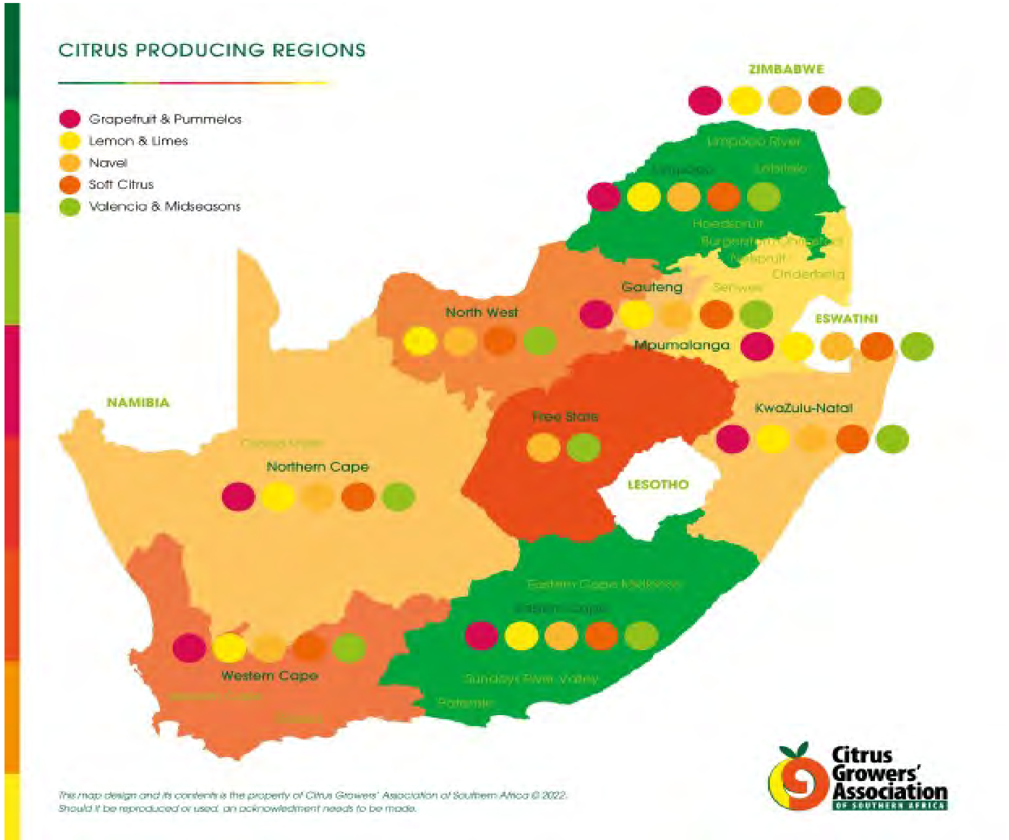
CGA Grower Development Company

2021-2 ANNUAL REPORT

CITRUS PRODUCING REGIONS



Province:	Area (Ha):
Limpopo	40 383
Eastern Cape	25 226
Western Cape	18 952
Mpumalanga	7 877
KwaZulu Natal	2 440
Northern Cape	1 838
Zimbabwe	1 987
Eswatini	432
North West	822
Free State	12
Total:	99 969

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CONTENTS

VISION

"Become a leading commodity development company in South Africa in changing the face of the agriculture sector landscape by empowering black citrus growers".

MISSION

"Support the establishment and growth of sustainable and profitable black citrus growers with market linkages to ensure food security, jobs and wealth creation."

STRATEGIC GOALS

Strategic Goal 1	Develop and implement support programmes for the commercialization of black citrus growers
Strategic Goal 2	Facilitate access to technical and business management knowledge and services to develop thriving, financially viable enterprises
Strategic Goal 3	To create enabling environment for growers to access national, regional and international markets
Strategic Goal 4	Enhance organisational capacity to ensure service excellence and financial sustainability

STRATEGIC OVERVIEW

The Citrus Grower Association Grower Development Company (CGA-GDC) is a special purpose vehicle (non-profit company) that drives transformation within the citrus industry in collaboration with the Citrus Growers Association and related companies and organisations such as the Citrus Academy (CA), the CGA Cultivar Company (CGACC), Citrus Research International (CRI) and River Bioscience and X-Sit (RBX). The CGA-GDC was established following several initiatives by the Citrus Growers Association (CGA) to address the challenges and needs of black citrus growers that extended beyond training, capacity building and access to technical support services. Its core purpose is to provide Black Citrus Growers with development support to ensure that their enterprises become profitable and financially sustainable.

In 2016 the Board of CGA-GDC adopted its first Corporate Plan in line with the CGA transformation agenda and guided by the needs of Growers and the CGA's response to government's policy and legislative demands for the transformation of all the economic sectors. The 2016/2018 Corporate Plan set out five strategic goals and linked outcome-oriented objectives, and these were endorsed by the Citrus Growers Development Chamber and the Citrus Growers Association who are critical stakeholders/shareholders of the Company. The Corporate Plan was based on the situational analysis reflecting the status of black citrus growers in South Africa based on information that was available at the time. After two years of implementation, the Board of the CGA-GDC and some of its stakeholders convened to assess progress against the strategy and review the approach in the context of the National Development Plan and changes in the operating environment. This revised Strategic Plan is the outcome of the review workshop.

OVERVIEW OF THE CITRUS INDUSTRY

The South African Fruit industry is worth more than ZAR 30 billion of which Citrus contributed ZAR 14 billion of the gross value of fruit industry making South Africa the 12th largest citrus producer in the world. The industry is an important foreign exchange earner and comprises of four broad categories of products - soft citrus, lemons and limes, grapefruit and oranges. A total of 99 969 ha registered are for export of citrus from SA. In 2021, there were 124 black citrus growers, 1200 established commercial farmers, 315 pack-houses and 180 export agents. Citrus exports make up about 40% of the South African fresh fruit exports a significant number given that about 50% of all agricultural exports from SA is fresh fruit. The citrus industry is labour intensive, and it is estimated that it employs more than 100 000 people, with large numbers of workers in the orchards and packing houses. An unspecified number of people are employed throughout the supply chain services such as transport, port handling and allied services. It is estimated that more than a million households depend on the South African citrus industry for their livelihood (DAFF (2016).

There is still a gap in the availability of comprehensive socio-economic indicators about black participation in the industry however from the available information the baseline used by the CGA - Grower Development Company suggests there is an opportunity for further growth of the volume, value, and level of participation of black citrus growers in the fruit industry given that out of the 124 developing growers about 78 growers are exporting citrus fruit to international markets.

Currently, available information suggests that there are 124 black citrus growers across eight of the nine South African Provinces with the average farm enterprise sizes ranging from 1 – 192 ha resulting in a total of 7 320 ha under production.

SUMMARY OF CITRUS FARMS IN THE CGA REGIONS

Province:	Total Farms	Total Ha:	Ha Planted Citrus:	Bearing Citrus Trees (Ha):	Non-Bearing Citrus Trees (Ha):	New Entrants:	Vandalized/ Non-Existing Farms:
Eastern Cape (EC)	34	4 162.41	2 054.81	1 681,22	373.59	1	7
Gauteng (GP)	1	32,00	32,00	32,00	0	0	1
Kwazulu Natal (KZN)	7	4 464.30	659,42	563.12	96.30	0	8
Limpopo (L)	57	44 064,00	3 094,65	2 152,51	942,14	5	17
Mpumalanga (MP)	7	5 532,00	692,00	597,00	95,00	1	8
North West (NW)	5	336,50	88,50	76,50	12,00	1	0
Northern Cape (NC)	4	0	861,00	861,00	0	0	0
Western Cape (WC)	9	0	387,00	387,00	0	0	0
Totals	**124**	**58 254,71**	**7 320.00**	**6 350,35**	**1 519,03**	**8**	**41**

Tshilio Ronald Ramabulana
Chairperson of CGA-GDC Board

CHAIRPERSON OF THE BOARD'S REPORT

I am pleased to present our Annual Report for our year ending March 31, 2022. The year 2021 will forever be remembered as the year when the world economy started to see some recovery from coronavirus pandemic disruptions. Each of us knows someone who has been affected by the virus through illness, job loss, or business closure. Our families were challenged in ways we had never thought possible as they struggled to do everyday things - continue to work at jobs, educate children, and care for the elderly. It is, therefore, my fervent hope that you and your families have been able to weather this unprecedented challenge and that this letter finds you healthy and safe.

According to CGA, the 2022 South Africa fresh citrus export crop is set to rise by an estimated 4% as compared with 2021. However, port operations are likely to continue negatively affecting the 2022 citrus marketing season. In addition, record increases in input costs, increases in freight rates and depressed international prices due to record crop continue to threaten the profitability and future sustainability of growers.

It is for this reason that support from the Grower Development Company and its sister companies in the CGA Group remains critical to the continued survival of majority Black owned citrus enterprises in South Africa. The support that the CGA-GDC provides to majority Black owned citrus enterprises includes:

- Implementation of the Enterprise Development Fund (EDF) that assist majority Black owned citrus enterprises with funding for citrus orchard expansion, infrastructure improvements and access to inputs,

- Management of the Economic Transformation of Black Citrus Growers Programme-A jobs Fund programme aimed at making available affordable funding for expansion, orchard rehabilitation and on-farm infrastructure development, by subsidising loan funding with a grant from The Jobs Fund, while also making available skills development funding,

- Facilitating access to production and Business management support, and

- Providing access to Technical and Production skills.

I could not let any discussion of our performance in 2021 pass without expressing my deepest thanks to our outstanding employees. Throughout the year dealing with the pandemic, their hard work, good cheer, dedication to outstanding grower's support, and embrace of our Company's core values were critical to the past year's success. We sincerely appreciate the continuing trust and loyalty of all our constituencies – CGA, Citrus Grower, Government, Growers and Communities. We will work diligently to earn your continued confidence, and we thank you for the privilege of serving you!

I would like to take this opportunity to extend my thanks to the Directors of CGA-GDC, past and present. They have given their time, knowledge and commitment during my tenure on the Board. In addition, I would like to use this opportunity to recognise the role of my predecessor, Dr Mono Mashaba. Mono served as the founding Chairman on the CGA-GDC Board. I am also grateful for the wisdom and generosity of the people and partners who have contributed to CGA-GDC's success and growth during my tenure on the Board. In addition, the support of Citrus Growers Association, as our main funder, and other stakeholders is valued and appreciated.

Although it may be difficult to imagine in this time of immeasurable hardship and deep uncertainty, I see boundless possibility ahead. I am encouraged because of the power of you, citrus growers, our employees, our partners, our funders, and everyone who has continued to work hard to make the citrus industry a better place in the face of constraints.

Lukhanyo Nkombisa
General Manager of CGA-GDC

GENERAL MANAGER'S REPORT

"I dream, I test my dream against my beliefs, I dare to take risk and I execute my vision to make those dreams come true" Walt Disney

Having to be in the development space for12 years now and involved and partaking in the agrarian and rural development of our black citrus growers, I think Walt Disney explains exactly the kind of citrus producers we have and support in the citrus industry.

The resilience and determination I observe from our grower it's really motivating having to observe them focusing on the success of their businesses. As I present to you this annual report for 2021/22, it is my great pleasure to share with you our success and encouraging stories and support the CGA-GDC have provided to all our black citrus growers.

If it was not the decision taken by the CGA-GDC sometime ago to contribute to the transformation of the agricultural sector and participating in the inclusive growth and maximum participation of all Citrus producers in the country.

The CGA-GDC supported by the CGA has managed to develop sound developing programs focusing on the enterprises of all our black citrus growers, these programs have enabled the black citrus growers to continue producing and exporting their produce to international and local markets.

Through the **Technical and Extension Support** program the CGA-GDC have observed a huge number of our growers especially the new entrance participating to our Study Groups, Information days planned for the year, this is one of the core programs that the CGA-GDC have to ensure good production take place and good quality of the produce from our growers that is able to participate in the export and local markets. Designed one on one extension and technical support still works well especially to the new entrance in the industry.

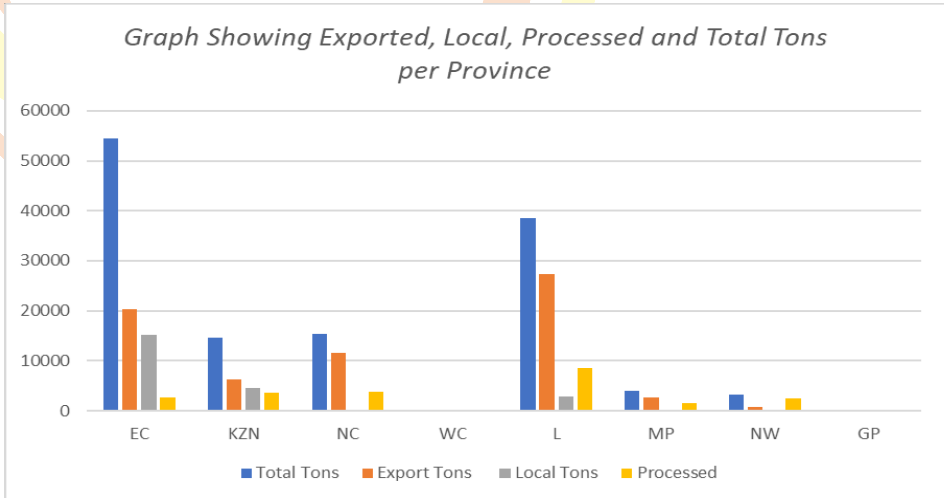
Compliance and accreditation are key for markets local and international, CGA-GDC having the program on **Business Support** that covers all these areas of compliance and accreditation by having designed and approved program focusing on the compliance for our growers. Business Support unit focusing on the business enterprise support, reviewing of business plans and ensuring that information and data management take place at farm level. In doing this the business unit and technical unit combine participate in the study groups that play a pivotal role in ensuring our growers improve the way of running their business.

Funding these businesses can be a daunting task, however support from the CGA though the levies make a considerable difference. The **Enterprise Development Fund** program, has been made available from the 20% of transformation as stipulated by the NAMC Transformation guidelines. The CGA-GDC spent funds from the levy supporting black Citrus producers with support ranging from mechanization, new plantation, inputs, on-farm infrastructure, and up-skilling.

Private and Public Partnerships are fundamental in assisting funding these businesses. The strategy employed by the CGA-GDC is to partner with Provincial and National Departments of Agriculture Land Reform and Rural Development. Good governance is key to achieving the goals of these partnerships and compliance with the different regulations.

Each year the CGA-GDC collects information and data on the performance of the growers in different markets and this is to helps to develop sound programs that will allow the growers to perform better in all markets.

The graph below gives a glimpse of the performance of our black Citrus growers in the last season.



FINANCE AND RISK COMMITTEE REPORT

With the substantial increase in the levy and the accompanying increase in the Enterprise Development funding the responsibilities of the CGA-GDC is much more. Care have to be taken on the disbursement of the fund to ensure that money is well spent. We are happy to welcome Mr Rajen Govender on the committee. He brings a world of experience and knowledge to the committee. The finances of the CGA-GDC are well handled by its financial department and are timeously reported. Emphasis is to disbursed the money where we can see a return on investment.

Andries Muller
Chairperson of CGA-GDC
Finance Risk Committee

RENUMERATION COMMITTEE REPORT

Remco continues to ensure that our reward policy and practices are citrus grower centric and enable a financially sustainable CGA-GDC.

Renumeration Strategy: We remain focused on linking our remuneration strategy, policy and practices to business strategic targets in order to deliver long-term sustainable growth to citrus growers. Our remuneration levels are set to attract and retain the required talent, and to sustain overall company performance and ever-changing business challenges of commercial citrus production.

Mankhili Tompson
CGA-GDC Board Member

Talent Retention is a significant business challenge in the 21st century. For many organisations, particularly those in knowledge-intensive industries, human capital is fundamental to maintain a sustainable competitive advantage. Increased mobility and greater employment choice, particularly for senior management and critical skill specialists, pose a challenge for many employers in retaining these key employees. Failure to retain talent can have financial and nonfinancial implications for the CGA-GDC, including replacement cost, loss of organisational knowledge, experience and relationships. Therefore, retention forms a critical part of CGA-GDC's talent management framework. Our retention approach aims to ensure employee engagement while targeted strategies focus on retaining key talent and critical skill specialists including key senior management.

Research around retention acknowledges the role remuneration plays as part of a retention proposition. Equity and transparency play a critical role in designing an effective retention proposition. We apply these principles in reward setting and achievement-based rewards. It is important that REMCO ensures it follows its current mechanisms, which are consistent and fair.

Employee Wellness Programme (EWP) and Employee Wellness Insight: The committee deliberated on the insights on employee wellness shared by management. In the last 12 months, employee wellness received even more prominence to ensure the organisation is alive to the realities posed by the covid-19 pandemic and its impact on employees, their families and the organisation. Remco noted that the CGA-GDC kept line of sight on organisational health and wellness through regular real-time feedback from staff. The top four employee wellness presenting problems, i.e. stress, family bereavements, money management and organisational issues were noted. It was also noted that these mirrored the country's current challenges as exacerbated by the covid-19 pandemic.

REMUNERATION COMMITTEE COMPOSITION

The Board has ultimate responsibility for the appropriateness of the reward policy and practices of staff. The board delegates oversight of this responsibility to the Remuneration Committee, which comprises the following non-executive directors:

Tompson Mankhili: Chairman of the Committee; Independent Non-Executive Director.

Tshililo Ramabulana: Chairman of the Board; Independent Non-Executive Director.

Lukhanyo Nkombisa: General Manager.

APPRECIATION

We will continue to comply with legislation and King IV requirements, while remaining conscious of disclosing sensitive information. This report complies with the King IV disclosure requirements.

I would like to thank my fellow Remco colleagues for your valuable contribution during the year. I look forward to your continued support and commitment going forward.

Justin Chadwick
CEO of CGA

CGA CEO STATEMENT

The Agriculture and Agro processing Master Plan (AAMP) is due to be signed off in early 2022. This plan is all about inclusive growth. The CGA established the CGA Grower Development Company (CGA-GDC) in order to focus on inclusivity within the citrus industry. Since its inception the CGA-GDC has worked hard at ensuring meaningful participation by black citrus growers. This work has paid off as the majority of black citrus growers are active in exporting citrus – a technically challenging and high cost business. The production, packaging and distribution of citrus requires a high level of ability – over the years the CGA-GDC has ensured that black citrus growers get the support they need, and the transfer of skills to enable them to grow their business.

The 2021 season proved to be exceedingly difficult for southern African citrus growers and exporters. The year under review was characterized by one disruption after the next. The July insurrection brought transport of citrus from the north to Durban to a halt, this was followed by the cyber-attack on Transnet which crippled all South African ports. These events happened as the season was ramping up - and resulted in an extended season. This extended season resulted in overstocked markets and poor price returns.

As we enter the 2022 season it is clear that the industry is in for more shocks. The February invasion of Ukraine by Russian forces has destabilized a key export market for South African citrus.

The CGA-GDC is encouraged to increase the support to black citrus growers as they endeavor to turn a profit and become sustainable during these difficult times. Those who manage their business well will come out stronger, and prosper in the future.

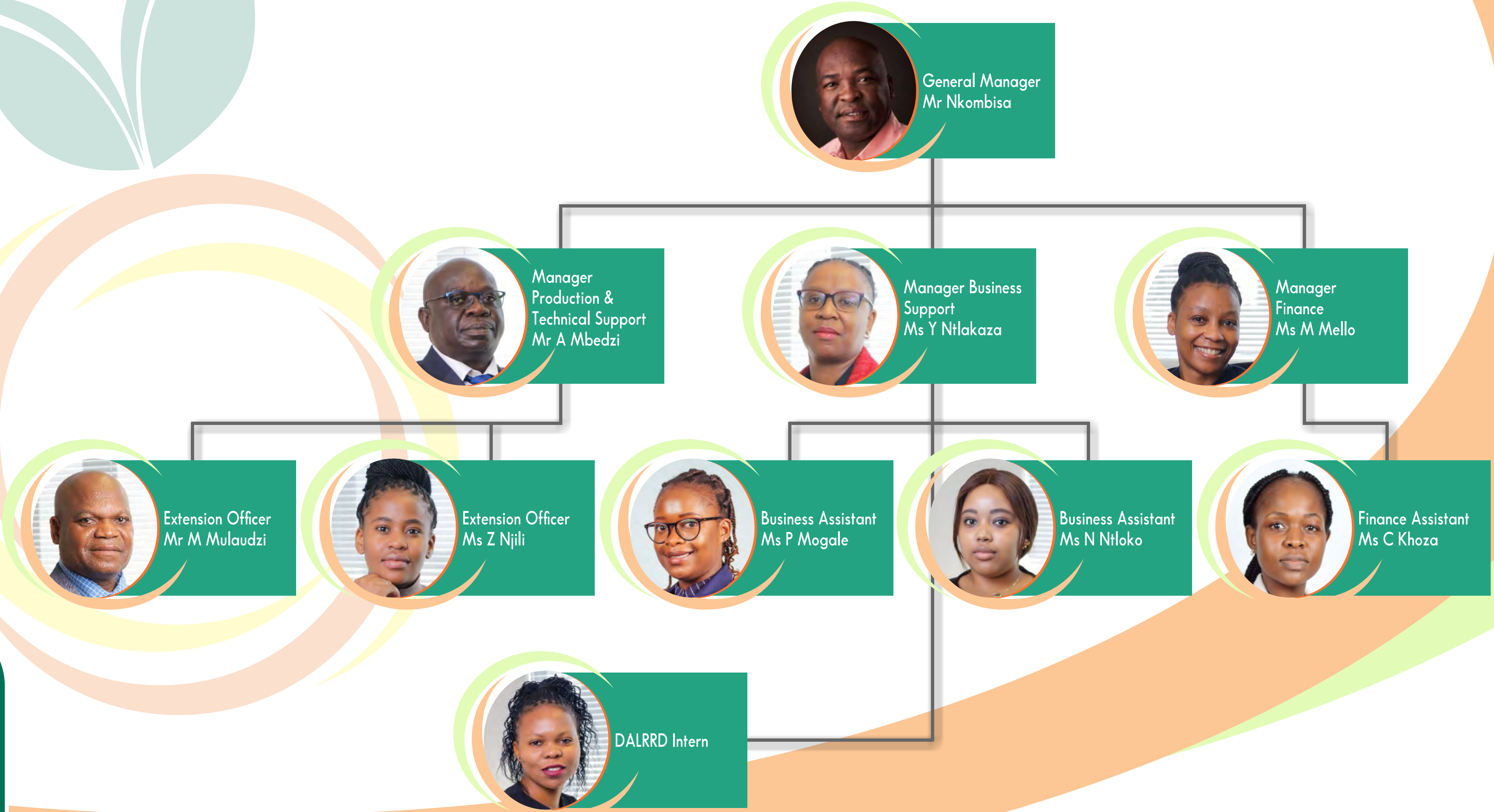
Tshililo Ramabulana
Chairperson of the
CGA-GDC Board

Rajendran Govender
CGA-GDC
Board Member

Andries Muller
Chairperson of
the Finance and Risk
Review Committee

Lawrence Mgadle
CGA-GDC
Board Member

Tompson Mankhili
Chairperson of the
Remuneration Committee


General Manager
Mr Nkombisa
Manager
Production &
Technical Support
Mr A Mbedzi
Manager Business
Support
Ms Y Ntlakaza
Manager
Finance
Ms M Mello
Extension Officer
Mr M Mulaudzi
Extension Officer
Ms Z Njili
Business Assistant
Ms P Mogale
Business Assistant
Ms N Ntloko
Finance Assistant
Ms C Khoza
DALRRD Intern

PRODUCTION AND TECHNICAL SUPPORT

INTRODUCTION

Andrew Mbedzi
Production and
Technical Support Manager

The establishment of proper institutional structures such as the citrus study groups are crucial for developing citrus growers to be able to share ideas related to production, marketing, research and other strategic issues such as their research priorities. The resumption of the study groups and information days after these activities were suspended due to COVID-19 has brought the farmers closer together again. The citrus study groups and information days resumed in quarter two (Q2) and three (Q3) respectively during 2021/2022 financial year. Quarter one was used for the planning of the citrus study groups activities. All the citrus study groups and information days were held in line with the COVID 19 protocols for the safety of the growers and officials.

STUDY GROUPS MEETINGS

A total of 23 citrus study groups were held from quarter two to quarter 4 in all the citrus growing regions during the year in review. These meetings played a major role in communicating the production, technical and marketing information to the developing citrus growers. The citrus study groups were also used as a platform to communicate CGA-GDC Enterprise Development fund and Economic Transformation of Black Citrus Growers Programme criteria and application procedures to the growers. The study groups also created an opportunity for the growers to meet and share their successes and challenges.

INFORMATION DAYS

The information day are held as per provinces. Presently four provinces (Eastern Cape, Limpopo, Kwazulu Natal and North West are hosting information days. The Citrus Information Days are events that draws in large number of audiences. The aim of this day was to encourage the emerging growers, extension officers and other related stakeholders in the citrus industry to come together and share citrus production and marketing information.

The Citrus Information Days have become traditional events for the citrus growers in these four provinces. These events are held annually in the above said provinces and the plan is to unroll them (events) in other provinces that are also growing citrus. Four information days were held during quarter three (Q3) representing 100% of all the planned information days throughout the four provinces.

NEW ENTRANT FARM SUPPORT

This type of support is given to new farmers who wanted to start farming with citrus. The extension and business officers assist these farmers with the assessment of their areas to see if is suitable for the planting of the citrus cultivars. The assessment focus on the availability of natural resources such as water, soil types and climatic conditions. A total of 5 farms were assisted *(See Table 1)*:

(Table 1: New Entrant Farmers)

Name of Farm:	Ha under Citrus:	Area:	Province:
Allendale	40	Bushbuckridge	Limpopo
Craighead	20	Letsitele Valley	Limpopo
Kemo Farming	8	Ramatlabama	North West
Kopano	20	Marble Hall	Limpopo
Manining Holding	40	Marble Hall	Limpopo

ONE-ON-ONE FARMER SUPPORT

The purpose of the one-on-one with the farmers was to assist them to sort out their specific citrus production and marketing challenges in their respective farming areas. One-on-one farm visits are important in establishing challenges that are facing the farmers in their individual farms and also as a means of follow-ups on challenges raised during citrus study group sessions, information days and meetings.

A total of 193 visits were conducted by the CGA-GDC extension officers (both southern and northern regions) per quarter as follows:

- First Quarter (Q1): 60 visits were done focusing on Extension Services, Update of the Farmers Situational Analysis, CGA Jobs Fund application process, and Packhouses.
- Second Quarter (2): 44 visits were conducted focussing on Extension Services, CGA Jobs Fund Implementation and Data Collection.
- Third Quarter (Q3): 50 visits were conducted focussing on Extension Services, Enterprise Development Fund Roadshows and CGA Jobs Fund Implementation.
- Fourth Quarter (4): 39 visits were done by the extension officers and the focus was on Extension Services, Data Collection (BFAP Templates) and Enterprise Development fund Roadshows.

VALUE CHAIN PARTICIPATION OF BLACK GROWERS

Participation along the Value Cain

- Number of black citrus growers is 124
- The Number of ha of fruit trees under black ownership amount to 7 869
- The number of ha of new orchards planted by black farmers in 2021/2022 season amount to 252

Market Performance

- Volume of export from black growers' amount to 6 M Cartons
- Volume of produce sold on national fresh produce markets from black growers' amount to 200 000 tons
- The number of exporting farmers has risen from 50 to a total of 78 farmers

BUSINESS SUPPORT

Yolanda Ntlakaza
Business Support Manager

The unit provides integrated business support services to existing and new black citrus growers with the aim of ensuring sustainability and compliance with industry needs. The main aim is to provide business development and management support services to growers to empower them to effectively and efficiently to manage their enterprises. One of the tools that have been used are the existing study groups whereby different topics were presented to the growers, equipping them with the different methods of accessing finance, business planning and market compliance. The unit also works with the different partners on the ground in the implementation of different projects such as the Land Development Support and Land Bank interventions. Two projects at the core of the mandate of the unit are the Enterprise Development Funding and the Economic Transformation for Black Citrus Growers Programme.

Economic Transformation for Black Citrus Growers (Jobs Fund)

Progress on the Economic Transformation project is summarized in terms of following categories: implementation, technical assessment, and application pipeline stages.

Implementation Stage: these are the projects that have signed grant fund agreements and term sheets and have commenced with implementation.

Mystic Blue: 17,7 of the planned 50,6 ha have been planted with the following varieties: Eureka Lemons, Star Ruby Grapefruit and Navels. Packhouse equipment (monorail and infeed) purchased and ready for installation. A tractor and a sprayer purchased. Majority of the planned 10km fencing installed.

Sikhula Sonke Enterprises: 3,5 ha of the 8,5-ha planted. 3,5 ha of the 27,2-ha replanted. Land prepared for the 9,7 ha for planting and requisite irrigation installed. A tractor and two spray machines purchased. Two dams completed, and two pump-stations refurbished. 1,9 km of the 15km fencing installed.

Luthando: Tree orders placed for the 13,29 re-plant and the requisite land preparation done. Progress on the replanted is as follows: 8,35 ha which includes (1,2 ha of Lisbon lemons), (1,2 ha of Lisbon lemons) and 5,94 ha Delta Valencia. The 2,1 km fencing has been installed. Terrain works and water purifier and mainlines in progress.

Ikamvalethu: De-bushing of 100ha has been completed for the land that will be planted in the 2022/2023 planting season. Digging of trenches for the pipelines that will run the water from the dam to the orchards, done. The preparation for the dam construction has also begun with bush clearing of the fields. The 100ha will be adding on to the already planted 286ha of citrus. Tree orders placed for the 100-ha establishment.

MF Binco: This project is for an energy project that will generate and release electricity to be sold to Mouton Citrus. The power grid will release an additional 500kVA (Volt Amps) capacity by balancing the load between 9 low voltage power points while the solar system will have a peak generation output of 718kWp (kilowatts peak) and generate an estimated average 100,531 kWh per month. MF Binco has begun the construction of the power grid adjacent to the Mouton Citrus packhouse. The power grid will be connected to 7 Eskom points which some which supply electricity to 6 pumphouses on the farm that irrigate approximately 250ha of citrus. The power grid will also supply electricity to the packhouse. The solar panels were installed, and the continuation of the installation will continue after the 2022 packing season.

Application Pipeline: these are applications that have completed the application and submitted requisite documents for assessment. The following farms fall in this category:

Vutsela Iglobu Investments

Application Pipeline: these applications are at engagement stages with the bank for financial assessment to establish their capacities for blended finance. The following farms fall in this category:

Kopano; Mabunda; Piekenierskloof; Khangela; Umgcambo; Wittewater.

Funding Summary

To date, R76 674 458 has been approved, of this R27 602 805 is the grant component and R49 071 653, loan component. Term sheets and grant fund agreements have been signed. Disbursements differ between projects, depending on the support required and activities on the ground.

Monitoring and Evaluation

A contract was entered into with the Bureau for Food and Agricultural Policy (BFAP) to develop and integrated monitoring and evaluation system. The system will be structured around the Integrated Value Information System providing a systemized solution and framework to enable the capture, integration, and storage of data to support the implementation, monitoring and evaluation of the ETCBG programme and CGA-GDC support programmes. The development of the tool is in progress and has the of following elements:

- A geo-spatial register of all black citrus growers providing their baseline information. Growers registered on the spatial platform that apply for the programme are recorded on the systems and the required baseline information is integrated with the tools and applications developed to monitor and track performance and impact of initiatives.
- The application pipeline tracker for the ETBCG programme to monitor and report on the number of applications and the time taken at each stage of the approval process.
- The seasonal monitoring and evaluation application which is customised to cover specific requirements of the ETBCG programme requirements to support accurate and timeous monitoring, evaluation and reporting on the key programme and project performance indicators.
- Integrated analytics and dashboard visualisatio.

Mid-Term Evaluation

The mid-term review commenced to assess the quantitative and qualitative approach in evaluating the programme's impact, challenges faced, and lessons learned in implementing the project. Stakeholders involved in the project were interviewed and a site visit was conducted to two of the projects that are already in implementation, SSE and Luthando.

Top of Class Training

The Grower Development Company, along with the Fresh Producers Export Forum (FPEF) hosted on the Export Value Chain in Fort Beaufort and Sundays River Valley respectively. The 4-day, full day training course focusing on the following topics amongst others:

- SA Fresh Fruit Trade Chain: Then & Now
- Quality Management
- Cold Storage & Cold Chain
- Picking, Packing & Packaging
- Road & Rail Transport
- Exporter's role in trade chain.
- Sea & Air Freight
- Logistics, Forwarding, IT & Research
- The Consumer Worldwide
- Exporters and their role in the trade chain.

The training was hosted at Cape College in Fort Beaufort and the following farms participated: Greenwood, Oakdene, Letas, Gatyena, Lovers Retreat, Huduza, Zanentlutha and Siyamila. At SSE training Centre in the Sundays River the following farms were represented: Glongrove, Siyathemba, Siyaphambili, Peter Family Trust, Entabeni, Three Pence, Luthando and Nomzamo. Twelve people attended at Cape College and fourteen attended at the SSE training centre.

Enterprise Development Fund

The funding criteria was reviewed and approved at the Chamber and Board level. A call of applications was opened followed by roadshows in different regions where growers were taken through the details of the fund and application process. Upon receipt of applications, the list was presented to a special Board meeting and the Board gave the allocation committee a go ahead to proceed with allocation and disbursements.

ALLOCATION:

A total of seventy-four applications were received and of this with 66 farms were approved and nine were declined, and one appealed, bringing the total farms to be supported to 67.

The first disbursement of funds took place in the last quarter of 2021/22, which then meant that disbursement was carried over to the first quarter of 2022/23. The payments were made according to the approved allocation and in some cases, deviations were accepted based on the motivation by the grower and whether they still fall within the allocated budget. By the end of the last quarter of 2021, R12 million had already been disbursed.

The approved farms were supported with the following:

Irrigation infrastructure - mainly focused on boreholes due to water shortages in different areas and irrigation material.
Mechanization and equipment - in the form of tractors, sprayers. Motivation for this is the need for the different kinds of mechanization e.g., a 4Wd tractor is not suitable for going through the orchards, hence even if a farm is in possession of a tractor, there is a need to have a smaller one. Aging mechanization has sighted as a reason in some farms.
Sprayers - for chemical applications.
Fencing - growers are highlighting major challenges with theft or crop damage from animals.
Orchard establishment costs (soil preparation, irrigation, planting costs, etc.)
Production inputs - fertilizers and inputs.
Trees - supported with tree deposits in accordance with the criteria.
Equipment - such as bush cutter, mulcher, etc.

Items in the applications that fell outside the scope of the enterprise development criteria included: IT equipment; packhouse and cold-room; infrastructure upgrades (offices, farmhouses); nets; bakkies; office furniture; quad bikes and earth moving equipment (TLB).

Verification visits were conducted to establish the following:

Fertilizer and chemicals: the availability of a fertilizer and spray programme to establish where these goods will fit into the existing programme. It also established if the chemicals will be applied by hand, or the farmer has equipment to apply such chemicals.
For mechanization: taking of evidence of the machines and equipment, paperwork recording of engine number, make and model. Storage arrangements are also established.
For trees: establishing whether the trees will be part of a new establishment, or the farmer will be filling in the gaps within existing orchards.
Irrigation: same as above.

DALRRD Project (Land Development Support)

The programme replaced the Recapitalization and development programme which has since been suspended in 2017/18. Its intention was to develop an integrated famer development support programme to address the recommendations made by the DPME evaluation report on CASP, Recapitalization and development and other farmer support programmes. The programme is implementation through a partnership between the DALRRD and CGA-GDC and in the citrus industry, it is rolled out in the North West, KwaZulu Natal and Eastern Cape. It is aimed at providing a comprehensive support so that by the time the support is withdrawn, farmers can run sustainable enterprises and have built the required credit profile to enable them to access loans in future. The implementation in the North West commenced in the 2020/ 21 financial year with mechanization support and was rolled over to 2021/ 22. Implementation in KwaZulu Natal and Eastern Cape will commence in the 2022/23 financial year. Progress in the North West is as follows:

Orchard establishment: 13 have been established.
Orchard maintenance: for the 27 ha done.
Infrastructure - storage shed: the structure has been built, outstanding now is the floor.
Workers houses: after several revisions, the department approved the final plans and a service provided appointed. These revisions were due to the budget constrains – the approved budget was less than the actual quotations.
Main dwelling: Engineering services are still working on revising the plan to meet the approved budget.
Dam: Will be done during the winter period (2022).

Citrus Commodity Project Allocation Committee (CPAC)

A call for applications was opened through the districts in the Western Cape and only two applications were received from the following entities Light Intentions and Fruitfield farming. The value of the applications was R1 340 000 and R2 140 593 respectively. Upon initial review by the secretariat, Lightfield Intentions was disqualified due to their BEE scoring and only Fruitfield farming was called to present their business case. Although CPAC members scored this entity lower than the required 60 points, they provided reasons for funding this entity hence it was recommended for tabling at the Departmental Project Allocation Committee (DPAC).

Members also recommended that the project be assisted to obtain alternative land as the current lease arrangement had clauses that are not beneficial to the lessee. Fixed assets such as infrastructure were declined for funding due to the current lease arrangements, and only production inputs were supported to the value of R600 000, A business plan for the 2022/3 financial year was also prepared covering only the production inputs support. DPAC approved supported the recommended funding.

Study Groups

The unit made presentations at the different study groups and the following topics were covered:

Funding opportunities

- Training and development
- Business management principles
- Mentorship
- Compliance

FINANCIAL MANAGERS REPORT

Overview

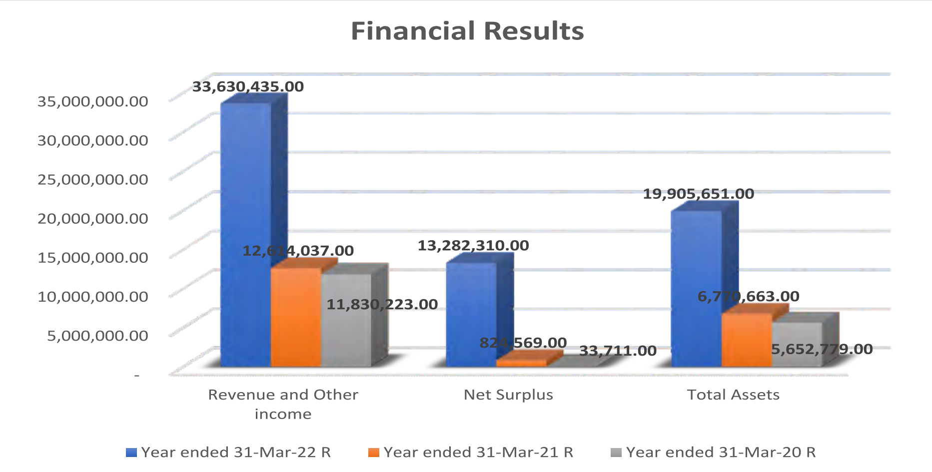
We have achieved annual growth of 157% in revenue in 2022 when compared to the 7% increase in 2021.

Mathapelo Mello
CA (SA) Finance Manager

The CGA-GDC's revenue annual growth is directly attributed to the increase in export levies collected, which had a positive impact on the transformation allocation from CGA who funds the CGA-GDC's activities and lead to an increase in the development support allocation from R2.6m in 2021 to R26,7m in 2022.

Performance

The financial performance for the year was acceptable given that we have a healthy positive cash flow of R 18,2m and a net surplus of R 13,3m for the year ended 31 March 2022, this was assisted by the growth of 157% in Revenue.



Outlook

The CGA-GDC will continue to facilitate and support the establishment, growth, and empowerment of black citrus growers through production and technical support, business management support and facilitation of access to funding. The company expects much-improved performance in 2022/23 because of the increase in revenue, cost optimization and focused management of working capital.

FINANCE

CGA GROWER DEVELOPMENT COMPANY NPC
Registration No. 2016/303573/08
Annual Financial Statements for the year ended 31 March 2022

Company Information

Registration number:	2016/303573/08
Business address:	Grain-building Agri-Hub Office Park Block B, First Floor 477 Witherite Road The Willows Pretoria Gauteng 0184
Registered address:	Unit 7 22 on Main 22 Old Main Road Gillitts KwaZulu-Natal 3610
Postal Address:	Postnet Suite 426 Private Bag X1 Die Wilgers Gauteng 0041
Auditors:	PricewaterhouseCoopers Inc. Pietermaritzburg
Banker:	Standard Bank Limited
Level of assurance:	The annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer:	The annual financial statements have been prepared by CGA Grower Development Company NPC under the supervision of M Mello.

CONTENTS **Page**

CGA GROWER DEVELOPMENT COMPANY NPC
Registration No. 2016/303573/08
Annual Financial Statements for the year ended 31 March 2022

Statement of Directors' Responsibility

The directors are responsible for the preparation, integrity, and fair presentation of the financial statements of CGA Grower Development Company NPC. The financial statements presented on page 4 and pages 7 to 20 have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the Companies Act 71 of 2008, and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position of the company at year end. The directors also prepared the other information included in the annual report and are responsible for both its accuracy and its consistency with the financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the company to enable the directors to ensure that the financial statements comply with the relevant legislation.

CGA Grower Development Company NPC operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled.

The going-concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the company.

The company's external auditors, PricewaterhouseCoopers Incorporated, audited the financial statements, and their report is presented on pages 5 to 6.

The financial statements were approved by the board of directors on 28 July 2022 and are signed on its behalf:

Director

CGA GROWER DEVELOPMENT COMPANY NPC
Registration No. 2016/303573/08
Annual Financial Statements for the year ended 31 March 2022

Report of the Directors

The directors present their annual report, which forms part of the audited financial statements of the company for the year ended 31 March 2022.

1. General review

The CGA Grower Development Company NPC is established as a special purpose vehicle to drive transformation within the citrus industry. Its core purpose is to provide Black growers with development support to ensure that their enterprises become profitable and financially sustainable.

2. Financial results

The financial results of the company are set out in the attached financial statements.

3. Members of the board

The following acted as board members during the year:

Chairman
TR Ramabulana (Appointed 10 September 2021)
MJ Mashaba (Resigned 10 September 2021)

Board members
NT Mankhili
ZL Mgadle
AA Muller
R Govender (Appointed 15 February 2022)

4. 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.

5. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with Section 90 of the Companies Act 71 of 2008.

pwc

Independent auditor's report

To the Members of CGA Grower Development Company NPC

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CGA Grower Development Company NPC (the Company) as at 31 March 2022, 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 of South Africa.

What we have audited

CGA Grower Development Company NPC's financial statements set out on pages 7 to 18 comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 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).*

PricewaterhouseCoopers Inc., Block C, 21 Cascades Crescent, Cascades, Pietermaritzburg, 3201
P O Box 13884, Cascades, 3202
T: +27 (0) 33 343 8600, F: +27 (0) 33 343 8700, www.pwc.co.za

Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

pwc

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "CGA Grower Development Company NPC, Annual Financial Statements for year ended 31 March 2022" which includes the Report of the Directors as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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.

PricewaterhouseCoopers Inc.
Director: D Hill
Registered Auditor
Pietermaritzburg, South Africa

Date: 28 July 2022

28 July 2022

CGA GROWER DEVELOPMENT COMPANY NPC
Registration No. 2016/303573/08
Annual Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March

	Note (s)	2022 R	2021 R
ASSETS			
Non-current assets			
Plant & equipment	4	**832 670**	1 008 365
		832 670	1 008 365
Current assets			
Cash and cash equivalents	5	**18 289 766**	5 612 015
Other receivables	7	**783 215**	150 283
		19 072 981	5 762 298
Total assets		**19 905 651**	6 770 663
EQUITY AND LIABILITIES			
Capital and reserves			
Retained surplus		**19 212 030**	5 929 720
Total equity		**19 212 030**	5 929 720
Current liabilities			
Trade and other payables	6	**693 621**	840 943
Total Liabilities		**693 621**	840 943
Total equity and liabilities		**19 905 651**	6 770 663

CGA GROWER DEVELOPMENT COMPANY NPC
Registration No. 2016/303573/08
Annual Financial Statements for the year ended 31 March 2022

Statement of Comprehensive Income

	Note (s)	2022 R	2021 R
Revenue		**32 056 876**	11 396 563
Administration and operating expenses	2	**(20 729 009)**	(11 879 361)
Operating surplus/(deficit)		**11 327 867**	(482 798)
Other income		**1 573 559**	1 217 474
Finance income		**380 884**	89 893
Surplus before taxation		**13 282 310**	824 569
Taxation	9	**-**	-
Surplus for the period		**13 282 310**	824 569
Other comprehensive income		**-**	-
Total comprehensive income for the period		**13 282 310**	824 569

Statement of Changes in Equity

	Retained surplus	Total
Year ended 31 March 2022	**R**	**R**
Balance at beginning of year	**5 929 720**	**5 929 720**
Net surplus for the year	**13 282 310**	**13 282 310**
Balance at end of year	**19 212 030**	**19 212 030**
Year ended 31 March 2021		
Balance at beginning of year	5 105 151	5 105 151
Net surplus for the year	824 569	824 569
Balance at end of year	5 929 720	5 929 720

Statement of Cash Flows

	Note (s)	2022	2021
Cash flows from operating activities		**R**	**R**
Cash receipts from customers	A	**32 997 503**	12 499 555
Cash paid to suppliers and employees	B	**(20 581 157)**	(11 358 514)
Cash flows generated from operations	9	**12 416 346**	1 141 041
Interest received		**380 884**	89 893
Net cash generated from operating activities		**12 797 230**	1 230 934
Cash flow from investing activities		**(119 479)**	(827 793)
Acquisition of equipment		**(116 176)**	(105 471)
Acquisition of furniture		**(3 303)**	(8 583)
Acquisition of vehicles		**-**	(713 739)
Cash flow from financing activities			
Net movement in cash and cash equivalents		**12 677 751**	403 141
Cash and cash equivalents at beginning of period		**5 612 015**	5 208 874
Cash and cash equivalents at end of period	5	**18 289 766**	5 612 015

A. Cash receipts from customers		
Levies received from Citrus Growers Association	**32 056 876**	11 396 563
Other income	**1 573 559**	1 217 474
Trade and other receivables		
Opening balance	**150 283**	35 801
Closing balance	**(783 215)**	(150 283)
	32 997 503	12 499 555
B. Cash paid to suppliers		
Total cost of goods sold, admin and other expenses	**20 729 009**	11 879 361
Less: Depreciation	**(295 174)**	(227 532)
Movement in trade payables	**147 322**	(293 315)
	20 581 157	11 358 514

Notes to the Annual Financial Statements

1. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below.

1.1. Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium–sized Entities (IFRS for SMEs). The financial statements have been prepared under the historical cost convention and incorporate the principal accounting policies set out below. They are presented in South African Rands.

The preparation of the financial statements in conformity with IFRS for SMEs requires the use of estimates and assumptions that affect the reported amount so assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates. During the current year, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

1.2. Plant and equipment

All plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimates lives as follows:

Computers	3 years (33.3%)
Furniture and Fittings	6 years (16.67%)
Motor Vehicles	5 years (20%)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note 1.3).

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

1.3. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds it recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non- financial assets other than goodwill that were subjected to an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.4 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.5 Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

1.6 Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Annual Financial Statements

1.7 Financial risk management

Financial risk factors:

Foreign exchange risk
The company is not exposed to foreign exchange risk as no foreign currency transactions are entered into.

Interest rate risk
As the company has no significant interest – bearing assets, except for cash and cash equivalents, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk
At year-end the company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. Cash transactions are limited to high credit quality financial institutions.

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of funding through credit facilities. The company aims at maintaining flexibility of funding by keeping committed credit lines available.

Fair value estimations:

The carrying amounts of the financial assets and liabilities in the statement of financial position approximate fair values at the year-end. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

1.8 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts. Revenue is recognised as follows:

a) *Service income*

Service income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

1.9 Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Notes to the Annual Financial Statements

1.10 Grant funding

Often grant funding is received by the entity that is not recognised as income in the financial statements. This funding is managed through the entity's balance sheet and held separately from the entity's other funds. The funding is managed, disbursed and reported in terms of the agreements negotiated with the funding providers.

1.11 Interest Income

Interest is recognized in comprehensive income, using the effective interest rate method.

1.12 Other income

Other income is measured at fair value of the consideration received or receivable and is recognized when it is probable that the economic benefits associated with the transactions will flow to the company and the amount can reliably be measured.

Notes to the Annual Financial Statements

2. Operating surplus

The following items have been charged in arriving at operating surplus:

	2022 R	2021 R
Auditors remuneration–current year	**43 900**	39 479
Staff costs (refer to note 3)	**6 174 286**	5 879 205
Depreciation	**295 174**	227 532
Other expenses	**2 914 193**	1 905 841
Transformation Project *	**11 301 456**	3 827 304
Total administration and operating expenses	**20 729 009**	11 879 361

*Transformation project expenses include the expenditure of enterprise development funding. The enterprise development fund is funding (also levy funded) that is ring fenced in accordance with the National Agricultural Marketing Council transformation allocation guidelines and comprises actual farmer development financial support. The funds are spent in accordance with set criteria approved by the chamber, and the board and in line with the farmers business plans/needs analysis.

3. Staff costs

	2022 R	2021 R
Salaries and wages	**6 174 286**	5 879 205
Headcount	**9**	9

4. Plant & Equipment

	Furniture	Vehicles	Computers	Total
At 31 March 2022				
Opening net carrying value	**53 801**	**834 783**	**119 781**	**1 008 365**
Additions	**3 303**	**-**	**116 176**	**119 479**
Depreciation	**(23 992)**	**(196 423)**	**(74 759)**	**(295 174)**
Closing net carrying value	**33 112**	**638 360**	**161 198**	**832 670**
Cost	**155 543**	**1 422 115**	**373 077**	**1 950 735**
Accumulated Depreciation	**(122 431)**	**(783 755)**	**(211 879)**	**(1 118 065)**
Net carrying value	**33 112**	**638 360**	**161 198**	**832 670**

4. Plant & Equipment (continued)

	Furniture	Vehicles	Computers	Total
At 31 March 2021				
Opening net carrying value	67 835	301 676	38 593	408 104
Additions	8 583	713 739	105 471	827 793
Depreciation	(22 617)	(180 632)	(24 283)	(227 532)
Closing net carrying value	53 801	834 783	119 781	1 008 365
Cost	152 240	1 422 115	256 901	1 831 256
Accumulated Depreciation	(98 439)	(587 332)	(137 120)	(822 891)
Net carrying value	53 801	834 783	119 781	1 008 365

	2022 R	2021 R

5. Cash and cash equivalents

	2022 R	2021 R
Standard Bank Current Account	**18 289 766**	5 612 015

6. Trade and other payables

	2022 R	2021 R
Provisions	**683 723**	570 476
Accruals	**9 898**	-
Receiver of Revenue –VAT	**-**	270 467
Eastern Cape Project funding- bank account	**(369 896)**	(1 092 385)
Eastern Cape Project Funding received not yet expended	**369 896**	1 092 385
	693 621	840 943

The Eastern Cape grant funding relates to funding provided by the Eastern Cape Government to enhance the development of citrus growers by increasing citrus production and ultimately increasing employment in the primary production within the industry's value chain.The CGA Grower Development Company NPC plays a role of implementing agent in the management of these funds, through housing of the grant funds. No admin fee is paid to the CGA Grower Development Company NPC for implementing agent services. A total of R14 520 000 has been received, R9 000 000 in 2019 and R5 520 000 in 2020. To date R15 092 569 has been paid to services providers as per the project funding guidelines. No additional funding has been received and the remaining funds amounting to R369 896 emanate from interest earned on positive bank balances and input vat claimed against payments made to service providers.

7. Other receivables

	2022 R	2021 R
Receiver of Revenue –VAT	**752 744**	-
Office deposit	**30 471**	30 471
Other receivables	**-**	119 812
	783 215	150 283

8. Income taxes

The company is exempt from the payment of normal income tax in terms of s10(1) (cN).

9. Cash flows generated from operations

	2022 R	2021 R
Net surplus before tax	**13 282 310**	824 569
Adjusted for:		
Interest received	**(380 884)**	(89 893)
Depreciation	**295 174**	227 532
	13 196 600	962 208
Changes in working capital:	**(780 254)**	178 833
Movement in trade and other payables	**(147 322)**	293 315
Movement in receivables	**(632 932)**	(114 482)
Total cash flows generated from operations	**12 416 346**	1 141 041

10. Related party transactions

<u>**Related party**</u>	<u>**Relationship**</u>
Citrus Growers Association of Southern Africa NPC	Entity under common directorship and primary funder of the CGA GDC NPC

Services rendered to related parties

	2022 R	2021 R
Citrus Growers Association of Southern Africa NPC	**32 056 876**	11 396 563

Other Income received from related parties

	2022 R	2021 R
Citrus Growers Association of Southern Africa NPC – Jobs Fund	**1 443 124**	1 130 517

11. Financial assets by category

The accounting policies for financial instruments have been applied as follows:

	2022 R	2021 R
Financial assets at amortised cost	**19 072 981**	5 762 298

12. Financial liabilities by category

The accounting policies for financial instruments have been applied as follows:

	2022 R	2021 R
Financial liabilities at amortised cost	**693 621**	840 943

13. Going Concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowings facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

14. Remuneration paid to directors

	2022	2021
	R	R
TR Ramabulana	**304 000**	104 000
JM Mashaba	**44 450**	88 000
R Govender	**11 300**	-
	359 750	192 000

Key management personnel - Short-term employee benefits R3,831,102 (2021: R 3,523,241).

Detailed Statement of Comprehensive Income

	2022	2021
	R	R
Income		
Revenue	**32 056 876**	11 396 563
Services rendered–Citrus Growers Association of Southern Africa NPC	**32 056 876**	11 396 563
Other income	**1 573 559**	1 217 474
Other income – CIT Funding	**130 435**	86 957
Services rendered – Jobs Fund Project	**1 443 124**	1 130 517
Expenses		
Administration expenses	**(804 865)**	(707 758)
Accounting and audit fees	**43 900**	39 479
Bank charges	**14 828**	11 472
Computer expenses	**109 033**	73 930
Consulting fees	**26 955**	128 119
Data & internet costs	**22 616**	20 524
Depreciation	**295 174**	227 531
Interest paid	**863**	362
Office expenses	**29 878**	56 778
Penalties	**117 734**	-
Printing and stationery	**14 018**	12 120
Telephone, postage and fax	**129 836**	137 443

Detailed Statement of Comprehensive Income

	2022	2021
	R	R
Operating expenses	**(19 924 175)**	(11 171 603)
Accommodation	**320 607**	173 217
Board costs	**419 294**	195 521
Transformation project	**11 301 456**	3 827 304
Entertainment expenses	**119 238**	77 517
Legal fees	**12 098**	-
UIF	**18 618**	15 764
Subscription	**20 914**	4 140
Provision for leave pay	**14 898**	200 307
Electricity and water	**47 663**	24 948
Rent	**476 172**	344 732
Cleaning and refreshments	**40**	591
Staff costs	**6 174 286**	5 663 134
Travel – Local	**615 447**	21 1076
Workshops & study groups	**291 032**	186 476
Repairs and Maintenance	**9 226**	14 987
Business plans	**18 078**	150 000
Workmen's compensation	**11 608**	7 293
Marketing and communication	**27 533**	74 596
Staff training	**3 800**	-
Staff other	**22 167**	-
Operating surplus	**12 901 425**	734 676
Interest received	**380 884**	89 893
Net surplus for the year	**13 282 310**	824 569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Company