

**ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

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 Mudge AJM Smith
Registered office	Main Road Grabouw 7160
Business address	Main Road Grabouw 7160
Postal address	PO Box 650 Grabouw 7160
Bankers	ABSA Bank Limited
Auditors	Gryphon Auditors Western Cape Incorporated Chartered Accountants (SA) Registered Auditors 7129
Secretary	GJ 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: Brincon CC Represented by: TA Butcher Professional Accountant (S.A.)
Issued	28 September 2023

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Index

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

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 14
Notes to the Annual Financial Statements	15 - 23

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

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 sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is 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 29 February 2024 and, in the light of this review and the current financial position, they are satisfied that the company has or 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 page 5-6.

The annual financial statements set out on pages 7 to 23, which have been prepared on the going concern basis, were approved by the directors on 28 September 2023 and were signed on its behalf by:

PD Kilpin

KM Bradley

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Elgin Fruitgrowers Proprietary Limited for the year ended 28 February 2023.

1. Nature of business

Elgin Fruitgrowers Proprietary Limited is a property holding company incorporated 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 Mudge	
AJM Smith	

There have been no changes to the directorate for the period under review.

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 resolutions

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.

9. Auditors

Gryphon Auditors Western Cape Incorporated continued in office as auditors for the company for 2023.



Gryphon Auditors Western Cape Incorporated

Registration: 2012/04472/21

CHARTERED ACCOUNTANTS (S.A.)

Practice No. 972082

Tel: 083 6754 106

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La Concorde

Somerset West 7130

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 (the company) set out on pages 7 to 23, which comprise the statement of financial position as at 28 February 2023, 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 2023, 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2023", which includes the Directors' Report as required by the Companies Act No. 71 of 2008, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. 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 and will 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.

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.

Gryphon Auditors Western Cape Incorporated
BBR van der Grijp
Director
Chartered Accountants (SA)
Registered Auditors

28 September 2023
Somerset West

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Statement of Financial Position as at 28 February 2023

	Notes	2023 R	2022 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	810,873	210,585
Investment property at fair value	3	36,000,000	38,500,000
Other financial assets	4	1,446	1,446
Deferred tax	5	267,737	184,447
		37,080,056	38,896,478
Current Assets			
Trade and other receivables	7	376,264	985,170
Other receivable - property sale	6	1,347,826	-
Cash and cash equivalents	9	145,170	79,492
		1,869,260	1,064,662
Total Assets		38,949,316	39,961,140
Equity and Liabilities			
Equity			
Share capital	10	8,524,157	8,524,157
Reserves		15,234,088	15,777,288
Retained income		5,391,447	3,926,292
		29,149,692	28,227,737
Liabilities			
Non-Current Liabilities			
Other financial liabilities	12	782,945	2,493,423
Finance lease liabilities	13	512,042	147,364
Deferred tax	5	4,397,469	4,554,269
Post-retirement medical benefits	14	658,736	658,736
		6,351,192	7,853,792
Current Liabilities			
Trade and other payables	15	1,828,052	2,245,006
Other financial liabilities	12	927,189	1,495,351
Finance lease liabilities	13	104,137	99,791
Current tax payable	8	589,054	39,463
		3,448,432	3,879,611
Total Liabilities		9,799,624	11,733,403
Total Equity and Liabilities		38,949,316	39,961,140

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Statement of Comprehensive Income

	Note(s)	2023 R	2022 R
Revenue	16	5,811,850	5,682,650
Other income	17	2,358,106	431,585
Operating expenses	18	(5,734,152)	(5,175,157)
Operating profit		2,435,804	939,078
Investment revenue	22	137	79
Finance costs	1.11	(268,079)	(397,510)
Profit before taxation		2,167,862	541,647
Taxation	24	(702,707)	(166,462)
Profit for the year		1,465,155	375,185
Other comprehensive income		-	-
Total comprehensive income for the year		1,465,155	375,185

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

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 2021	8,524,157	15,777,288	3,551,107	27,852,552
Profit for the year	-	-	375,185	375,185
Balance at 01 March 2022	8,524,157	15,777,288	3,926,292	28,227,737
Profit for the year	-	-	1,465,155	1,465,155
Reversal - property sold	-	(543,200)	-	(543,200)
Balance at 28 February 2023	8,524,157	15,234,088	5,391,447	29,149,692
Note	10	11		

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Statement of Cash Flows

	Notes	2023 R	2022 R
Cash flows from operating activities			
Cash generated from operations	25	2,480,915	1,654,966
Interest income		137	79
Finance costs		(268,079)	(352,932)
Tax paid	26	(236,406)	(426,949)
Net cash from operating activities		1,976,567	875,164
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(863,298)	-
Sale of property, plant and equipment	2	409,851	-
Sale of investment property	3	3,494,330	-
Balance due on sale of property		(1,347,826)	-
Net cash from investing activities		1,693,057	-
Cash flows from financing activities			
Repayment of other financial liabilities		(2,278,640)	(807,295)
Finance lease payments		369,024	(99,792)
Gain on disposal of investment property		(1,694,330)	-
Net cash from financing activities		(3,603,946)	(907,087)
Total cash movement for the year		65,678	(31,923)
Cash at the beginning of the year		79,492	111,415
Total cash at end of the year	9	145,170	79,492

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

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

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

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

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, replace part of, or service 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.

The fair value is determined annually by the directors and is derived from current market prices of comparable real estate.

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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Accounting Policies

1.3 Property, plant and equipment (continued)

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 to its estimated residual value, 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

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

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. They 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.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Accounting Policies

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.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses 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.

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Accounting Policies

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.

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.

Rental income is recognised on the accrual basis in accordance with the substance of the relevant agreements.

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 2023

Notes to the Annual Financial Statements

2023
R

2022
R

2. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	37,841	(37,839)	2	37,841	(37,839)	2
Furniture and fixtures	14,867	(14,865)	2	14,867	(14,865)	2
Motor vehicles	868,298	(57,429)	810,869	531,449	(320,868)	210,581
Total	921,006	(110,133)	810,873	584,157	(373,572)	210,585

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	2	-	-	-	2
Furniture and fixtures	2	-	-	-	2
Motor vehicles	210,581	863,298	(135,387)	(127,623)	810,869
	210,585	863,298	(135,387)	(127,623)	810,873

Reconciliation of property, plant and equipment - 2022

	Opening balance	Depreciation	Closing balance
Plant and machinery	2	-	2
Furniture and fixtures	2	-	2
Motor vehicles	315,871	(105,290)	210,581
	315,875	(105,290)	210,585

Property, plant and equipment pledged as security

The following assets have been pledged as security for the secured long-term borrowings note 12

Motor vehicles	810,869	210,581
Terms and conditions		

Net carrying amounts of leased assets

Motor vehicles	810,869	210,581
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ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Notes to the Annual Financial Statements

2023
R

2022
R

3. Investment property at fair value

Reconciliation of investment property at fair value - 2023

	Opening balance	Disposals	Fair value adjustments	Closing balance
Investment property	38,500,000	(1,800,000)	(700,000)	36,000,000

Reconciliation of investment property at fair value - 2022

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

Investment property at fair value pledged as security

The following investment property held at fair value have been pledged as security for the secured long-term borrowings :

Investment properties	36,000,000	38,500,000
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Details of property

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	7,626,000	7,626,000
- Improvements	417,444	417,444
- Fair value adjustments - 28 February 2018	16,756,556	16,756,556
	24,800,000	24,800,000

Property 2

Being the remainder of portion 18 of the Palmiet Rover Farm 319, situated in the municipal division of Garbouw, in the division of Caledon, Western Cape.

- Purchase price: 29 April 2008	1,800,000	1,800,000
- Fair value adjustment - 28 February 2019	700,000	700,000
- Disposal	(2,500,000)	-
	-	2,500,000

Property 3

Being Erf 1337 situated in the municipal division of Grabouw, in the division of Caledon, Western Cape, measuring 864 square meters.

- Purchase price: 16 August 2008	525,000	525,000
- Fair value adjustment - 28 February 2019	1,475,000	1,475,000
	2,000,000	2,000,000

Property 4

Being ERf 1257 situated in the municipal division of Grabouw, in the division of Caledon, Western Cape, measuring 3 690 square meters.

- Purchase price: 30 November 2010	4,300,000	4,300,000
- Fair value adjustment - 28 February 2019	1,100,000	1,100,000
	5,400,000	5,400,000

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Notes to the Annual Financial Statements

2023
R

2022
R

3. Investment property at fair value (continued)

Property 5

Being Erf 5140 situated in the municipal division 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

Details of valuation

The valuation of the Farm, 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 Close Corporation. The valuation of Farm 319, Portion 18, was performed by M Halfpenny (Property Consultant) of Pam Golding Properties Proprietary Limited. Proval Valuations Close Corporation and Pam Golding Properties Proprietary Limited are not connected to the company and have recent experience in location and category of the investment property being valued. The valuations were based on the open market value of similar properties.

4. Other financial assets

At fair value

Unlisted shares

1,446 1,446

Villiersdorp Kooperasie Limited - 723 Ordinary shares of R 2 each

Non-current assets

At fair value

1,446 1,446

5. Deferred tax

The major components of the deferred tax balance are as follows:

Deferred tax asset

Arising as a result of temporary differences on:

Prepaid rent

83,290 -

Post retirement medical benefits

184,447 184,447

Total deferred tax asset

267,737 184,447

Deferred tax liability

Arising as a result of temporary differences on:

Investment property

(4,397,469) (4,554,269)

Deferred tax asset

267,737 184,447

Deferred tax liability

(4,397,469) (4,554,269)

Total net deferred tax liability

(4,129,732) (4,369,822)

Reconciliation of deferred tax asset/(liability)

At beginning of year

(4,369,822) (4,369,822)

Recognised in profit or loss:

Deferred tax - prepaid rental

83,290 -

Other:

Disposal of investment property

156,800 -

At end of year

(4,129,732) (4,369,822)

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Notes to the Annual Financial Statements

	2023	2022
	R	R
6. Other asset 1		
Current assets	1,347,826	-
7. Trade and other receivables		
Trade receivables	303,764	934,736
Deposits	72,500	50,434
	376,264	985,170
8. Current tax receivable (payable)		
Normal tax	(589,054)	(39,463)
Net current tax receivable (payable)		
Current liabilities	(589,054)	(39,463)
9. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	99	9,896
Bank balances	140,673	65,336
Short-term deposits	4,398	4,260
	145,170	79,492
10. Share capital		
Authorised		
200 000 000 Ordinary shares of 10c each	20,000,000	20,000,000
Issued		
85 241 569 Ordinary shares of 10c each	8,524,157	8,524,157
11. Revaluation reserve - investment property		
Revaluation of investment property	15,777,288	20,331,556
Less: Deferred taxation	(543,200)	(4,554,268)
	15,234,088	15,777,288
12. Other financial liabilities		
At fair value		
Loans - GJ Brown	833,840	857,796
The loans are unsecured, bear interest at 9.25% (2022: 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 2023

Notes to the Annual Financial Statements

2023
R

2022
R

12. Other financial liabilities (continued)

At amortised cost

ABSA Bank Limited - Mortgage Bond	876,294	969,882
The mortgage bond is secured over Erf 319 (refer note 3), bears interest at the prime rate less 0.35% (2022: prime rate less 0.35%) per annum and is repayable in monthly installments of R 13 910 (2022: R 14 083) with a final instalment in October 2029.		
ABSA Bank Limited - Medium Term Loan #1	-	1,524,043
The loan is secured over Erf 1257 and Erf 1337 (refer note 3), bears interest at prime rate less 0.25% (2022: prime rate less 0.25%) per annum, repayable in monthly installments of R 0 (2022: R 42 658).		
ABSA Bank Limited - Medium Term Loan #2	-	637,053
The loan is secured over Erf 5140 (refer note 3), bears interest at prime rate (2022: prime rate) per annum, repayable in monthly installments of R 0 (2022: R 17 667).		

876,294	3,130,978
1,710,134	3,988,774

Non-current liabilities

At amortised cost	782,945	2,493,423
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Current liabilities

At fair value	833,840	857,796
At amortised cost	93,349	637,555
	927,189	1,495,351
	1,710,134	3,988,774

13. Finance lease liabilities

Minimum lease payments which fall due

- within one year	174,109	126,370
- in second to fifth year inclusive	627,373	146,086
	801,482	272,456
Less: future finance charges	(185,303)	(25,301)
Present value of minimum lease payments	616,179	247,155

Net finance lease liabilities

Non-current liabilities	512,042	147,364
Current liabilities	104,137	99,791
	616,179	247,155

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

The average lease term is 5 years (2022:5 years) and the average effective borrowing rate is 12% (2022: 10%).

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for renewal clauses, purchase options, escalation clauses, contingent rent or subleases. There are no restrictions imposed by the leases.

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 2023

Notes to the Annual Financial Statements

	2023	2022
	R	R
14. Post-retirement medical benefits		
Reconciliation of post-retirement medical benefits - 2023		
	Opening balance	Closing balance
Provisions for employee benefits	658,736	658,736
Reconciliation of post-retirement medical benefits - 2022		
	Opening balance	Closing balance
Provisions for employee benefits	658,736	658,736
15. Trade and other payables		
Trade payables	1,428,532	2,132,598
VAT	102,055	112,408
Other payables	297,465	-
	1,828,052	2,245,006
16. Revenue		
Sales rebates on sale of agricultural goods	1,410,600	1,294,205
Rental Income	4,401,250	4,388,445
	5,811,850	5,682,650
17. Other income		
Gains on disposal of other of assets	274,464	-
Gain on disposal of investment property	1,694,330	-
Leaf analysis	389,312	431,585
	2,358,106	431,585
18. Operating expenses		
Operating expenses include the following expenses:		
Depreciation and amortisation	127,623	105,290
Employee costs	2,029,502	1,818,392
19. Auditor's remuneration		
Fees	42,250	32,968
20. Employee cost		
Employee costs		
Basic	2,029,502	1,818,392
21. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Notes to the Annual Financial Statements

2023
R

2022
R

21. Depreciation, amortisation and impairments (continued)

Depreciation

Property, plant and equipment	127,623	105,290
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22. Investment revenue

Interest revenue

Bank	137	79
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23. Finance costs

Non-current borrowings	198,112	278,861
Other interest paid	69,967	118,649
	268,079	397,510

24. Taxation

Major components of the tax expense

Current taxation

South African normal tax - year	785,054	166,462
South African normal tax - prior period (over) under provision	943	-
	785,997	166,462

Deferred taxation

South African deferred tax - current year	(83,290)	-
	702,707	166,462

Reconciliation of the tax expense

Accounting profit	2,167,862	541,647
Tax at the applicable tax rate of 28% (2022: 28%)	607,001	151,661

Tax effect of adjustments on taxable income

Capital gains tax adjustment	94,882	-
	94,882	-

Non-deductible expenses

Penalties and interest	1,283	14,983
Legal expenses	916	-
	2,199	14,983

Other

Temporary difference in audit and accounting provisions	(2,318)	(182)
Amounts received in advance - prior year	943	-
	(1,375)	(182)
	702,707	166,462

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Notes to the Annual Financial Statements

	2023 R	2022 R
25. Cash generated from operations		
Profit before taxation	2,167,862	541,647
Adjustments for:		
Depreciation and amortisation	127,623	105,290
Profit on sale of assets	(274,464)	-
Interest received	(137)	(79)
Finance costs	268,079	352,932
Changes in working capital:		
Trade and other receivables	608,906	(93,384)
Trade and other payables	(416,954)	748,560
	2,480,915	1,654,966
26. Tax paid		
Balance at beginning of the year	(39,463)	(29,967)
Current tax for the year	(785,997)	(166,462)
Balance at end of the year	589,054	39,463
	(236,406)	(156,966)
27. Operational expenses		
Garden services	68,604	63,182
Insurance	415,148	357,553
Maintenance - buildings	219,960	428,402
Maintenance - equipment	1,008,280	946,418
Motor vehicle - fuel	112,841	85,220
Motor vehicle - licence	1,811	1,909
Motor vehicle - repairs	24,182	34,918
Security	163,521	153,704
Remuneration	2,029,502	1,818,392
	4,043,849	3,889,698

ELGIN FRUITGROWERS PROPRIETARY LIMITED
(REGISTRATION NUMBER: 2007/012074/07)
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

Notes to the Annual Financial Statements

2023
R

2022
R

28. 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

Loan - GJ Brown	(833,840)	(857,796)
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Amounts included in Trade receivable (Trade Payable) regarding related parties

GJ Brown	(622,225)	(535,711)
Directors fees	(621,500)	(618,600)

Related party transactions

Interest paid to (received from) related parties

Directors loans	69,967	74,071
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29. Directors' and prescribed officer's remuneration

Directors

2023

	Remuneration	Total
For service as directors	90,650	90,650
	<hr/>	<hr/>

2022

	Remuneration	Total
For service as directors	128,350	128,350
	<hr/>	<hr/>

The details of the directors' remuneration is available on request from the company administration offices.