

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(Registration number 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021

accounting • tax • statutory

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ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

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	PD Kilpin KM Bradley DGA Nudge AJM Smith G Brown
Registered office	Main Road Grabouw 7160
Business address	Main Road Grabouw 7160
Postal address	PO Box 650 Grabouw 7160
Bankers	ABSA Bank Limited Standard Bank of South Africa Limited
Auditors	TGS South Africa Incorporated Chartered Accountants (S.A.) Registered Auditors
Secretary	G Brown
Company registration number	2007/012074/07
Tax reference number	9200121714
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008.
Preparer	The annual financial statements were independently compiled by: 1.2.3. Consulting Proprietary Limited Represented by: R Eales Professional Accountant (S.A.)
Issued	23 September 2021



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Index

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

	Page
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' 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 - 15
Notes to the Annual Financial Statements	16 - 23
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement (Operational)	24
Tax Computation	25



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Directors' Responsibilities and Approval

The directors are required by the Companies Act No. 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 directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include effective accounting procedures 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 2022 and, in the light of this review and the current financial position, they are satisfied that the company 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 4 to 5.

The annual financial statements set out on pages 6 to 25, which have been prepared on the going concern basis, were approved by the directors on 23 September 2021 and were signed on their behalf by:



PD Kilpin



KM Bradley



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 pages 8 to 23, which comprise the statement of financial position as at 28 February 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act No. 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 sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to paragraph 9 of the Directors' Report which indicates that management anticipate the health risk of the COVID-19 virus and the declared South African national disaster to have a negative impact on future income. The events and conditions stated in the note indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Uncertainties related to the potential effects of COVID-19 are relevant to understand our audit of the annual financial statements. All audits assess and challenge the reasonableness of estimates made by the company, the related disclosures and the appropriateness of the going concern assumption of the annual financial statements. The appropriateness of the going concern assumption depends on assessments of the future economic environment and the company's future prospects and performance. The COVID-19 pandemic is a "black-swan" event which is anticipated to create challenges for humanity and for the global economy, and at the date of this report its effects are subject to levels of uncertainty. An audit cannot predict the unknown factors or all possible future implications for the company and this is particularly the case in relation to COVID-19.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact 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 information included in the document titled "Elgin Fruitgrowers Proprietary Limited annual financial statements for the year ended 28 February 2021", which includes the Directors' Report as required by the Companies Act No. 71 of 2008 and the Detailed Income Statement (Operational) and the Tax Computation which we obtained prior to the date of this report. The 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 on the other information obtained prior to the date of this auditor's report, 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

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 the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act No. 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
Director
Chartered Accountants (S.A.)
Registered Auditors

23 September 2021
Strand

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Directors' Report

The directors submit their report on the annual financial statements of Elgin Fruitgrowers Proprietary Limited for the year ended 28 February 2021.

1. Nature of business

Elgin Fruitgrowers Proprietary Limited is a property holding company 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 No. 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

The directors do not recommend the declaration of a dividend for the year.

5. Directors

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

Names

PD Kilpin	Chairperson
KM Bradley	Vice chairperson
DGA Nudge	
AJM Smith	
G Brown	

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.



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Directors' Report

9. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors anticipate the health risk of the COVID-19 virus and the declared South African national disaster may have a negative impact on future income of the company, and the existence of this material uncertainty may cast significant doubt on the company's ability to continue as a going concern. However the appropriateness of the going concern assumption depends on assessments of the future economic environment and the company's future prospects and performances which are unknown. The COVID-19 pandemic is a "black-swan" event which is anticipated to create challenges for humanity and for the global economy, and at the date of this report its effects are subject to levels of uncertainty out of the directors' control.

Although management at this stage cannot predict the unknown factors or all possible future implications for the company they concluded, due to the strength of its financial resources and funding secured, the company will continue to operate as a going concern.

10. Auditors

TGS South Africa Incorporated continued in office as auditors for the company for 2021.



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Statement of Financial Position as at 28 February 2021

	Notes	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	315,875	421,270
Investment property at fair value	3	38,500,000	38,500,000
Other financial assets	4	1,446	1,446
Deferred tax	5	184,447	184,447
		39,001,768	39,107,163
Current Assets			
Trade and other receivables	6	891,787	1,023,457
Cash and cash equivalents	7	111,415	16,908
		1,003,202	1,040,365
Total Assets		40,004,970	40,147,528
Equity and Liabilities			
Equity			
Share capital	8	8,524,157	8,524,157
Reserves	9	15,777,288	15,777,288
Retained income		3,551,107	2,814,928
		27,852,552	27,116,373
Liabilities			
Non-Current Liabilities			
Deferred tax	5	4,554,269	4,554,269
Other financial liabilities	10	3,027,495	3,828,244
Finance lease liabilities	11	221,094	328,129
Post-retirement medical benefits	12	658,736	658,736
		8,461,594	9,369,378
Current Liabilities			
Bank overdraft	7	-	870,242
Other financial liabilities	10	1,768,574	1,228,981
Finance lease liabilities	11	125,853	133,230
Trade and other payables	13	1,496,447	1,399,357
Current tax payable		299,950	29,967
		3,690,824	3,661,777
Total Liabilities		12,152,418	13,031,155
Total Equity and Liabilities		40,004,970	40,147,528



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Statement of Comprehensive Income

	Notes	2021 R	2020 R
Revenue		5,134,604	5,373,357
Other income		83,822	225,821
Operating expenses		(3,779,214)	(4,507,312)
Operating profit	14	1,439,212	1,091,866
Investment revenue	15	82	130
Finance costs	17	(403,132)	(620,910)
Profit before taxation		1,036,162	471,086
Taxation	19	(299,983)	(59,917)
Profit for the year		736,179	411,169



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Statement of Changes in Equity

	Share capital	Reserve for fair value of property	Retained income	Total equity
	R	R	R	R
Balance at 01 March 2019	8,524,157	15,777,288	2,403,759	26,705,204
Profit for the year	-	-	411,169	411,169
Balance at 01 March 2020	8,524,157	15,777,288	2,814,928	27,116,373
Profit for the year	-	-	736,179	736,179
Balance at 28 February 2021	8,524,157	15,777,288	3,551,107	27,852,552
Note	8	9		



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Statement of Cash Flows

	Notes	2021 R	2020 R
Cash flows from operating activities			
Cash generated from operations	20	1,773,367	406,117
Interest income		82	130
Finance costs		(403,132)	(620,910)
Tax paid		(30,000)	(49,625)
Net cash from operating activities		1,340,317	(264,288)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(548,101)
Sale of property, plant and equipment	2	-	120,000
Net cash from investing activities		-	(428,101)
Cash flows from financing activities			
Movement of other financial liabilities		(261,156)	(509,617)
Finance lease payments		(114,412)	461,363
Net cash from financing activities		(375,568)	(48,254)
Total cash movement for the year		964,749	(740,643)
Cash at the beginning of the year		(853,334)	(112,691)
Total cash at end of the year	7	111,415	(853,334)



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

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 No. 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

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

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.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

1.2 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

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.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an investment property 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 investment property, the carrying amount of the replaced item is derecognised.



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Accounting Policies

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

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.

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.



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Accounting Policies

1.5 Tax (continued)

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 to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

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 or investment property on the cost model 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.

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.



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Accounting Policies

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 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
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

Notes to the Annual Financial Statements

2021

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2020

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2. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	37,841	(37,839)	2	37,841	(37,841)	-
Furniture and fixtures	14,867	(14,865)	2	14,867	(14,757)	110
Motor vehicles	531,449	(215,578)	315,871	531,449	(110,289)	421,160
Total	584,157	(268,282)	315,875	584,157	(162,887)	421,270

Reconciliation of property, plant and equipment - 2021

	Opening balance	Depreciation	Closing balance
Plant and machinery	-	2	2
Furniture and fixtures	110	(108)	2
Motor vehicles	421,160	(105,289)	315,871
	421,270	(105,395)	315,875

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Furniture and fixtures	3,716	-	-	(3,606)	110
Motor vehicles	1	548,101	(21,652)	(105,290)	421,160
	3,717	548,101	(21,652)	(108,896)	421,270

Property, plant and equipment encumbered as security

The following assets have been encumbered as security for the secured long-term borrowings (refer to note 11):

Motor vehicles	315,871	421,160
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3. Investment property at fair value

Reconciliation of investment property at fair value - 2021

	Opening balance	Total
Investment property	38,500,000	38,500,000

Reconciliation of investment property at fair value - 2020

	Opening balance	Total
Investment property	38,500,000	38,500,000



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

2021
R

2020
R

3. Investment property at fair value (continued)

Investment property at fair value encumbered as security

The following investment property held at fair value have been encumbered as security for the secured long-term borrowing (Refer to note 10):

Investment properties	38,500,000	38,500,000
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Details of properties

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.

- 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

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.

- Purchase price: 29 April 2008
- Fair value adjustment - 28 February 2019

1,800,000	1,800,000
700,000	700,000
2,500,000	2,500,000

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	1,475,000
2,000,000	2,000,000

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	1,100,000
5,400,000	5,400,000

Property 5

Being Erf 5140 situated in the municipal district of Grabouw, in the division of Caledon, Western Cape, measuring 3 077 square meters.

- Purchase price: 26 March 2015
- Fair value adjustment - 28 February 2019

3,500,000	3,500,000
300,000	300,000
3,800,000	3,800,000



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

2021
R

2020
R

3. Investment property at fair value (continued)

Details of valuation

The valuation of Farm 319 Portion 58 was performed on 28 February 2018 and the valuation of all the other properties, except for Farm 319 Portion 18 were performed on 28 February 2019 by an independent valuer, W Jooste (Professional Valuer, reg no. 2628), of Proval Valuations CC. The valuation of 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 property.

4. Other financial assets

At fair value

Unlisted shares	1,446	1,446
Villiersdorp Kooperasie Limited - 723 Ordinary shares at R2 each		

Non-current assets

At fair value	1,446	1,446
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5. Deferred tax

Deferred tax liability	(4,554,269)	(4,554,269)
Deferred tax asset	184,447	184,447

Total net deferred tax liability

(4,369,822)	(4,369,822)
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The major components of the deferred tax balance are as follows:

Deferred tax liability

Revaluation of investment property and share investments	(4,554,269)	(4,554,269)
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Deferred tax asset

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

At beginning of year	(4,369,822)	(4,369,822)
At end of year	(4,369,822)	(4,369,822)

6. Trade and other receivables

Trade receivables	841,353	976,612
Deposits	50,434	46,845
	891,787	1,023,457



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

2021
R

2020
R

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	9,118	12,808
Bank balances	98,115	-
Short-term deposits	4,182	4,100
Bank overdraft	-	(870,242)
	111,415	(853,334)
Current assets	111,415	16,908
Current liabilities	-	(870,242)
	111,415	(853,334)

8. Share capital

Authorised

200 000 000 Ordinary shares of 10c each	20,000,000	20,000,000
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Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued

85 241 569 Ordinary shares of 10c each (2019: 85 241 569 Ordinary shares)	8,524,157	8,524,157
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9. Revaluation reserve - investment property

Revaluation of investment property	20,331,556	20,331,556
Less: Deferred taxation	(4,554,268)	(4,554,268)
	15,777,288	15,777,288

10. Other financial liabilities

At fair value

Loans from directors	1,027,536	709,818
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The loans are unsecured, bear interest at 9.25% (2020: 9.25%) per annum and have no terms of repayment.



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

2021
R

2020
R

10. Other financial liabilities (continued)

At amortised cost

ABSA Bank Limited - Mortgage bond 1,067,349 1,155,562
 The mortgage bond is secured over Erf 319 (refer to note 3), bears interest at the prime rate less 0.35% (2020: 6.65%) per annum, repayable in monthly installments of R 13 877 (2020: R 9 215) with the final installment due in October 2029.

ABSA Bank Limited - Medium Term Loan 1 1,904,832 2,253,527
 The medium term loan is secured over Erf 1257 and Erf 1337 (refer to note 3), bears interest at the prime rate less 0.25% (2020: 7%) per annum, repayable in monthly installments of R 41 866 (2020: R44 751) with the final installment due in February 2025.

ABSA Bank Limited - Medium Term Loan 2 796,352 938,318
 The medium term loan is secured over Erf 5140 (refer to note 3), bears interest at the prime rate (2020: 7%) per annum, repayable in monthly installments of R 17 515 (2020: R18 733) with the final installment due in August 2025.

3,768,533	4,347,407
4,796,069	5,057,225

Non-current liabilities

At amortised cost 3,027,495 3,828,244

Current liabilities

At fair value 1,027,536 709,818
 At amortised cost 741,038 519,163

1,768,574	1,228,981
4,796,069	5,057,225

11. Finance lease liabilities

Minimum lease payments which fall due

- within one year 115,241 132,402
 - in second to fifth year inclusive 415,874 548,930

531,115	681,332
(184,168)	(219,973)

Less: future finance charges

Present value of minimum lease payments

346,947	461,359
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Non-current liabilities	221,094	328,129
Current liabilities	125,853	133,230
	346,947	461,359

It is company policy to lease certain motor vehicles and equipment under finance leases.

The average lease term is 4 years (2020:5 years) and the average effective borrowing rate is 7% (2020: 11%).

The company's obligations under finance leases are secured by the leased assets. Refer note 2.



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
12. Post-retirement medical benefits		
Reconciliation of post-retirement medical benefits - 2021		
	Opening balance	Total
Provision for employee post-retirement medical benefits	658,736	658,736
Reconciliation of post-retirement medical benefits - 2020		
	Opening balance	Total
Provision for employee post-retirement medical benefits	658,736	658,736
13. Trade and other payables		
Trade payables	1,366,384	1,362,998
VAT	130,063	32,859
Deposits received	-	3,500
	1,496,447	1,399,357
14. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Gains on disposal of asset	-	98,348
Depreciation on property, plant and equipment	105,396	108,897
Employee costs	1,655,051	1,583,746
15. Investment revenue		
Interest revenue		
Bank	82	130
16. Auditor's remuneration		
Fees	35,360	38,000
17. Finance costs		
Non-current borrowings	367,327	576,294
Directors loans	35,805	44,616
	403,132	620,910



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

	2021	2020
	R	R
18. Operational expenses		
Bad debts	3,106	10,198
Garden services	49,540	55,500
Insurance	327,762	316,678
Maintenance - Buildings	93,597	292,953
Maintenance - Equipment	348,671	930,695
Motor vehicle - Fuel	69,004	90,998
Motor vehicle - Licence	1,814	-
Motor vehicle - Repairs	7,244	22,282
Security	148,694	136,912
	1,049,432	1,856,216
19. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	299,983	59,917
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	1,036,162	471,086
Tax at the applicable tax rate of 28% (2020: 28%)	290,125	131,904
Non-deductible expenses		
Penalties and interest	2,623	2,884
Other		
Prior period (over) under provisions in current tax	-	2,855
Temporary difference in audit and accounting provisions	7,235	1,631
Amounts received in advance - prior year	-	(51,820)
Recoupment of depreciation	-	(27,537)
	299,983	59,917
20. Cash generated from operations		
Profit before taxation	1,036,162	471,086
Adjustments for:		
Depreciation	105,396	108,897
Profit on disposal of assets	-	(98,348)
Interest received	(82)	(130)
Finance costs	403,132	620,910
Changes in working capital:		
Trade and other receivables	131,669	(71,399)
Trade and other payables	97,090	(624,899)
	1,773,367	406,117



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Notes to the Annual Financial Statements

	2021	2020
	R	R
21. Directors' remuneration		
Non-executive		
2021		
	Directors' fees	Total
For service as director	95,000	95,000
2020		
	Directors' fees	Total
For service as director	98,500	98,500
22. Related parties		
Relationships		
Members of key management (directors)	PD Kilpin KM Bradley DGA Mudge AJM Smith	
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	(1,027,536)	(709,818)
Related party transactions		
Interest paid to (received from) related parties		
Directors loans	79,195	44,616



ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

Detailed Income Statement (Operational)

	Notes	2021 R	2020 R
Revenue			
Rebate: Kaap Agri		1,093,452	1,125,597
Rental income		4,041,152	4,247,760
		5,134,604	5,373,357
Other income			
Leaf analysis income (net)		83,822	127,473
Interest received	15	82	130
Gains on disposal of assets		-	98,348
		83,904	225,951
Operating expenses			
Accounting fees		52,965	38,321
Auditors remuneration	16	35,360	38,000
Bank charges		41,249	44,277
Depreciation		105,396	108,897
Employee costs		1,655,051	1,583,746
Entertainment		36,932	24,275
Finance cost	17	403,132	620,910
Fines and penalties		9,367	10,301
Medical fees		197,837	207,256
Municipal costs		573,567	563,488
Operational expenses	18	1,049,432	1,856,216
Printing and stationary		6,527	15,773
Telephone and fax		5,029	6,880
Workmans compensation fund		10,502	9,882
		4,182,346	5,128,222
Profit before taxation		1,036,162	471,086
Taxation	19	(299,983)	(59,917)
Profit for the year		736,179	411,169



Elgin Fruitgrowers Proprietary Limited

(Taxpayer reference number 9200121714)

(Registration number: 2007/012074/07)

Annual Financial Statements for the year ended 28 February 2021

Tax Computation

	2021 R
Net profit per income statement	1,036,162
Temporary differences	
Audit fee - current year	57,880
Audit fee - prior year	(34,000)
Accounting fee - current year (Apple Accounting)	39,960
Accounting fee - prior year (Apple Accounting)	(38,000)
Penalties and fines	9,367
	35,207
Taxable income for 2021	1,071,369
Tax thereon @ 28% in the Rand	299,983
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	29,967
Tax owing/(prepaid) for the current year:	
Normal tax	
Per calculation	299,983
1st provisional payment	(15,000)
2nd provisional payment	(15,000)
	269,983
Amount owing/(prepaid) at the end of year	299,950

