



ELGIN
FRUITGROWERS
(PTY) LTD

**MINUTES OF THE 13TH ANNUAL GENERAL MEETING
OF ELGIN FRUITGROWERS PROPRIETARY LIMITED
HELD IN THE ELGIN FRUITGROWERS HALL
ON WEDNESDAY 22 MAY 2019**

Present

P.D Kilpin (in the chair)

Directors:

I. Walton (Not present – Apologies)
D. Mudge (Not present – Apologies)

A. Smith K. Bradley
G. Brown (General Manager/Company Secretary)

Shareholders:

Bradpak Orchards (Pty) Ltd	Die JS Beukes Trust	Glen Fruin Farms (Pty) Ltd
Gregory John Brown	Highlands Trust	JS Beukes (Edms) Bpk
Kentucky Farm Cape CC	Spioenkop Boerdery	JSS Beukes of Dennegeur Boerdery
Susan Anita Cunningham	The Yorkshire Trust	The Fruitways Group (Pty) Ltd

Proxy

Ian Harris Walton	– held by Chairman
Desmond Gerald Arthur Mudge	– held by Greg Brown
Chiltern Farms (Pty) Ltd	– held by Greg Brown
Oak Valley Estate (Pty) Ltd	– held by Chairman
JJ Erwee of Monteith Trust	– held by Chairman
Bruce Quinton Barrow	– held by Chairman
Restanwold Trust	– held by Chairman
Derek Corder Family Trust	– held by Chairman
Merryells CC	– held by Chairman
Andrew John Selfe	– held by Chairman
Patrick Stewart Murray	– held by Chairman
GP Dall (Vredelust Farm)	– held by Phil Kilpin
Gannapan Boerdery CC	– held by Chairman

By Invitation

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

Verskonings vir afwesigheid

Jeremy Arthur James Ricketts
Nicholaas Basson Rust

Prayer

No 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 G. Shaw, seconded A. Smith)

Notule

Aangesien die notule van die vorige Algemene Jaarvergadering gehou op 01 November 2018 reeds gesirkuleer was, is dit as gelese beskou, bevestig dat dit in orde is, en dienooreenkomstig deur die Voorsitter geteken.

(Resolution 1 - Proposed J. Heyns, seconded A. Moodie)

Chairman's Address

CHAIRMAN'S REPORT – ELGIN FRUITGROWERS (PTY) LTD 2019

Welcome all to this our 13th AGM and 96th year of existence in the Elgin district.

My address will be very brief this year. The brevity is, however, not an indication that nothing has happened. Virtually all the things mentioned in detail in my last year's report have been completed this year.

They are:-

- Work at Alquan/AME
- Splitting the Intelligro/4 Every Event warehouse
- Toilets in the Nexus warehouse
- Jaco Groenewald's garage behind the offices
- Security House with bed, shower and toilet
- Staffroom
- Completion of walls and pillars in front of 4 Every Event, New Holland and the Bear and the Barrel
- New Holland façade and preparation of site at the back of this property for further warehouses
- Temporary securing of the Bear and the Barrel
- The 6th flat has now been upgraded, garage security and car park canopies have been put up
- On top of all this, painting of the properties continued and huge strides have been made in upgrading the Palmiet House

The main goal at the moment is to prepare Palmiet House for sale at an estimated 2M profit which will pay off the bond and free up capital to re-roof New Holland, re-develop The Bear and the Barrel (with zinc type roof as it was originally) and to secure the river frontage which is now very exposed to vagrants and thieves.

The financial results of the company are again good this year. The after tax profit for the year of R 2,640 369 is obviously down from last year 's R8,185 050 due to the revaluation of the main property last year. However, this year's profit does include a fair value adjustment for the other properties.

Rental income has increased by 7,84% and rebate income by 5,29%. The total rental and rebate income has increased by R 332,199 or 7,29% .

Costs have increased by 23,1% . While most costs have been contained or reduced, employee costs have increased by 25,5% while building maintenance and improvement costs have increased by 72% . I will ask Greg to speak to these and give more clarity.

The NAV of the company shares has increased again this year from last year's 28,5 c/share to 31,33 c/share (in the 2017 year the NAV was 19c/share).

The company's current asset ratio is still 1:3.5 . While this is not uncommon for a property leasing company and is one of the reasons it cannot look at dividend distributions, the sale of Palmiet House should change this position. It is gratifying to note that finance costs have started to reduce, this year by R 60 624. The mortgage bond on Palmiet house will be paid off after the sale of the house and the two bonds on erfs 1257 and 5140 will be paid off in 2025.

You will also notice that issued shares have increased by R 120 000. This was an amount sanctioned by your board for the extra amount of work Greg put into the conversion of EFG from a Co-op into a Company in 2007.

I said I would be brief, so, finally my thanks to Greg for his dedicated efforts on behalf of EFG. I would be remiss if I did not mention Meagan , who is expanding her knowledge of the business daily , and Marco and his team. Marco has recovered well from his injuries and has done excellent work.

To Clive (Apple Accounting) and Brian (TGS SA Inc) the auditors, my thanks.

Ian, has stood down as vice chair but remains on the Board. My thanks to him and also to Keith for taking up Ian's position and to Alastair and Des for their support on the Board.

Directors' Report, Auditors Report and Financial Statements

General Manager presented a summarised report on Fruitgrowers financial position.

INCOME STATEMENT

R'000

INCOME

Description	F18	F19	Growth	%
Rental	3573	3853	280	7.8
% Sales Rebate – KAgri	984	1036	52	5.3
Leaf Analysis (net)	82	53	(29)	(35.4)
Asset/Share Disposal	-	-	-	-
Fair Value Adjustment	9971	3415	(6556)	(65.8)
Interest Received	-	-	-	-
TOTAL INCOME	14610	8357	(6253)	(42.8)

EXPENSES

Description	F18	F19	Growth	%
Admin Costs	181	172	9	5.0
Donations	14	13	1	(7.1)
Employee Costs	1374	1697	(323)	(23.5)
Finance Costs	638	577	61	9.6
Municipal Costs	462	431	31	(6.7)
Operational Expenses	1080	1858	(778)	(72.0)
Post Retirement (Med)	250	178	72	28.8
TOTAL EXPENSES	3999	4926	(927)	(23.2)

	F18	F19	%
NET PROFIT BEFORE TAX	10611	3431	

Adjusted by Abnormal Expenses

Less Fair Value Adjustment	(9971)	(3415)
	640	16
Plus Major Property Improvements	512	974
Post Retirement (Medical)	250	178

ADJUSTED NET PROFIT BEFORE TAX

1402 1168 (16.7)

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

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 J. Heyns)

Verkiesing van Ouditeure

TGS South Africa Incorporated 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 G. Shaw, sekondant A. Smith)

Other Business

- General Manager obtained authorisation from the floor for the budgeted director fees to be paid.
(Proposed J. Heyns, seconded A. Moodie)
- 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 TGS South Africa Incorporated (previously BBR Van Der Grijp and Associates) based in Somerset West.

Vergadering verdaag

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

CHAIRMAN

DATE