



ELGIN  
FRUITGROWERS  
(PTY) LTD

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**MINUTES OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING  
OF ELGIN FRUITGROWERS PROPRIETARY LIMITED  
HELD IN THE ELGIN FRUITGROWERS HALL  
ON THURSDAY 21 OCTOBER 2021**

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**Present**

P.D Kilpin (in the chair)

**Directors:**

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

**Shareholders:**

Bradpak Orchards (Pty) Ltd	Chiltern Farms (Pty) Ltd	Desmond Mudge Trust
Glen Fruin Farms (Pty) Ltd	Gregory John Brown	Kentucky Farm Cape CC
The Gryphon Trust	The Yorkshire Trust	

**Proxy**

Alastair Geoffrey Kilpin	– held by Greg Brown
Andrew John Selfe	– held by Chairman
Andries Johannes Erwee	– held by Chairman
Braeview Farm CC	– held by Alastair Smith
De Rust Landgoed (Edms) Bpk	– held by Chairman
Derek Corder Family Trust	– held by Chairman
Drumearn (Pty) Ltd	– held by Brandon Myburgh
Highlands Trust	– held by Chairman
JJ Erwee of Monteith Trust	– held by Chairman
JS Beukes (Edms) Bpk	– held by Chairman
JSS Beukes of Dennegeur Boerdery	– held by Chairman
Merryells CC	– held by Chairman
P Reuvers of Texel	– held by Chairman
Spioenkop Boerdery	– held by Chairman
Susan Anita Cunningham	– held by Chairman
The Fruitways Group (Pty) Ltd	– held by Phil Kilpin
The Trelawney Trust	– held by Keith Bradley
Vredelust Farm (GP Dall)	– held by Phil Kilpin

**By Invitation**

TGS South Africa Incorporated (External Auditors) – present  
Clive Forbes (Apple Accounting – Internal Auditors) – present

**Apologies**

Nil

**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 D. Mudge, seconded J. Heyns)

## **Minutes**

Considering that the minutes of the previous Annual General Meeting held on 17 February 2021 have been circulated, it was seen as read, confirmed as correct, and accordingly signed by the Chairman.

(Resolution 1 - Proposed D. Mudge, seconded A. Smith)

## **Chairman's Address**

### CHAIRMAN'S REPORT - ELGIN FRUITGROWER'S (PTY) LTD 2021

Welcome to Elgin Fruitgrower's 15<sup>th</sup> AGM and 98<sup>th</sup> year of existence in Elgin. This report covers the 12 months ending February 2021, which has resulted in my reporting twice in one year because of the Covid-induced delays on the 2020 year end. Now we are back up to speed.

This financial year covers the really dark period of Covid with its lockdowns and restrictions. Close to 80% of your company's income is derived from rental of premises. The fortune of some of our tenants was more seriously affected by Covid than others. For example, hospitality tenants had to virtually close down whereas, say engineering, forged on because of fruit industry demand. Management assessed each one of its tenants and gave different forms of relief, in order to ensure the survival of these faithful businesses. This was done by reduced or no rental increases and by rent relief. We were successful in ensuring the survival of all but one tenant. The result of this was a reduced rental income for the year of 4,9% or R 207 000.

The rebate income also decreased by 2,8% because of Kaap Agri sales decreases. This is a little worrying. Despite the fact that it could be argued that the sales mix (direct vs indirect) could have changed and influenced income because the percentage of the two is different i.e less for direct, your Board knows that fuel sales have increased dramatically through more taxis, Agri Protection Services and large trucks. This being the case, fuel sales are hiding the jack or reduction of other sales by Kaap Agri, especially as prices of their products have also increased at the same time.

However, your Board and management have countered this income reduction by turning off the expenditure tap, as we have in the past, said we could do.

Financing costs have come down by 35% (R 218,000) and operational expenses by 41% (R 810,000). The company's total expenses have been reduced by

18,4% (R 945,000). This is a very positive state of affairs considering the torrid economic times being experienced in this country.

The current asset ratio of EFG is 1:3,67. The net asset value is 32,67 c/p/s

It is very pleasing to note that the bonds on two of the properties bought in the past will be fully paid off in four years time and that the third property's final bond instalment is due in October 2029. As has been the policy of your Board, the original main or old Co-op property remains unbonded.

On the leaf analysis front, income has been decreasing. EFG has been providing a service to growers for many years. As the dynamics have changed in Elgin and EFG has morphed, and people have retired and new managers and owners have moved into the district, institutional memory has faded. It is probably appropriate to remind shareholders that at one stage there was only one other leaf analysis provider in the district and this particular business provider had technical know-how which obviously EFG did not have. It was EFG's presence, however, that prevented a huge monopolistic increase in prices of leaf analysis samples. EFG will continue to serve producers leaf analysis needs for as long as it can help to contain costs for those producers.

EFG provides the administration function and the technical function is provided by Bemlab. This scheme does not prevent any grower from taking his results to any other technical service for further or more detailed analysis if needed.

Looking into the near future, property development will continue with the Grabouw Tool Hire Building upgrade, the Bear and the Barrel (new roof already completed), conservancy tank and building below Alquan, the entrance road and the continuation of the security fence below the flats and up to the bridge.

Lastly, I would like to take this opportunity to thank Greg and his team for their continued hard work and dedication to EFG. This has taken place through some Covid scares involving various people on or close to this team. Thank you all.

## **Directors' Report, Auditors Report and Financial Statements**

General Manager presented a summarised report on Fruitgrowers financial position.

# *2021 FINANCIAL REVIEW*

## *INCOME STATEMENT*

### **INCOME**

**R'000**

Description	F20	F21	Growth	%
Rental	4248	4041	(207)	(4.9)
% Sales Rebate – KAgri	1126	1094	(32)	(2.8)
Leaf Analysis (net)	127	84	(43)	(33.9)
Interest Received	-	-	-	-
Asset/Share Disposal	98	-	(98)	-
Fair Value Adjustment	-	-	-	-
<b>TOTAL INCOME</b>	<b>5599</b>	<b>5219</b>	<b>(380)</b>	<b>(6.8)</b>

## ***EXPENSES***

Description	F20	F21	Growth	%
Admin Costs	170	187	(17)	(10)
Donations	7	-	7	-
Employee Costs	1594	1666	(72)	(4.5)
Finance Costs	621	403	218	35.1
Municipal Costs	564	574	(10)	(1.8)
Operational Expenses	1965	1155	810	41.2
Post Retirement (Med)	207	198	9	4.3
<b>TOTAL EXPENSES</b>	<b>5128</b>	<b>4183</b>	<b>945</b>	<b>18.4</b>

	<b>F20</b>	<b>F21</b>	<b>%</b>
<b>NET PROFIT BEFORE TAX</b>	<b>471</b>	<b>1036</b>	

### ***Adjusted by Abnormal Expenses***

<b>Plus Major Property Improvements</b>	<b>931</b>	<b>349</b>
<b>Post Retirement (Medical)</b>	<b>207</b>	<b>198</b>

### **ADJUSTED NET PROFIT BEFORE TAX**

<b>1609</b>	<b>1583</b>	<b>1.6</b>
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The Directors' Report, Auditors and Financial Accounts were unanimously adopted.  
(Resolution 2 - Proposed P. Kilpin, seconded K. Bradley)

### **Election of Directors**

Three nomination were received for the vacancy that arose due to the retiring of a director.  
The nomination is P. Kilpin  
(Resolution 3 – Proposed G. Brown, seconded K. Bradley)

### **Appointment of Auditors**

TGS South Africa Incorporated were appointed and confirmed as the Elgin Fruitgrowers Auditors for the upcoming financial year, conditional to the acceptance of their quotation by the Board.  
(Resolution 4 – Proposed G. Brown, seconded A. Smith)

### **Other Business**

- General Manager obtained authorisation from the floor for the budgeted Directors Fees to be paid.  
(Proposed J. Heyns, seconded G. Brown)
- 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 Auditors website under the heading "clients" [www.brianvandergrijp.co.za](http://www.brianvandergrijp.co.za) – 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 based in Somerset West.

### **Meeting adjourned**

As no further matters arose. The Chairman declared the meeting closed.

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CHAIRMAN

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DATE