



ELGIN  
FRUITGROWERS  
(PTY) LTD

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**MINUTES OF THE 16<sup>TH</sup> ANNUAL GENERAL MEETING  
OF ELGIN FRUITGROWERS PROPRIETARY LIMITED  
HELD IN THE ELGIN FRUITGROWERS HALL  
ON WEDNESDAY 14 DECEMBER 2022**

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**Present**

P.D Kilpin (in the chair)

**Directors:**

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

**Shareholders:**

Andrew John Selfe	Bradpak Orchards (Pty) Ltd	Glen Fruin Farms (Pty) Ltd
Gregory John Brown	Kentucky Farm Cape CC	Nicholaas Basson Rust
The Gryphon Trust	The Yorkshire Trust	

**Proxy**

Desmond Gerald Arthur Mudge	– held by Chairman
Alastair Geoffrey Kilpin	– held by Phil Kilpin
Andries Johannes Erwee	– held by Chairman
Braeview Farm CC	– held by Keith Bradley
Bruce Quinton Barrow	– held by Chairman
Chiltern Farms (Pty)Ltd	– held by Chairman
Derek Corder Family Trust	– held by Chairman
Desmond Mudge Trust	– held by Chairman
JJ Erwee of Monteith Trust	– held by Chairman
JJ Smith	– held by Chairman
Merryells CC	– held by Chairman
P Reuvers of Texel	– held by Chairman
Patrick Stewart Murray	– held by Chairman
The Trelawney Trust	– held by Chairman

**By Invitation**

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

**Apologies**

Andries Erwee  
Duncan Churchman

**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 A. Selfe, seconded K. Bradley)

### **Minutes**

Considering that the minutes of the previous Annual General Meeting held on 21 October 2021 have been circulated, it was seen as read, confirmed as correct, and accordingly signed by the Chairman.

(Resolution 1 - Proposed A. Smith, seconded K. Bradley)

### **Chairman's Address**

#### **Chairman's Report Elgin Fruitgrowers (Pty) Ltd 2022**

Welcome and good evening to you all, to this the 16<sup>th</sup> AGM of the company and its 99<sup>th</sup> year of existence. I think this is probably the latest we have held an AGM after year end, for which your board apologises. A lot has happened and is happening since the 28<sup>th</sup> February 2022 to the present day. I will try to restrict my brief report to the year's events prior to Feb 2022.

Greg will speak to the financials after my report but suffice to say, EFG's revenue has increased by 10,7% on 2021's figure to R 5,68M ( a very pleasing portion of the increase includes a year on year Kaap Agri rebate of 18,4%, which hopefully means an actual increase on sales, fuel excluded). While expenses have increased by 25%, most expenses have been contained or reduced , except for wages(9,9% increase) and direct operational expenses which have increased by just over R1M. This seemingly high figure has partly been the hangover from Covid 19 and much needed upgrading.

Our current asset to current liability ratio is close to 1 to 4, which is similar to last year. It would appear that the company's liquidity is suspect. This in fact is not true as your Board can turn off upgrading expenses anytime, if needed (as was done in 2021) and furthermore I can assure shareholders that our balance sheet will be drastically improved at the next year's end in February 2023, due to what is currently happening in the business.

For the record, this year's after tax profit is R 375 186, compared to last year's R 736 179. The net asset value of this business is 33,6cents per issued share. This could change in the near future, depending on the results of new valuations to be done on the properties. Your Board has, on the advice of our auditors, agreed to revalue the main property in 2023 and the rest of the properties in 2024.

Last year EFG carried out the leaf analysis programme again. In my address last year, I alluded to the importance and significance of this project. I appeal to shareholders and others who are not using the service to give it consideration. EFG will provide this service for as long as it is of benefit to growers and financially viable.

Our available stock of sites of 41 is fully subscribed bar 2. Those being Jaco Groenewald who, after many years, is moving to his own premises in January and we wish him well. The other is the Bear and the Barrel which, after refurbishment in the New Year, will be let out to an already appointed tenant. We have 40 tenants

at the moment. There has been a small amount of tenant shifting within the business.

Recent past, present , and near future projects include, the entrance road, the borehole and pumphouse at the main entrance , Grabouw Tool Hire building changes and Elgin Gas moving in, the Bear and Barrel roof completed, the rest of the building to be tackled soon , and the rest of the river frontage fence needs completion. Security is an on-going problem.

Plans have been drawn up for the borehole pumphouse and for the prospective warehouse on Property 5, behind Property 3. The borehole was considered by your Board in light of intermittent supply with poor water pressure from the Municipality and the high tariffs accompanying the supply. EFG should be able to redeem the investment in 2 years. The water is of a good quality.

Another event that occurred after year end was a fire which started on the Peace Park Property and moved across the river onto Palmiet Farm. The fire was subdued but a wind switch towards evening caused the fire to flare up again and in a matter of minutes enveloped Property 2 where the old thatch house caught fire and burnt to the ground. A helicopter dumping water on the main house saved it from catching fire. This event took place during negotiations to sell the property. A re-negotiated price plus a swift insurance pay-out (we have a good name with our insurer) left both parties in a better space than before the fire .

Lastly, it is my pleasure to thank Greg, Meagan, Marco and his team and Clive on the accounting side, for their dedicated and valuable input. It makes the job of your Board all that much easier.

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

General Manager presented a summarised report on Fruitgrowers financial position.

**F2022 FINANCIAL REVIEW****INCOME STATEMENT**

R'000

**INCOME**

Description	F21	F22	Growth	%
Rental	4041	4389	348	8.6
% Sales Rebate – KAgri	1094	1294	200	18.3
Leaf Analysis (net)	84	88	4	4.8
Interest Received	-	-	-	-
Asset/Share Disposal	-	-	-	-
Fair Value Adjustment	-	-	-	-
<b>TOTAL INCOME</b>	<b>5219</b>	<b>5771</b>	<b>552</b>	<b>10.6</b>

**EXPENSES**

Description	F21	F22	Growth	%
Admin Costs	187	218	(31)	(16.6)
Donations	-	-	-	-
Employee Costs	1666	1824	(158)	(9.4)
Finance Costs	403	353	50	12.4
Municipal Costs	574	489	85	14.8
Operational Expenses	1155	2177	(1022)	(88.4)
Post Retirement (Med)	198	168	30	152
<b>TOTAL EXPENSES</b>	<b>4183</b>	<b>5229</b>	<b>(1046)</b>	<b>(25.0)</b>

	F21	F22	%
<b>NET PROFIT BEFORE TAX</b>	<b>1036</b>	<b>542</b>	

**Adjusted by Abnormal Expenses**

<b>Plus Major Property Improvements</b>	<b>349</b>	<b>947</b>
<b>Post Retirement (Medical)</b>	<b>198</b>	<b>168</b>

**ADJUSTED NET PROFIT BEFORE TAX**

<b>1583</b>	<b>1657</b>	<b>4.8</b>
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The Directors' Report, Auditors and Financial Accounts were unanimously adopted.  
(Resolution 2 - Proposed P. Kilpin, seconded A. Selfe)

### **Election of Directors**

Three nominations were received for the vacancies that arose due to the retiring of the three Directors. The nominations are K. Bradley, A. Smith and D. Mudge  
(Resolution 3 – Proposed G. Brown, seconded N. Rust)

### **Appointment of Auditors**

The Elgin Fruitgrowers Board of Directors, are given the authority to appoint Auditors for the next Financial Year, 28 February 2023, and until the conclusion of the next Annual General Meeting of the Company.  
(Resolution 4 – Proposed N. Rust, 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.
- Raised from the floor, was the subject of whether Elgin Fruitgrowers were interested, or had any intention of purchasing "Harris Brothers" as it has recently come on to the market.  
The General Manager confirmed that it fell into the category of "adjoining premises", but are currently not in "the market" to purchase.

### **Meeting adjourned**

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

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CHAIRMAN

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DATE