus Major Property Improvements	1032	512
Post Retirement (Medical)	254	250

ADJUSTED NET PROFIT BEFORE TAX

1316	1402	6.6
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The Directors' Report, Auditors and Financial Accounts were unanimously adopted.
(Resolution 2 - Proposed P. Kilpin, seconded C. Keevy)

Verkieping van Direkteure

Drie nominasies is ontvang vir die vakature wat ontstaan het as gevolg van uittrede van direkteure. Die genomineerde is Desmond Mudge, Alastair Smith en Keith Bradley.
(Resolution 3 – Voorsteller G. Brown, sekondant A. Moodie)

Verkieping 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 A. Selfe, sekondant J. Heyns)

Other Business

- General Manager obtained authorisation from the floor for the budgeted director fees to be paid.
(Proposed M. Stanford, seconded C. Keevy)
- 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