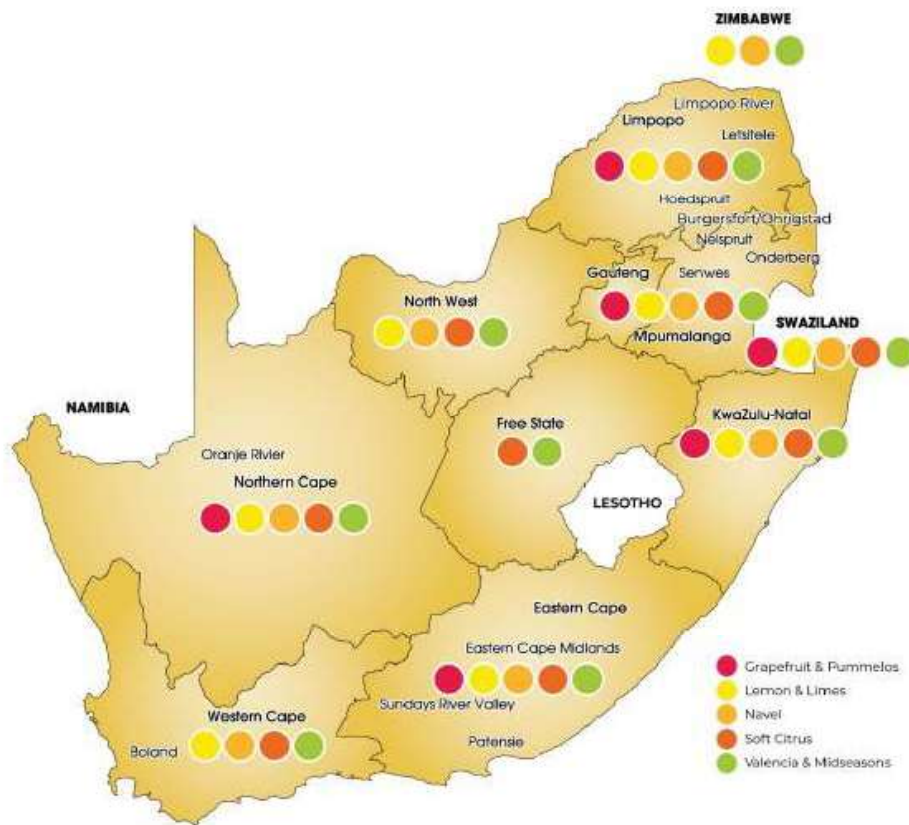


ANNUAL REPORT

2022 / 2023



**CGA
Grower
Development
Company**



PRODUCTION AREAS

Province:	Total Area Under Production(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
Grand Total:	99 969

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Vision

“A Centre of Excellence Empowering and Advancing Black Citrus Growers in South Africa.”

Mission

Facilitate and support the establishment, growth, and empowerment of profitable and sustainable Black citrus growers through:

- Production infrastructure and technical support.
- Business management support.
- Facilitation of access to funding.
- Facilitation of access to markets.
- Provide social facilitation in respect of project governance.

STRATEGIC GOALS

- | | |
|-------------------------|--|
| Strategic Goal 1 | Develop and implement support programs for unlocking the growth potential and profitability of Black citrus growers. |
| Strategic Goal 2 | Facilitate access to technical and business management knowledge and services to develop successful, financially viable enterprises. |
| Strategic Goal 3 | To create enabling environment for growers to access national, regional, and international market. |
| Strategic Goal 4 | Enhance organisational capacity to ensure service excellence and financial sustainability. |



► STRATEGIC OVERVIEW

The Citrus Grower Development Company (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. The CGA-GDC is a special purpose vehicle (non-profit company) that contributes to transformation within the citrus industry in collaboration with the Citrus Growers Association and related companies and organizations such as the Citrus Academy, the CGA Cultivar Company, River Bioscience (part of the RBX Group) and Citrus Research International. Its core purpose is to provide Black 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 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 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 that strategy and review the approach in the context of the National Development Plan and changes in the operating environment. Government in partnership with private sector and social partners developed and signed the AAMP.

The CGA-GDC has from the onset, worked closely with government in areas of mutual interest, hence with the current AAMP programme, the industry was the first to formally request the establishment of the citrus production scheme. The AAMP takes a futuristic view of each commodity and presents a case for stakeholders to combine interventions for impactful change. The targets in the AAMP are to be implemented through identified Transformation Schemes of which the Citrus Production Scheme is relevant. As noted previously, the current target for citrus is to increase Black exporter participation from 9% to 19% by 2032.



▶ GOVERNANCE

Chairperson of the Board's Statement



TR Ramabulana
Chairman

I opened last year's message with an observation that 2021 citrus marketing season had been unprecedented. We could not have foreseen what lay ahead. We have had to deal with further Covid-19 restrictions, the riots and unrest in KwaZulu-Natal and Gauteng, distressing and ruinous floods, global supply chain challenges, unprecedented levels of load shedding, rising input costs, and rising inflation in an already tough economy. It's been a perfect storm.

The ongoing crisis in national electricity generation is having a profound impact on the farming community and the country. Citrus growers are forced to have backup power to remain operational throughout load shedding. However, load shedding results in increased irrigation costs, significant diesel expenditure costs to run generators, extra repairs and maintenance on generators running ahead of normal demands, and product spoilage in instances when generators break down and cannot be immediately replaced. Diesel cost to run generators is the most significant challenge.

We have set ourselves stretch targets – as part of vision 260, the GDC has committed that black commercial citrus growers will export at least 50 million cartoons by 2033. These targets is included in our new strategy and forms part of the Board and Management Key Performance Indicators. Our plan is bold. It is ambitious. It is achievable. It has the full backing of the Board and the South African citrus industry.

The GDC continued to support growers through its Extension and Technical Support, Business Support and Access to Finance programs. In the year under receive, we supported growers with over R41 million in Enterprise Development Funding. The funding was made available through the generous support of the CGA levy collected from Citrus Growers. I am pleased to announce that starting in 2023, the GDC will be partnering with Commercial Banks to implement an Production Input Support Fund for citrus growers. The fund will bridge the funding gap in production input costs that farmers are currently experiencing. I'm also proud to announce that the GDC has partnered with our siter company, River Bioscience to implement an Integrated Pest Management (IPM) Programme in selected regions of the Eastern Cape.

GOVERNANCE

General Manager's Statement



'We hope for the best, but we were told hope is not a strategy – rather a crafted strategy in place to assist leaders to be able apply it during the trying and difficult times especially in the times of disaster'.

When our industry entered 2022, growers had survived 2 turbulent years before that, having faced the Covid-19 pandemic as well as a few other ups and downs, including the riots in KwaZulu-Natal and parts of Gauteng and the cyber-attack against Transnet that closed the country's ports down during the height of the export season.

Most of us believed the situation could but only improve and the predicted forecast for upcoming season offered some hope that there our industry would recover following a tough 2021 export season.

But that optimism was quickly dashed when the Russian invasion of Ukraine happened just before the local export season was about to kick off. This had a few knock-on effects, most notably resulting in a surge in production costs for growers, whose profits had already been squeezed by the hike in shipping costs because of the pandemic.

Crucially, the CGA-GDC remains committed to providing the necessary support to black citrus growers for them to weather the storm of challenges facing our sector. Our technical and business support programmes continue to ensure good quality fruit for export, while assisting growers' operations to become export ready and access to finance also remain key focus areas.

To achieve this, we must ensure that the CGA-GDC operates effectively and makes a positive impact on black grower operations by providing the support they need. In this regard, the support from our Board of Directors when it comes to providing oversight over the work of the CGA-GDC is much appreciated and undoubtedly strengthens good governance and good work ethics at our organisation.

In the year under review, the CGA-GDC provided a R36.5 million investment into enterprise development for black citrus growers, which has largely focused on assisting them with sky-rocketing input costs. This funding comes from all citrus growers in the region highlighting the commitment of the entire industry when it comes to driving transformation and supporting black growers. In addition, growers also received technical and production support through the extension services that the CGA-GDC provides. The Business Support Unit has also continued to support our growers through a range of different programmes, which are expanded on further in this report. We have also invested around R50 million annually into transformation and development initiatives that focus on creating an enabling environment for our black growers' farming operations.

We are extremely cognisant of the serious threats faced by our industry, with black growers particularly hard hit and the CGA-GDC continues to work very closely with the board of directors to constantly review our programmes and make changes where necessary to respond to new challenges as they arise.

▶ GOVERNANCE

General Manager's Statement (Continued)

Another focus area over the past year has been rolling out the Economic Transformation for Black Citrus Growers (Jobs Fund) initiative that is valued at R307 million, with several black grower operations having received funding following the approval of their funding applications.

Though partnerships with the Department of Agriculture, Land Reform and Rural Development as well as provincial departments of agriculture, the CGA-GDC has also received funding for different programmes aimed at supporting our growers. This includes funding from Comprehensive Agricultural Support Programs (CASP) in the Western Cape, Commodity Project Allocation Committee (CPAC) and Land Development Support (LDS) in the Eastern Cape, KwaZulu-Natal, and the North West Province. The Citrus Industry Trust (CIT) also continues to support CGA-GDC initiatives annually as well as providing funding for inputs for one of our growers during the year under review.

Compliance remains one of the most important initiatives of the CGA-GDC to ensure that our growers can participate in different export markets and remain compliant within those markets. In this regard, the CGA-GDC implemented a new initiative developed by SIZA, the SIZA Environment Assurance programme – which assist growers in the areas of current compliance as well as environmental risk. The programme has been rolled out in the Sundays River Valley and Kat River Valley in the Eastern Cape.

The CGA-GDC also continued holding study groups across the country as well as one-on-one support and information days in all citrus growing regions. The purpose of these engagements is to equip growers with the knowledge and support they need to produce good quality fruit, ensure that Integrated Pest management is monitored, and that most of the fruit being produced by growers meets export market standards, so they make a profit.

Furthermore, the one-on-one technical support provided by the CGA-GDC particularly supports new entrants in the industry, so they can understand what all needs to be done at farm level, but at their own pace.

Finally, good governance remains a core business objective of the CGA-GDC, and here the internal board committees provided immeasurable assistance and guidance, such as the Finance and Risk Committee on financial matters; REMCO on HR compliance and recruitment processes as well as policy reviews of the CGA-GDC.

As much as this was a very difficult year for our citrus growers, they continue to show resilience through the fact that the industry managed to export record volumes of fruit to international markets in 2022, with black growers share of this total continuing to grow year on year.



▶ GOVERNANCE

Chairperson of Finance and Risk Committee's Statement



Andries Muller
Chairperson of the
Finance & Risk Review
Committee

All citrus producers will agree with me that the 2022 season will go down in history as one of the more challenging seasons. Not on the production and packing side but more on the income side with a lot of markets under pressure and low economic growth in a lot of countries. Furthermore, did the increase in shipping rates not help producer income at all. According to some reports only one out of five producers made a profit. Especially truer for black growers as the majority is in an expanding phase with a lot of orchards that are not in full bearing. Production cost increases on all fronts to name a few like fertilizer, diesel, transport, and shipping.

All factors increase the risk on the sustainability and the financial survival of black growers. We have seen the increase on pressure to finance the inputs for the preparation of the 2023 crop. The Enterprise and Development Fund assist black growers to the extend of R35,5 million. Emphasis was on production inputs to help producers preparing the 2023 crop.

We know the scars of 2022 will be with us for a few years as interest rates are high and the ability to get finance is getting harder. The CGA Grower Developing Company will have to play an active role to assist growers to survive this period. Fortunately, the citrus industry has bounced back before, for those that can remember 2000 and 2005.

During the year under report the CGA DC 's financial manager, Mathapelo Mello resigned and this put pressure on the remaining staff. We as committee are very satisfied with the way business were carrying on. Financial reporting was kept on a standard and are continuously improving. The position was advertised and very good candidates were interviewed. We were very excited when the position was filled from a candidate in the company, Camilla Khoza. This shows the quality of the personnel as well as the opportunity for growth in the company.

As mentioned, financial reporting is continuously improving. Emphasis is also on getting better information and stats from black growers. IT risk are on the increase in companies and emphasis were on raising awareness for staff. Staff were also guided on the right procedures to minimize this risk.

Overall, we are satisfied on the way the company finances are handled to mitigate risks as far as possible.

Finance and Risk Committee

GOVERNANCE



Thompson Mankhili
Chairperson of the
Remuneration Committee

Statement from the Chairman of the Remuneration Committee

On behalf of the Board, I am pleased to present the FY22/23 remuneration report for the CGA-GDC. The remuneration report provides stakeholders with an overview of our overall remuneration philosophy, highlights key underlying remuneration policies, and sets out how these

policies have been implemented during FY22/23, with a specific focus on payments made to executive and non-executive directors. The remuneration committee is mandated by the Board to ensure that the GDC's remuneration policies and decisions are:

- aligned with the interests of all stakeholders,
- closely aligned with the delivery of the GDC's long-term strategic objectives,
- appropriate to incentivise sustainable growth of citrus over the longer term,
- fair and responsible, rewarding both individual, company and industry performance, and
- effective at attracting and retaining talent

The remuneration committee is satisfied that it has met its responsibilities in terms of its Board charter, and that the remuneration policies it has applied and the decisions it has taken have fulfilled the objective of fair and responsible remuneration.

The GDC's remuneration report is prepared in accordance with the requirements of the Companies Act and King IV requirements. As a responsible corporate citizen, we devote the necessary focus to important issues of employment equity, gender equity and pay parity. At our heart, we are a people business and can only win through our people

The role and responsibility of the remuneration committee

The remuneration committee assists the Board to formulate and administer an effective remuneration strategy that:

- meets all legislative and regulatory requirements,
- delivers on the company's commitment to fair, transparent and responsible remuneration,
- is balanced in the best short- and long-term interests of the company and its stakeholders,
- is aligned with the company's long-term strategic objectives'

Members and attendance at meetings

The remuneration committee meets at least twice a year, is chaired by an independent non-executive director and comprises only non-executive directors. The General Manager is a non-voting member of the remuneration committee.

The committee operates in terms of a Board-approved charter, which is reviewed annually by the Board. The remuneration committee held three meetings over the course of and in respect of the FY22/23 financial year.

Member	Meetings Attended
Mr. N Mankhili (Chairman)	3/3
Mr. TR Ramabulana	3/3

Independent external advisors

The remuneration committee ensures that the GDC remains up to date with evolving legislation and remuneration practices in South Africa through ongoing training, research and monitoring. Independent and objective expert advice is obtained as required, including in respect of industry benchmarking and the fair and transparent structure of variable short-term and other benefits in order to drive performance and achieve retention. We are grateful of the valuable advice we continue to receive from Ms. Andrea Jackson.

GOVERNANCE

CGA CEO's Statement



Justin Chadwick
CEO

Inclusive growth is the objective of the Agriculture and AgroProcessing Masterplan – and the citrus industry is on course to both grow in terms of volumes produced and inclusivity. Through years of investment in research and market access, the industry has advanced to the number two exporter of fresh citrus fruit in the world, and through investment in transformation more and more black growers are joining the industry, increasing in scale and improving sustainability. The citrus industry has the CGA Grower Development Company as the leader in the field of inclusivity – and can be rightly proud of achievements to date.

Recent conditions in the industry mean that the economics of citrus farming have taken a turn for the worse. After an excellent 2020 season, where the world fell in love with the main source of vitamin C to combat the plague of COVID-19, the greed of shipping lines coupled with double-digit inflation for all farming inputs has put growers into survival mode.

Unfortunately, black growers who have a short track record and lower reserves are most impacted by these events. The focus of the CGA GDC has changed from one of orchard expansion to orchard survival. The CGA GDC is well-positioned to assist growers during these difficult times.

We salute Lukhanyo Nkombisa, his hard-working staff, and the Board of the CGA GDC as they commit to this difficult task.



GOVERNANCE

Chairperson of the Chamber's Statement



As one of its priorities, the CGA continues in its commitment to industry transformation. To demonstrate this, the CGA established the Citrus Grower Development Chamber in 2011 as a platform of engagement where emergent growers can raise and discuss matters of common concern.

Emergent growers hold technical study groups where they meet to discuss challenges experiences by emerging growers. These study groups also elect representatives from each region to represent them on the CGDC.

The CGDC usually meets twice year, with meetings of the executive held when necessary.

During the year under review, the following people served on the CGDC.

Name	Region
Eric Nohamba	Eastern Cape Midlands
Lawrence Mgadle	Eastern Cape Midlands
Khaya Brian Katoo	Patensie
Siseko Maqoma	Eastern Cape Midlands
Simphiwe Yawa	Sundays River Valley
Wayne Mansfield	Boland
Ntamiseni Thompson Mankhili	Limpopo River
Bennet Sdumo Malungane	Letsitele
Octavias Masalesa	Letsitele
Pheladi Tlomatsane	Letsitele
Walter Tshianeo Mathidi	Letsitele
Olivia Dikeledi Selowe	Nelspruit
Petros Eric Shiba	Onderberg
Hlulekile Phonela Joyce	Nelspruit
Simon Tiisang Selowe	Nelspruit
Mziwoxolo Makhanya	KwaZulu
Louisa Maloka-Mogotsi	Senwes

▶ GOVERNANCE

Chairperson of the Chamber's Statement (Continued)

The CGDC executive committee is elected from the CGDC members. During the year under review, the following CGDC members and company representatives served on the executive committee:

Name	Designation
Mziwoxolo Makhanya	Chairperson
Ntamiseni Mankhili	Vice-chairperson
Eric Nohamba	
Bennet Malungane	
Lawrence Mgadle	
Lukhanyo Nkombisa	General Manager, CGAGDC
Justin Chadwick	CEO, CGA
Jacomien de Klerk	General Manager, Citrus Academy

The Citrus Academy is contracted by the CGA to coordinate the activities of the CGDC and act as member liaison.



▶ PEOPLE OF THE CGA-GDC

Board Members



Tshililo Ramabulana
Chairperson of the
CGA-GDC Board



Andries Muller
Chairperson of the
Finance & Risk Review
Committee



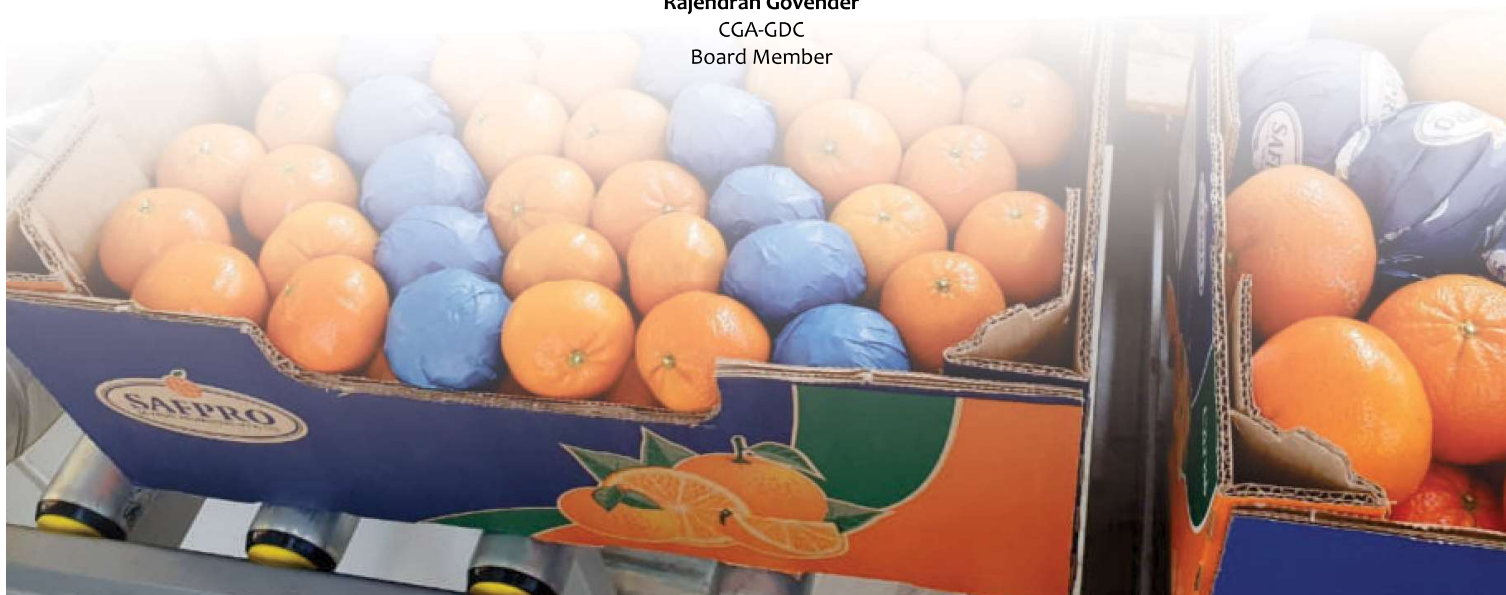
Lawrence Mgadle
Board Member



Tompson Mankhili
Chairperson of the
Remuneration Committee



Rajendran Govender
CGA-GDC
Board Member



▶ PEOPLE OF THE CGA-GDC

Staff Members



Lukhanyo Nkombisa
General Manager



Camille Khoza
Finance and Administration
Manager



Yolanda Ntlakaza
Business Support Manager



Andrew Mbedzi
Manager Production and
Technical Support



Melton Mulaudzi
Extension Officer
Northern Region



Princess Mogale
Business Support
Assistant North Region



Zamazima Lenga
Southern Region
Extension Officer



Nkwane Mphahlele
Business Support
Assistant
(Southern Region)



Tebatso Nkulele
Admin Officer



Poneni Mathebula
Business Support Intern

GALLERY



Study group demonstration
Intathakusa



Harvest at Oakdene Farm



► GALLERY



Harvest at Oakdene farm



Harvest at Ripplemead Packhouse

▶ OPERATIONS

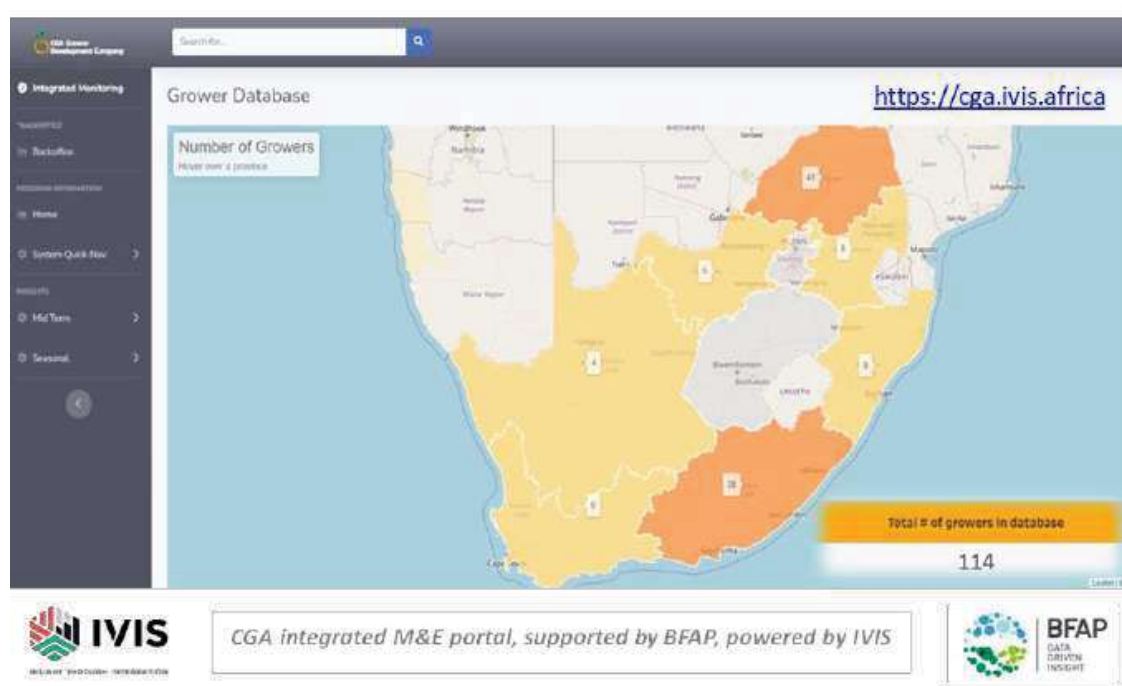
Integrated Monitoring and Evaluation System (M&E)

“Turning data into information and information into insights!”

The CGA Grower Development Company has realised that improving yield efficiency and profitability in agriculture comes down from reliable understanding and analysis of time series data. The building blocks of customising towards an integrated monitoring and evaluation tool is an in-depth understanding of the various operational and project process flows and access to credible data. Without credible data it is impossible to provide reliable insights and analysis.

Over the past year the CGD Grower Development Company has been focused on establishing an accurate grower database and gathering seasonal tree census and production information as the foundation of the integrated monitoring and evaluation framework.

Total Grower Data Base:



▶ OPERATIONS

Integrated Monitoring and Evaluation System (M&E)

The below sections detail the current information that has been verified and uploaded for the 2022 season (Planting window September 2021 – March 2022 and Production window March 2022 – September 2022). The information available and analysed for the 2022 season is not a reflection of the Total Black Grower hectares and harvest volumes as the data is still being collected, verified and uploaded on the system. It is however a true presentation of the current performance for the sub-set of growers that have provided verified data. The goal is to have 100% of grower tree census and production information verified and uploaded for the 2023 season.

At the time of submission of the 2022 / 2023 Annual report the number of grower per data set were:

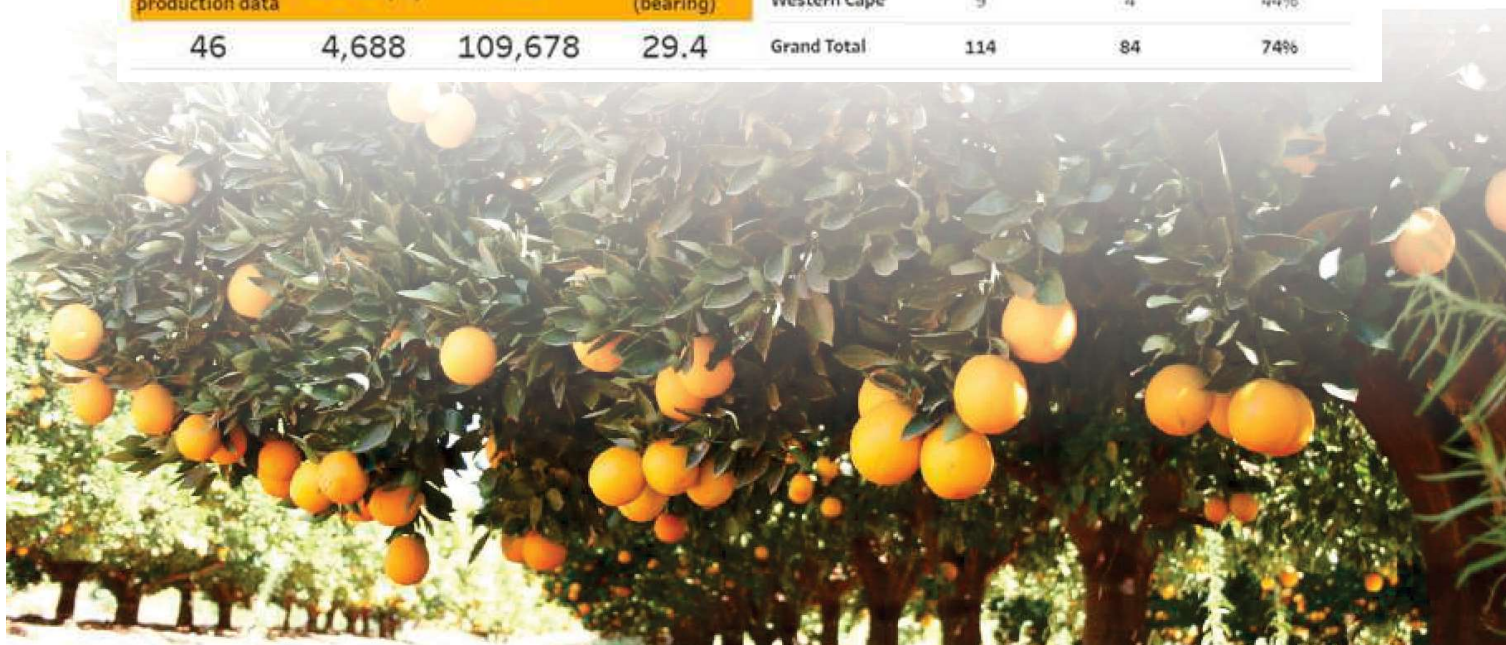
Total Grower Data Base : 114

Season 2020 Tree Census information : 84 Growers

Season 2020 Production information : 46 Growers

Total # of growers in database			
114			
Summary Table for Tree Census Information: 2022			
# of growers	Total Area		
84	6,573		
Summary Table for Production Information: 2022			
Growers with production data	Total ha (TC)	Tons	Avg. Tons/ha (bearing)
46	4,688	109,678	29.4

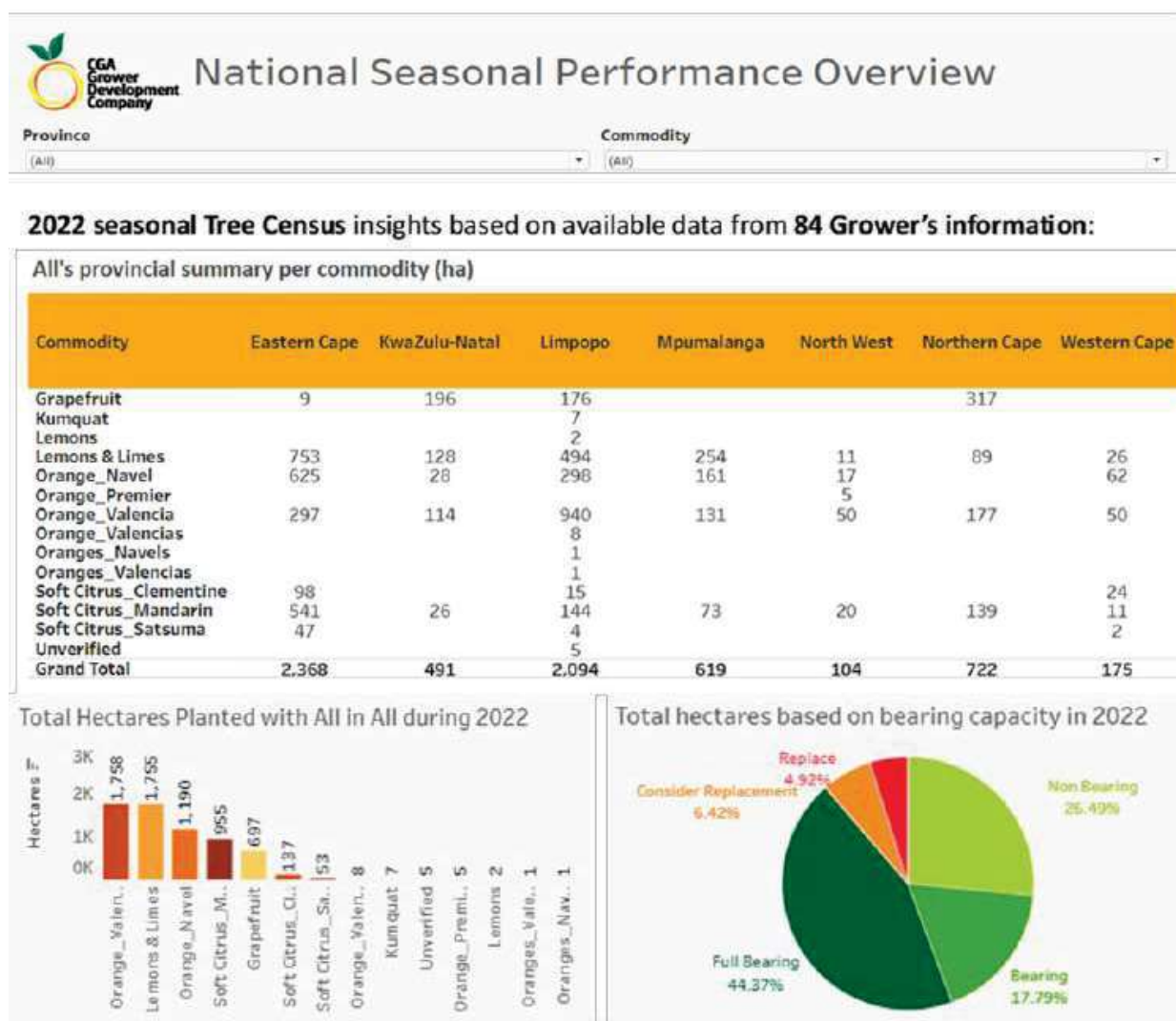
Program data completeness for 2022			
Province	#Growers	#Growers with TC	Data completeness
Eastern Cape	38	32	84%
KwaZulu-Natal	9	5	56%
Limpopo	41	31	76%
Mpumalanga	8	4	50%
North West	5	4	80%
Northern Cape	4	4	100%
Western Cape	9	4	44%
Grand Total	114	84	74%



OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

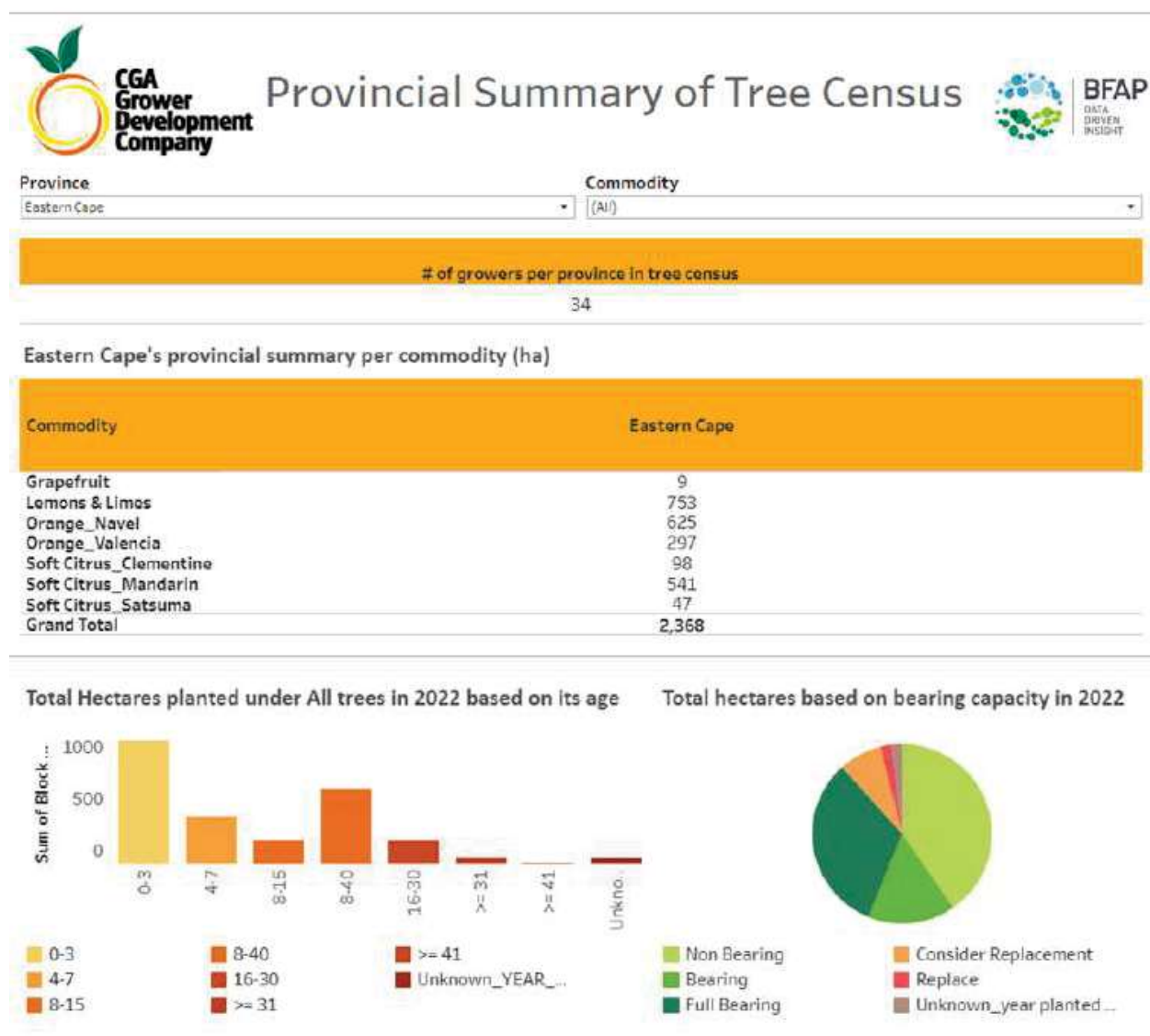
Seasonal Data Overview: 2022



OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

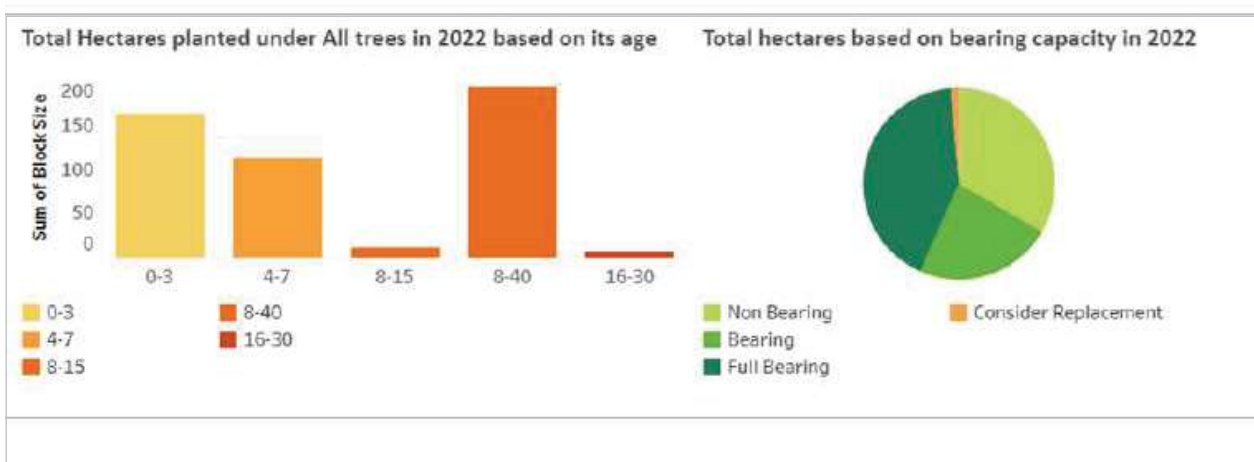
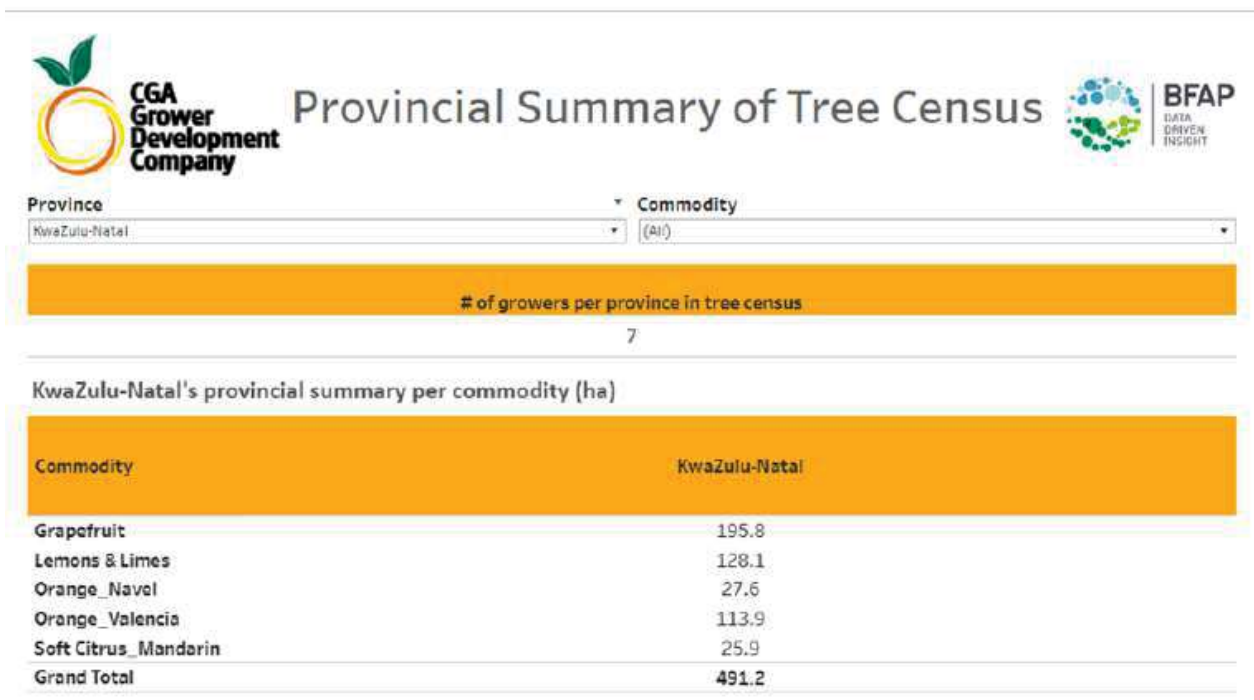
Eastern Cape:



▶ OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

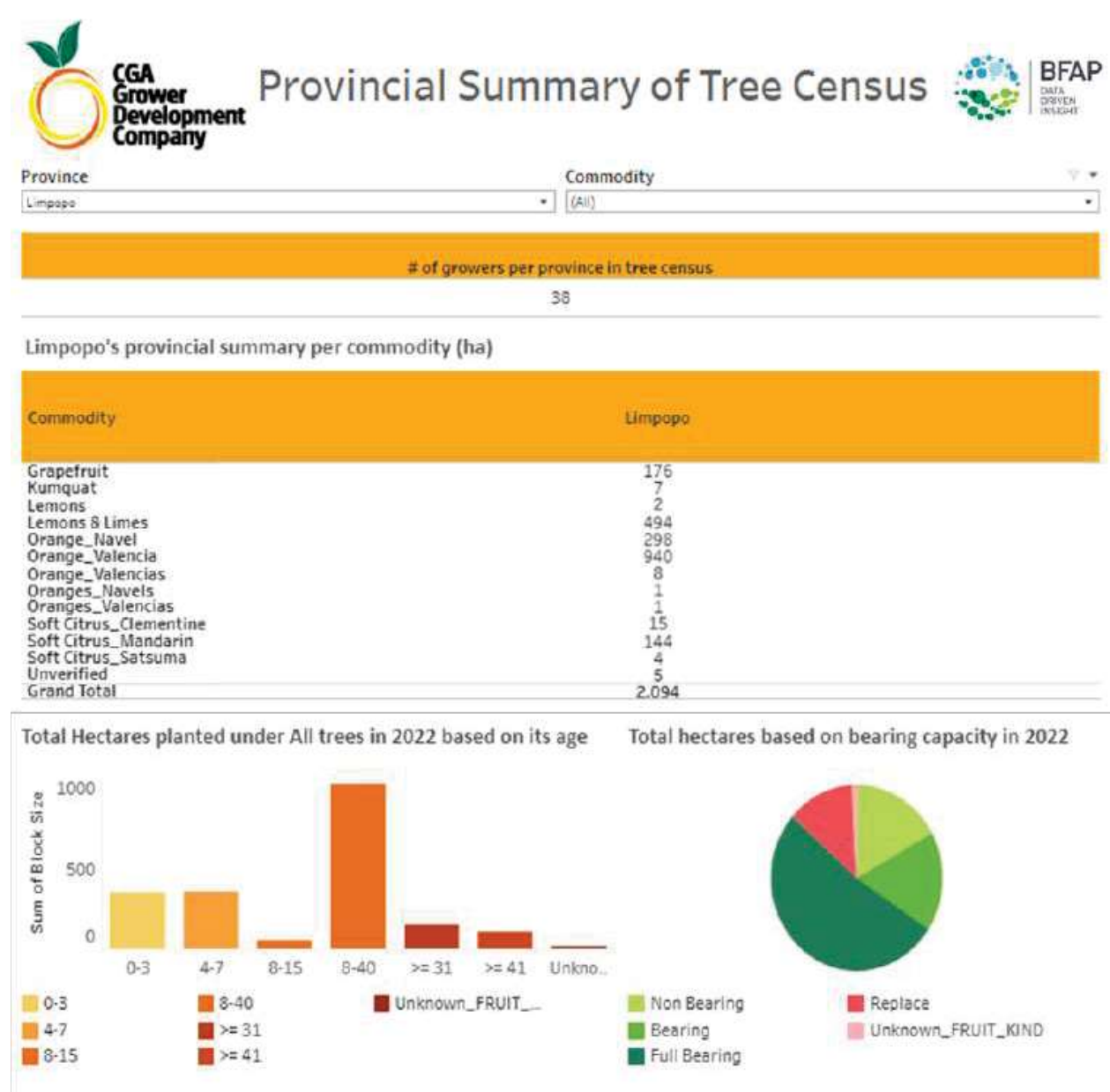
KwaZulu Natal:



OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

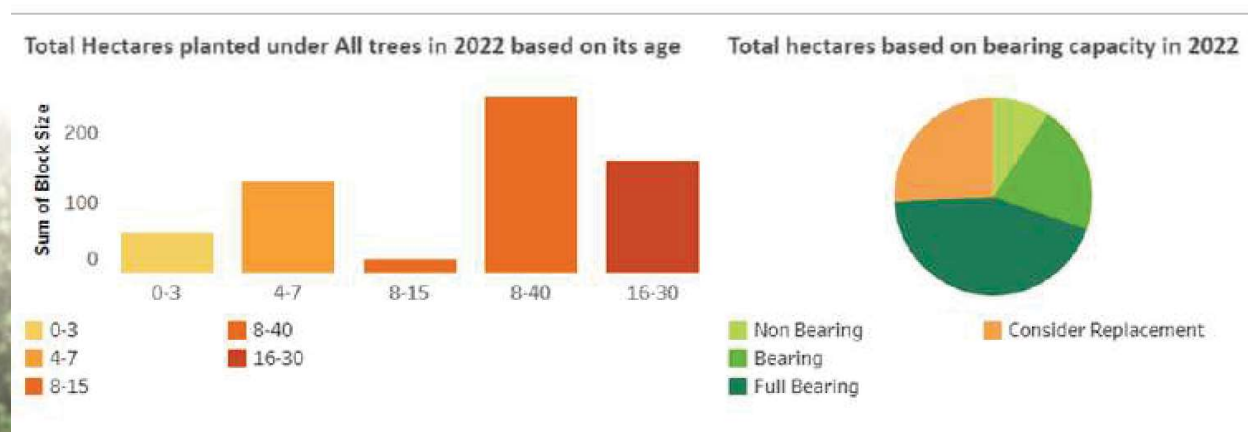
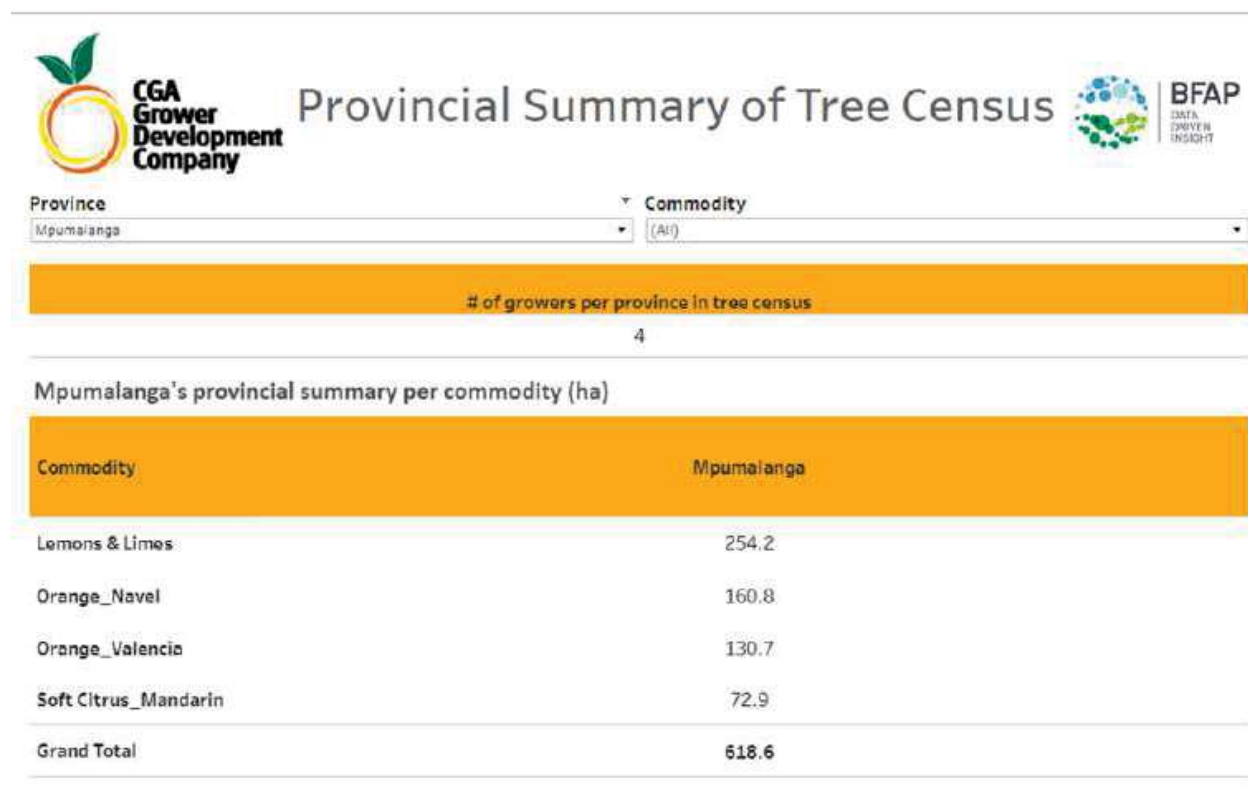
Limpopo:



► OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

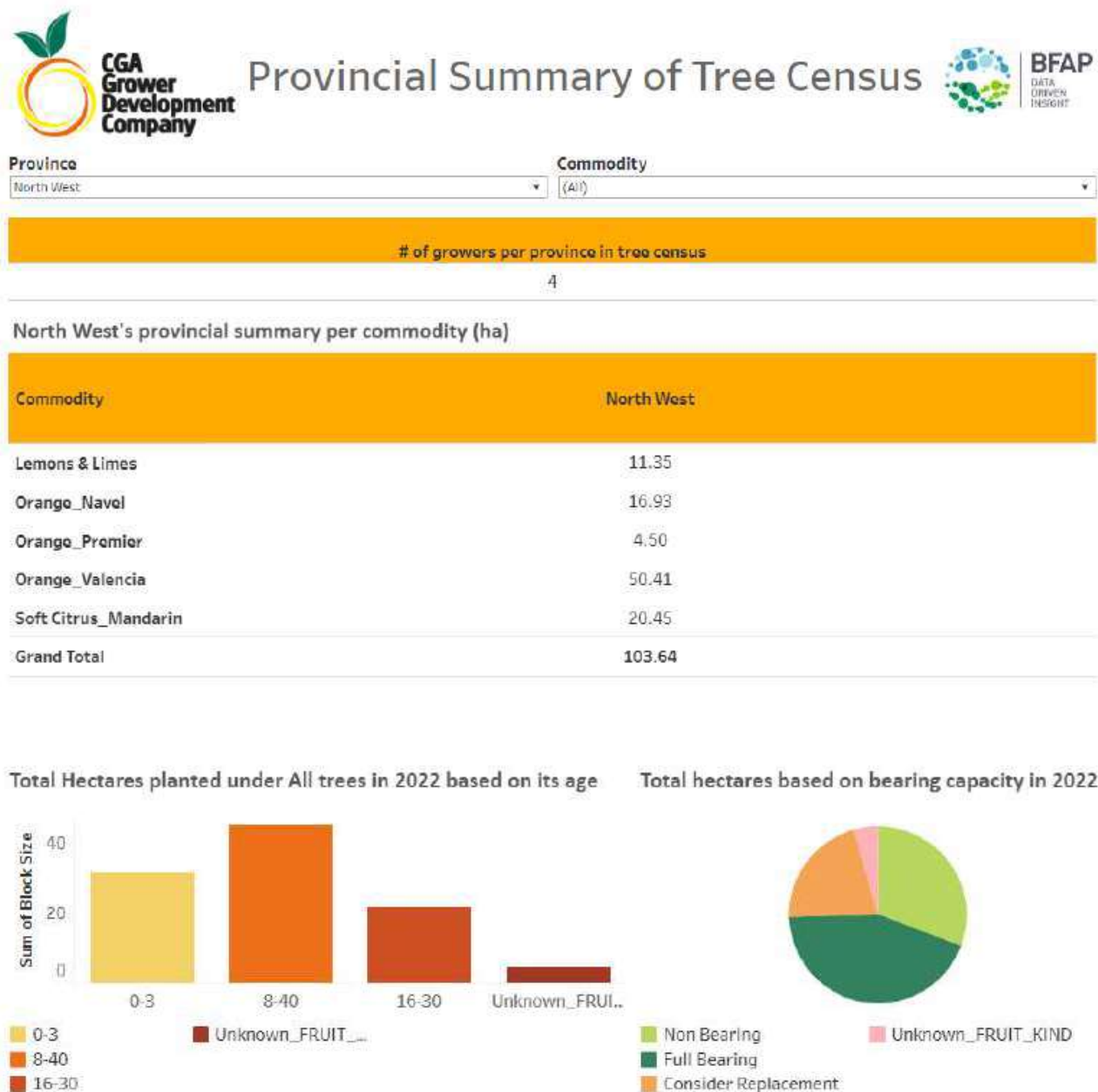
Mpumalanga:



OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

North West:



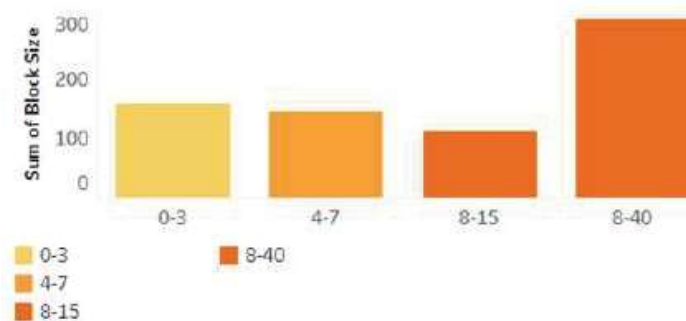
OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

Northern Cape:



Total Hectares planted under All trees in 2022 based on its age



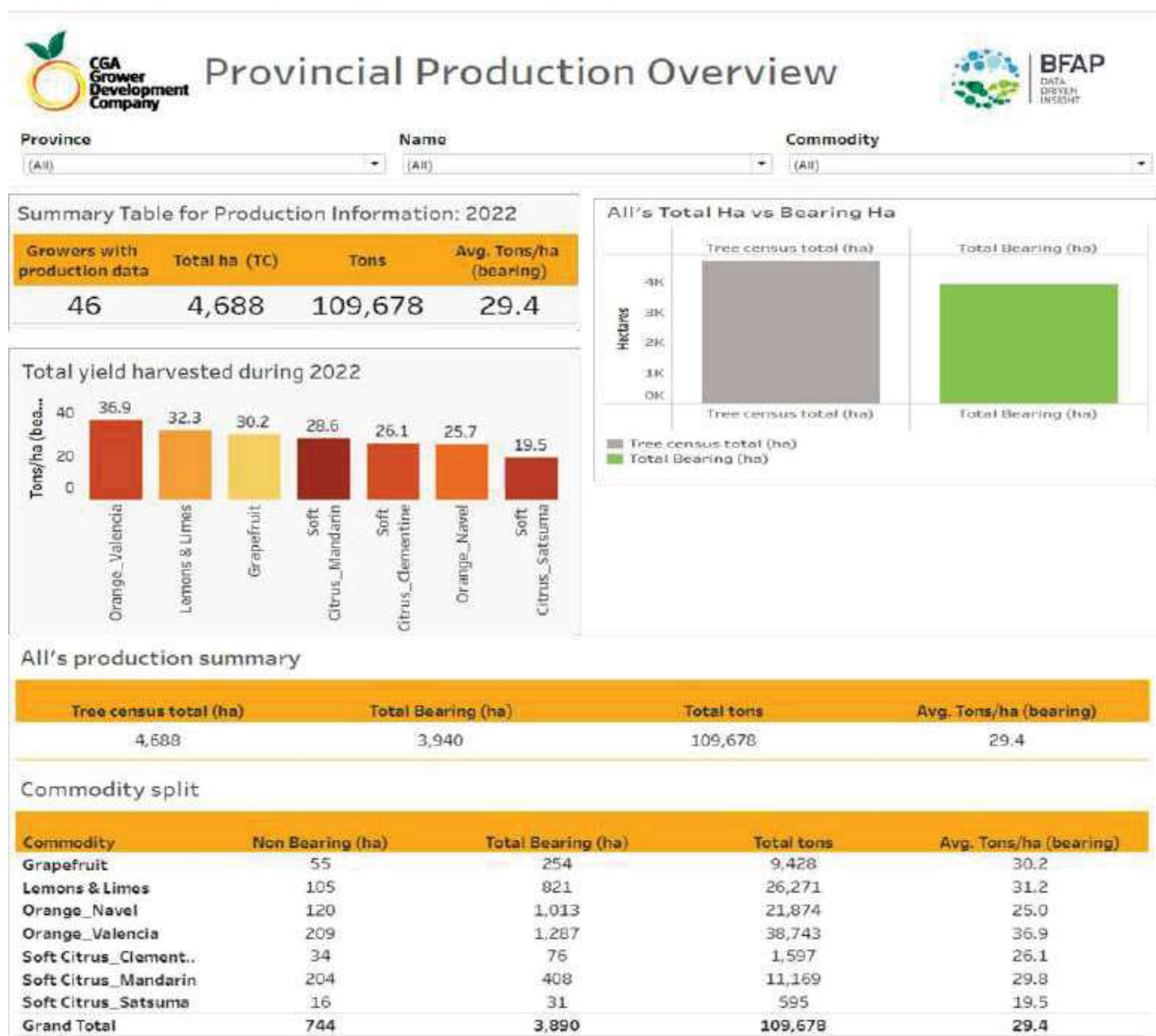
Total hectares based on bearing capacity in 2022



OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

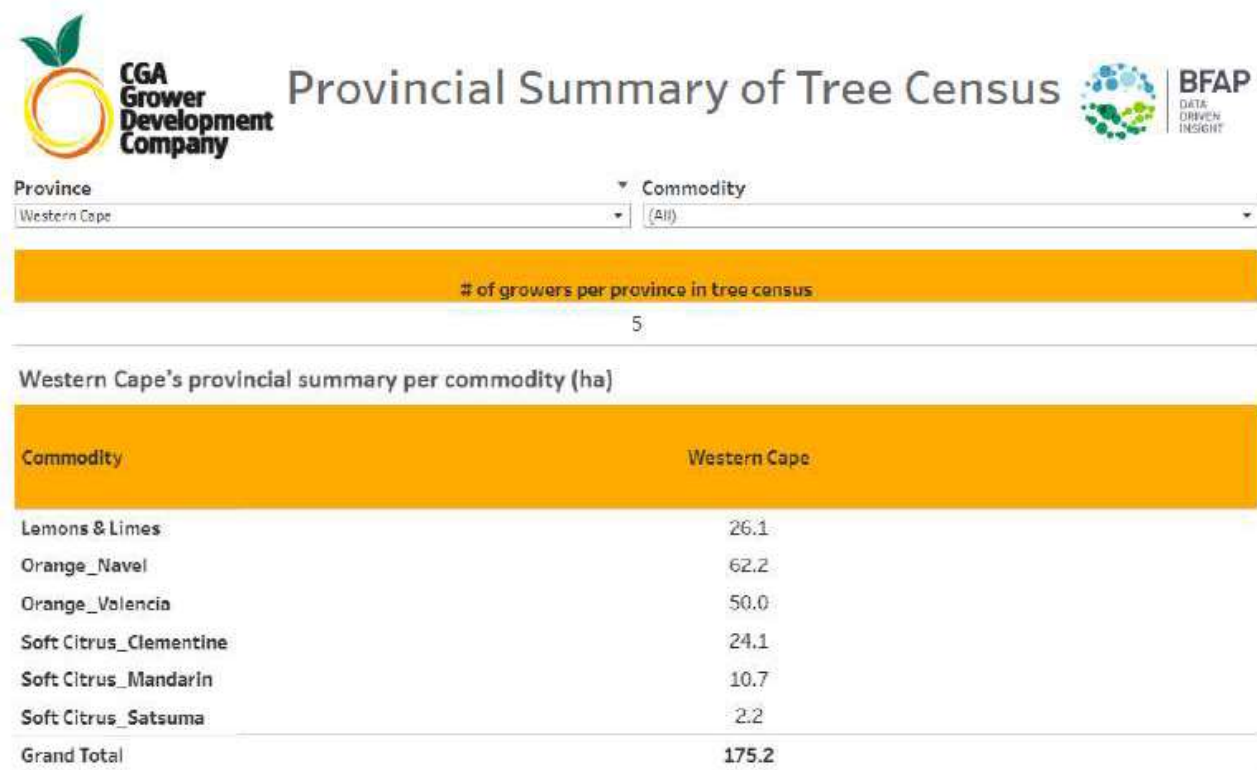
2022 seasonal Production insights based on available data from 46 Grower's information:



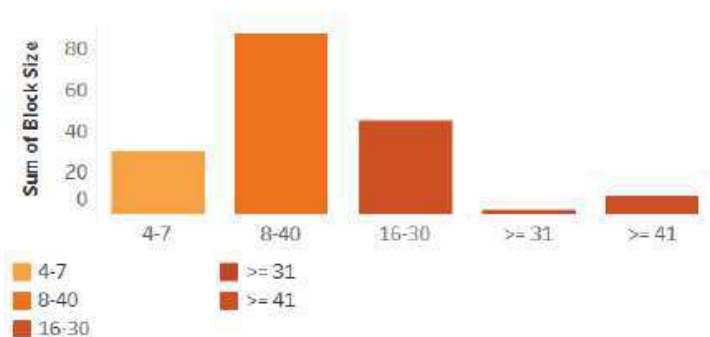
OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)

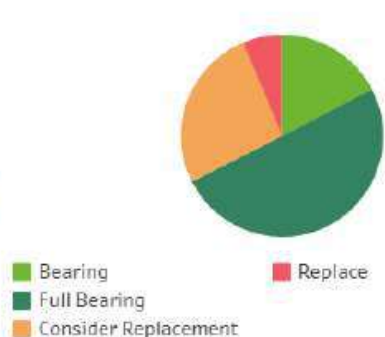
Western Cape:



Total Hectares planted under All trees in 2022 based on its age

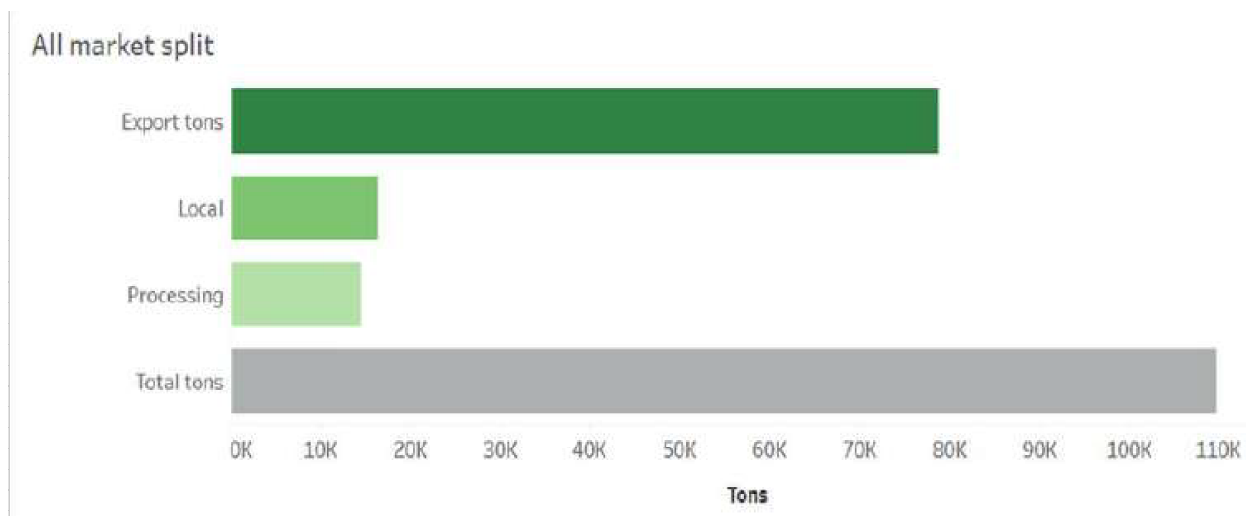


Total hectares based on bearing capacity in 2022



▶ OPERATIONS

Integrated Monitoring and Evaluation System (M&E) (Continued)



Production and Technical Support

The technology has been identified as a key strategic objective in the southern African citrus industry as a mechanism to effectively transfer research outputs to the citrus growers.

The CGA-GDC extension unit has the objective of cost-effectively coordinating the effective transfer of knowledge to develop citrus growers and their service agents. Extension in the southern African citrus industry represents a partnership between numerous parties.

Group Extension Farmer Support

The group method offers the possibility of greater extension coverage and is therefore more cost-effective. The use of groups in extension has become more common over the past decade for the company that have scarce extension resources like us (CGA-GDC) to try and maximise cost.

Group Extension Farmer Support includes citrus study groups, information Days and Regional Extension Workshop. It has been seen that individual extension methods can be costly in both terms of time and scarce extension resources, and that they reach only a limited number of people. There is also the danger that too much emphasis upon individuals can lead to undue concentration on progressive farmers to the detriment of the (small) poorer farmers.

OPERATIONS

Citrus Study Groups

The citrus study group's main aim is to gain knowledge and share best practice among the group members. By hosting the group at a different venue each month, farmers can learn from the different orchards and techniques that their fellow farmers are using.

There are a total of 9 citrus study groups. There are three citrus study groups in the Eastern Cape, three in Limpopo, two in KwaZulu Natal and one in North West. Each study group hosts one citrus study group per quarter making a total of four citrus study groups annually. Waterberg citrus study group could not host any of the share of four citrus study group session due to challenges of officials in the Waterberg district.

A total of 16 citrus study group sessions were hosted by the nine citrus study groups. The citrus study groups attracted a total of 448 people.

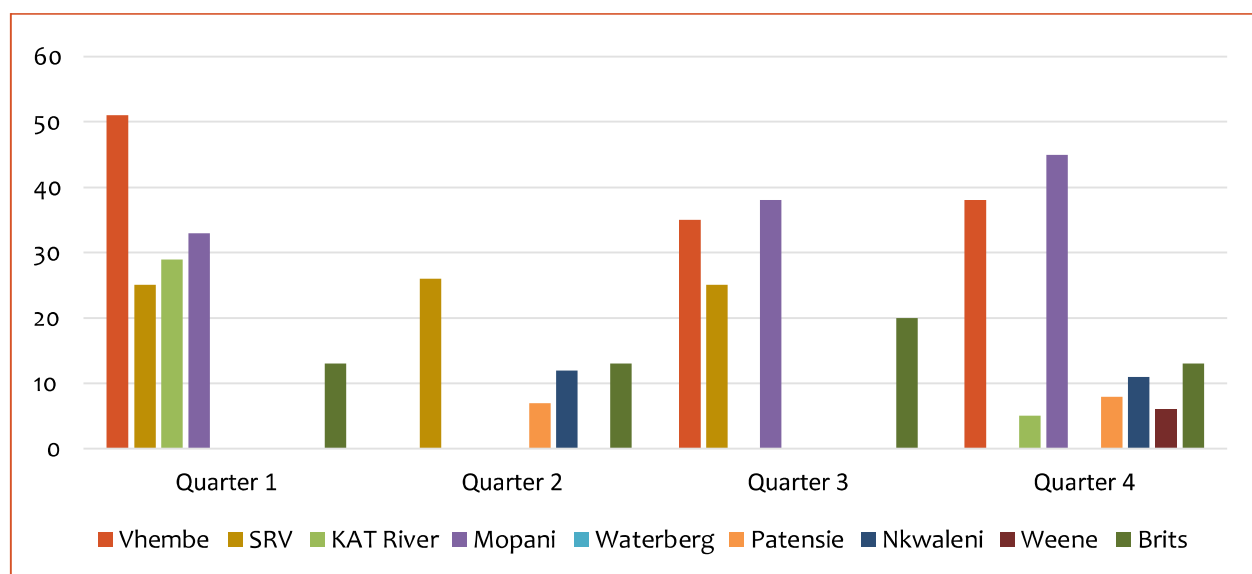
The table below indicate attendance of citrus study groups during 2022/2023 financial year:

Quarter (Q):	Date:	Name Of Citrus Study Group:	Attendance:	Focus Area:
Q1	01/05/2022	Bojanala Platinum Citrus Study Group	13	Sanitation & Pruning
Q1	12/05/2022	KAT River Valley Citrus Study Group	29	Sanitation & Pruning
Q1	19/05/2022	Mopani Citrus Study Group	33	Sanitation & Pruning
Q1	19/05/2022	Sundays River Valley Citrus Study Group	25	Sanitation & Pruning
Q1	21/06/2022	Vhembe Citrus Study Group	51	Sanitation & Pruning
Q2	05/07/2022	Patensie Citrus Study Group	7	IPM & DM
Q2	17/08/2022	Bojanala Platinum Citrus Study Group	13	IPM & DM
Q2	17/08/2022	Sundays River Valley Citrus Study Group	26	IPM & DM
Q2	30/08/2022	Nkwaleni Valley Citrus Study Group	12	IPM & DM
Q3	25/10/2022	Vhembe Citrus Study Group	35	IPM & DM
Q3	03/11/2022	Bojanala Platinum Citrus Study Group	20	IPM & DM
Q3	16/11/2022	Mopani Citrus Study Group	38	IPM & DM
Q3	29/11/2023	Sundays River Valley Citrus Study Group	25	IPM & DM
Q4	15/02/2023	Bojanala Platinum Citrus Study Group	13	Leaf & Soil Sampling
Q4	08/03/2023	Vhembe Citrus Study Group	38	Leaf & Soil Sampling
Q4	23/03/2023	Mopani Citrus Study Group	45	Leaf & Soil Sampling
Q4	10/01/2023	Patensie Citrus Study Group	8	2023/2024 Planning
Q4	17/01/2023	Nkwaleni Valley Citrus Study Group	11	2023/2024 Planning
Q4	18/01/2023	KZN Midlands Citrus Study Group	6	2023/2024 Planning
Totals:		16 Citrus Study Group Sessions	448	

OPERATIONS

Citrus Study Groups

2022/2023 Citrus Study Group Attendance



Information Days

The purpose of the information day is to give the developing growers an opportunity to interact with the citrus technical teams, the training service providers, financiers and government departments and other relevant stakeholders. Information days are annual events and the table below indicate the attendance for the 2022/2023 financial year. A total of four information days were planned and hosted for Eastern Cape, Limpopo, KwaZulu Natal and North West.

All the four information days were well attended by a total of 371 people. See the table below.

Quarter (Q):	Date:	Information Day:	Attendance:
Q1	08/06/2022	KwaZulu Natal Information Day	41
Q2	06/09/2022	Limpopo Information Day	165
Q2	20/09/2022	Eastern Cape Information Day	80
Q3	24/11/2022	North West Information Day	85
Totals:		4	371

▶ OPERATIONS

Citrus Study Groups

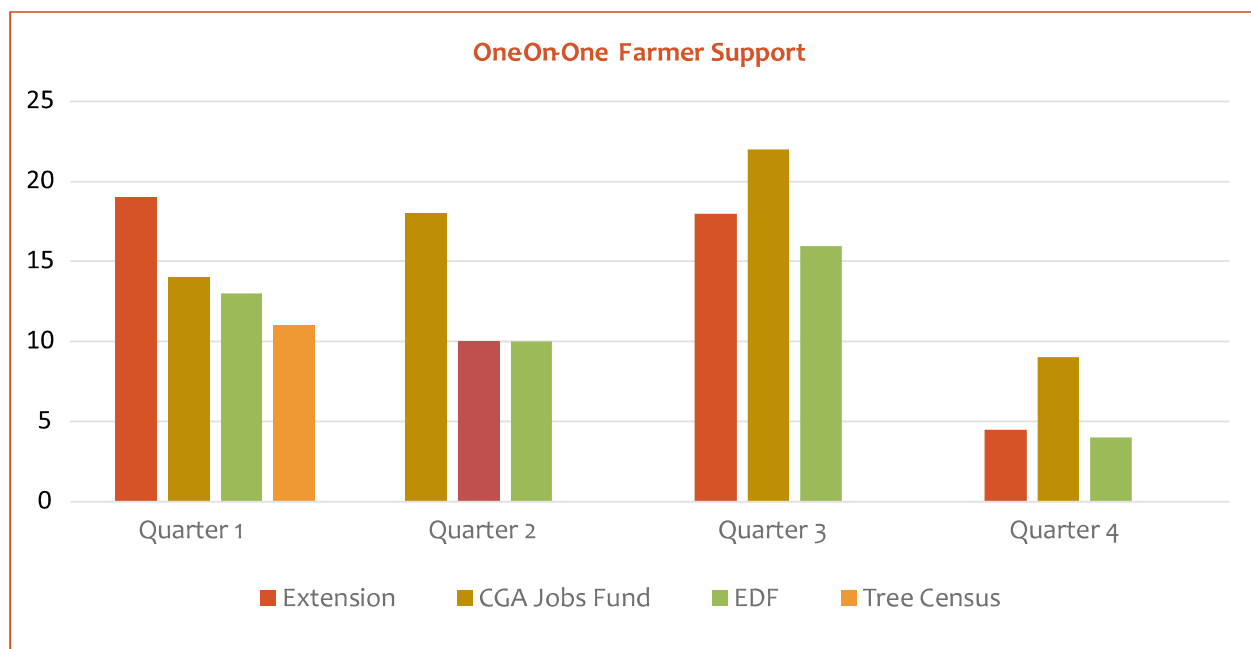
One-on-One Farmer Support

The extension officer meets the farmer at home or on the farm and discusses issues of mutual interest, giving the farmer both information and advice. The atmosphere of the meeting is usually informal and relaxed, and the farmer can benefit from the officer's individual attention. The purpose of the one-on-ones with the farmers was to assist them to sort out their citrus production and marketing challenges in their respective farming areas. Evoke general interest among the farmers and stimulate their involvement in extension activities.

A total of 185 one-on-one farmer visits were conducted by the Production & Technical Support unit during 2022/2023 financial year. The spread of visits was as follows:

- 76 Extension Services
- 55 CGA Jobs Fund
- 43 Enterprise Development Fund
- 11 Tree Census

Quarter (Q):	Reasons for the One-On-One Visit& Number of Visits			
	Extension:	CGA Jobs Fund:	EDF:	Tree Census
Q1	19	14	13	11
Q2	18	10	10	0
Q3	18	22	16	0
Q4	21	9	4	0
Totals:	76	55	43	11



OPERATIONS

Citrus Study Groups

New Entrant Farmer Support

A total of four new entrant farmers were recorded

Farm Name:	Region/Province:	Classification:	Comments:
Ajuri Trading	Mpumalanga	Q3: LDS Project	Waiting for Implementation
SA Renaissance	Mpumalanga	Q3: LDS Project	Waiting for Implementation
Addo Drift	Eastern Cape	Q4: CGA Jobs Fund	CGA Jobs Fund Pipeline
Makwani Citrus	Western Cape	Q4: CGA Jobs Fund	CGA Jobs Fund Pipeline

Stakeholder Engagement

The Production and Technical Support were involved in the engagement of the following stakeholders.

Name of Stakeholder:	Reasons for Engagements:
1. Chamber (CGDC)	Matters relating to growers funding, business, and technical support
2. RiverBioscience (RBX)	Integrated Pest Management and Agro-chemical products
3. Citrus Research International (CRI)	Research and Development and Extension support
4. CGA Cultivar Company (CGACC)	Micro-climate, rootstocks, and cultivars support
5. Citrus Academy (CA)	Skills development and bursaries support
6. DALLRD	National and Provisional Extension activities
7. PDAs	Provisional Extension activities
8. BFAP	Integrated Monitoring and Evaluation systems (M&E) Data
9. CGA Jobs Fund	Provision of technical support
10. Standard Bank	Assist with technical information
11. Land Bank	Assist with technical information



OPERATIONS

Business Support

Economic Transformation for Black Citrus Growers (ETBCG) (Jobs Fund)

This was the third year in the implementation of the project.

Implementation arrangements:

The Grower Development Company (GDC) is involved in the implementation of the programme and doing application facilitation. A deadline was given to all applicants that have outstanding documents and majority met the deadline. There is still a huge focus on technical support, statistics, and data collection from the field with BFAP taking the lead.

The First National Bank (FNB) provides guidance in terms of loan approvals, providing support with requirements of that. Due to the nature of the applications and the required compliance, approval takes longer. Pipeline applications go through a due diligence process, and this step at times it is repeated to ensure that the investments are sustainable and not overextending the growers to the point that they are over-indebted.

Lima is the main administrator in the programme, doing the reporting requirements to Jobs Fund and DALLRD. They have also completed the mid-term evaluation report and submitted to CGA. Lima is also involved in the gathering of information for the development of the GDC database.

Citrus Growers Association (CGA) plays a role in finance and administration. This includes movements of money and tracking of expenditure for the approved projects.

BFAP is responsible for the development of a monitoring system for the programme including defining of key performance indicators and the analysis of what is being reported.

Application overview:

As of the end of the 2022 financial year, the programme received 53 applications. Of the 53 applications; 33 applications have been presented to PSC for approval; 5 have been rejected by PSC; 12 have been rejected by FNB after PSC approval, 10 projects have been approved to implement. The programme has received 7 applications that are non-compliant; 6 applications that have been recorded to be put on hold or withdrew and 12 were rejected by FNB prior to being presented to PSC with the remaining 4 applications going through financial pre-approval.

Statistics indicate that there is 41% rejection rate prior PSC (23 out of 56 applications), 15 % rejection rate by PSC (5 of out 33 presented) and 43% after PSC (12 out of 28 presented to PSC). The overall rejection rate is 71% of the applications that have been received (40 applications rejected: 23 at application and pre-financial approval/5 at PSC/12 by FNB).

OPERATIONS

Business Support (Continued)

The rejected applications demonstrate that a thorough process is being followed.

Programme summary:

Targets and Performance	Approved	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
	Fund	Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
	Total									
	R115 700 523	R71 186 049	R26 700 648	R97886 698	439,09	173,09	178	70	1056	297

Project status:

Entity		Approved	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
		Funds	Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
1	Mystic Blue	R15 000 000	RR9 600 000	R4 167 598	R13 767 598	68,2	39,90	8	1	25	69

Implementation milestones:

Planting 67 ha - 60% completed. Grower will not plant further.

Vehicles and Equipment- 100% procured includes packhouse equipment

Infrastructure – 100% fencing . 60% irrigation. 100% DeGreening room.

Working Capital- remaining amount of R1 232 402 funding balance for maintenance of young trees.

Entity		Approved	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
		Funds	Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
2	Sikhula Sonke Enterprises (Pty) Ltd	R6 000 000	R3 840 000	R1 111 470	R4 951 470	25,5	10,20	20	20	72	72

▶ OPERATIONS

Business Support (Continued)

Implementation milestones:

Planting 21,65 ha -47% completed (10,2ha).

Equipment and vehicles procured– 100%

Infrastructure–80% irrigation and fencing

Entity		Approved Funds	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
			Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
3	Luthando Farma (Pty)Ltd	R5 632 600	R3 604 864	R1 726 017	R5 330 881	17,39	14,09	5	0	6	10

Implementation milestones:

Planting 16,06ha – 88% completed(14,09ha). 2 ha remain for Sept 2023

Irrigation infrastructure-100% completed

Vehicles and equipment procured- 100%

Remaining tranche for working capital 2 ha planting.

Entity		Approved Funds	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
			Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
4	MF Binco /Mouton (Pty) Ltd	R20 100 000	R12 900 000	R4 764 415	R17 664 415	150	0	63	14	167	63

OPERATIONS

Business Support (Continued)

Implementation milestones:

Generators and power grid- 100% completed

Solar panels - 0%

Enabled activities

Mouton

Planting 150 ha -0%

Packhouse expansion – 100%

Solar system and sub station installation awaiting Eskom/NERSA approval

Entity	Approved Funds	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
		Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
5 Ikamvalethu Farms (Pty) Ltd	R30 000 000	R19 200 000	R10 800 000	R30 000 000	100	100	49	31	488	38

Implementation milestones:

Working Capital- Remaining tranche mostly for working capital

Planting 100 ha-100% completed

Equipment and vehicles procured- 100%

Infrastructure- 80% irrigation and fencing, Access roads

Entity	Approved Funds	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
		Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
6 Kopano Citrus (Pty) Ltd	R12 421 718	R5 051 614	R1 975 355	R7 026 969	27,5	8,9	11	2	42	14

OPERATIONS

Business Support (Continued)

Implementation milestones:

Planting 8,9 ha 100% completed

Equipment and vehicles procured - 0%

Infrastructure—100% irrigation and fencing (savings due to additional support)

Working Capital - Remaining tranche mostly for working capital

Entity	Approved Funds	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
		Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
7 Cedar Citrus (Pty) Ltd	R14 800 000	R9 472 000	R1 155 793	R11 627 793	15	0	22	2	186	31

Implementation milestones:

Solar panels deposits paid

Planting 15 ha - land prep and irrigation completed. Planting resumed in April

Generators and power grid- deposits paid

Entity	Approved Funds	Disbursed Funds			Hectares		Permanent Jobs		Seasonal Jobs	
		Loan	Grant	Total	Target	Achieved	Target	Achieved	Target	Achieved
8 Sun Orange	R11 746 205	R7 517 571	0	R7 517 571	35,5	0	17	0	51	0

OPERATIONS

Business Support (Continued)

Implementation milestones:

Planting 35,5 ha -0% completed due in Aug 2024. Land prep completed.
Working Capital- Being tracked but None claimed thus far.
Grant agreement outstanding.

Targets and programme indicators:

To achieve the targets of the programme being the jobs, training and beneficiaries and hectares planted, there must be a balancing between the beneficiaries and funding the activities of the beneficiaries whilst generating the targets indicators out of that. The reported performance vs the contracted targets have been reported with evidence.

Progress to date summarised as follows:

It is evident that there has been a shift in criteria for approving applications and a revision of implementation plans since the inception of the programme, thus this has had an impact on the jobs initially projected for the programme. The programme has noticeably supported infrastructure which produces short term jobs. Furthermore, it is noticeable that in green field orchard establishments currently do not have the capacity take on seasonal jobs. Some of the jobs will be actualized post the life of the project.

Enterprise Development Funding (EDF)

The fund is meant for existing black owned and managed citrus businesses to address specific needs within the business. Total EDF allocation for 2022- R27 million adding the outstanding EDF of 2021, the total amount is R36,5 million.

The initial plan was to establish 120ha new orchards, provide mechanization support and support young orchards younger than six years with production inputs. Subsequent to the Citrus Indaba, which deliberated on the bleak outlook of the industry, several engagements have transpired with the executive of the CGA-GDC, Chamber Executive and the Board of Directors for the CGA-GDC to find ways of keeping the businesses afloat. Upon deliberating on these matters, it was identified that saving the current crop should be a priority in supporting the growers, there was a deviation from the original plan and divert from the approved EDF plan and focus on maintaining the current orchards. Growers were then required to submit their fertilizer and spray programmes, to assist with the allocation.

Upon reviewing the fertilizer and spray programmes for the different farms, there is a wide spectrum of requirement from R25 000 to R35 000 per ha. It should be noted that not all farms have this guideline, and their submissions were based on their experience on the ground and a generic requirement from the study groups. Farmers were then allocated funds from R100 000 to R800 000, according to an agreed formula. Three farms had a special approval for packing materials to the value of R600 000.

▶ OPERATIONS

Business Support (Continued)

Implementation milestones:

Below indicates the disbursement according to provinces:

Province	Number of farms supported	Amount
Limpopo	32	R10 097 529,49
Eastern Cape	31	R16 289 399,22
Mpumalanga	4	R2 498 297,35
Western Cape	3	R1 397 463,93
KwaZulu Natal	5	R3 186 588,20
North West	5	R1 697 857,27
Gauteng	1	R99 591,00
Total	81	R35 266 726,46

Government Supported Projects

The CGA-GDC participate in two programmes under the government partnerships, these are the Comprehensive Agriculture Support Programme (CASP) and Land Development Support (LDS) fund.

Comprehensive Agricultural Support Programme (CASP):

CASP is implemented by the Western Cape Department of Agriculture through its commodity focused approach in an effort to extend its services to producers within the province. The programme is implemented through the Commodity Project Allocation Committees (CPAC). The strategic goal of this programme is to create a favourable and supportive agricultural service environment for farming community including subsistence, smallholder, commercial land reform producers as well as those involved in Agri-Processing within the Western Cape Province.

One project was approved, Fruitfield Farming was approved to the tune of R400 000, and all funds were spent on production inputs.

Towards the end of the third quarter, farm further requested additional funding under farms in distress, and a further R497 604 was allocated in the fourth quarter, for operational costs. By the end of the FY, the farm spent R167 141 on the extended funding.

▶ OPERATIONS

Business Support (Continued)

Land Development Support:

The Land Development Support Policy/ Programme (LDS), which is aimed at providing comprehensive farm development support to Land reform farms and addressing the gaps identified during the farm assessment process. The programme provides a full grant support to farmers, and it is implemented in partnership with the commodity organisations.

The programme is implemented in three provinces: North West, Eastern Cape and KwaZulu Natal.

North West:

Only one project is benefiting: Bathlako Temo

The project was on the third year of implementation. The focus was on Infrastructure: two workers houses were built and completed. The main house is towards completion.

Eastern Cape:

Only one project is benefiting: Three Pence

The project was on the first year of implementation and so far it has been supported with mechanization and 20 ha of land prepared for expansion.

KwaZulu Natal

This was the first year of implementation and two projects are benefiting and this is the progress:

Intathakusa:

Payment parcels have been prepared for service providers for the following goods and services:

- Payment of irrigation
- Land preparation
- Payment of trees – seedlings were secured at Du Roi Nursery without the normal deposit payable

Thulwane:

Payment parcels have been prepared for service providers for the following goods and services:

- Payment of irrigation
- Land preparation
- Payment of trees – seedlings were secured at Du Roi Nursery without the normal deposit payable

SIZA Environmental Standard

The SIZA Environmental Assurance model has been designed to assist growers in evaluating their current compliance and environmental risks, both at a farm and regional/catchment level. This process is accomplished through the completion of a Self-Assessment Questionnaire (SAQ), the results of which feed into a risk profile report, which can be used to address market requirements, whilst also informing the drafting of site-specific improvement plans and farm environmental management plans and monitoring system. The questions included in the self-assessment questionnaire runs from minimum legal requirements to leading practice across four main topics such as: water, soil, energy, materials & waste; and farm ecosystems & biodiversity.

Training on the SIZA Environmental Standard was done in the two identified sites Kat River and Sundays River Valleys. The scope of work included training, a comprehensive Quality Management System (QMS) in line with the SIZA standard. The QMS captured site specific practises and processes. The following was also done for the farms: on-site gap analysis, management plans, risk assessments, policies and procedures.

▶ OPERATIONS

Business Support (Continued)

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Participation in the programme is as follows:

Region 1: Kat River Valley		Region: Sundays River Valley	
Farm Name	Number of participants (11)	Farm Name	Number of participants (11)
Gatyena	1	Siyaphambile	1
Oakdene	2	Mbuyiselo	1
Letas	2	Glengrove	1
Zanentlutha	1	Willowtree	1
Torties	1	Sophumelela	1
SRCC	1	Siyathemba	1
SSE	1	SRCC	1
EASSE	2	Luthando	3
		Belvoir	1

OPERATIONS

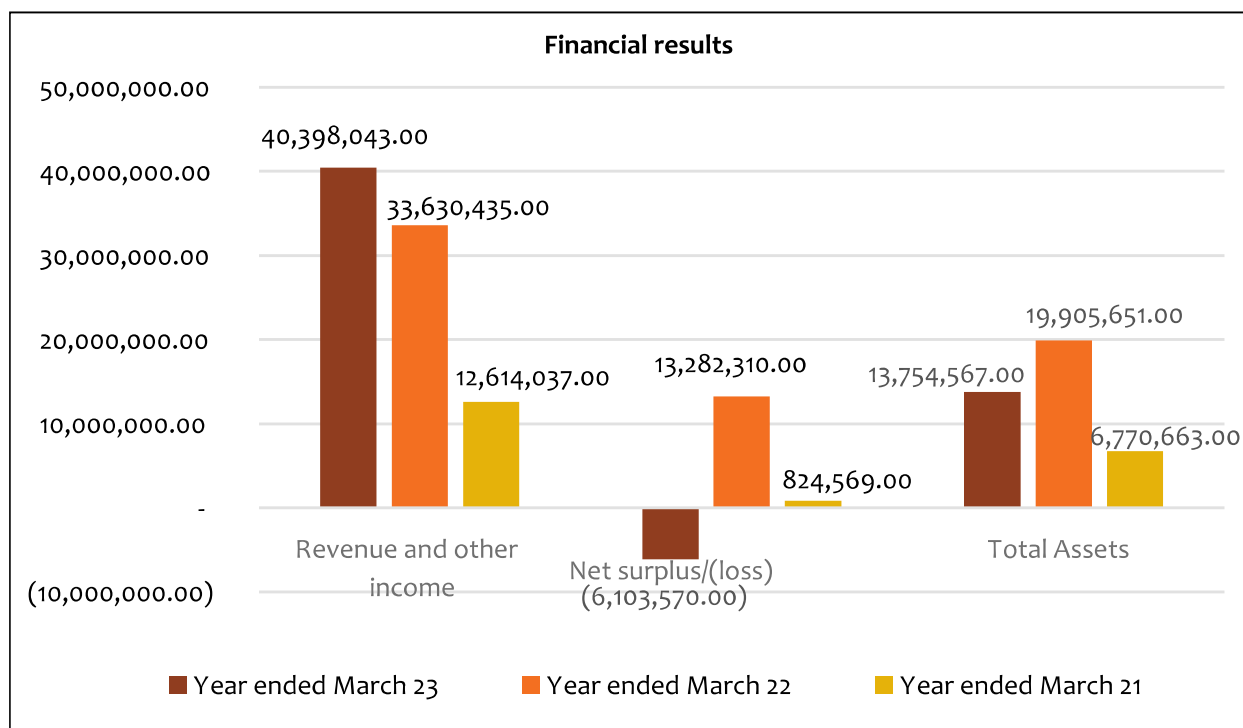
Finance Manager Report

Overview

The increase in levies contributed to an increase of 22% in the company's revenue. This also contributed in the increase in allocation for enterprise development (transformation expenditure) from R26,7m in 2022 to R27,2m in 2023

Performance

The company's financial loss of R6,1m is because of the Enterprise development (transformation expenditure) which was carried over from the last financial year and disbursed in the current financial year. With that said, the company ends the year with a positive cash flow of R12,1m.



Outlook

The CGA-GDC's aim is to continue providing black growers with appropriate production infrastructure and technical support, business management support, facilitation of access to funding and markets and enabling support for environmental, social and governance goals to ensure that their enterprises participate meaningfully in the citrus industry whilst also addressing financial sustainability.



CGA GROWER DEVELOPMENT COMPANY NPC

Registration No. 2016/303573/08

Annual Financial Statements for the period ended 31 March 2023

CGA GROWER DEVELOPMENT COMPANY NPC

Registration No. 2016/303573/08

Annual Financial Statements for the period ended 31 March 2023

Company Information

Registration number: 2016/303573/08

Business address:

Grain-building Agri-Hub Office Park
Block B, First Floor 477, Witherite Road
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

Registered 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 internally by
Camille Khoza

ANNUAL FINANCIAL STATEMENTS

Statement of Director's Responsibility	45-48
Report of the Directors	49
Statement of Financial Position	50
Statement of Comprehensive Income	51
Statement of Changes in Equity	51
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Notes to the Annual Financial Statements	53-59

The following supplemental information does not form part of the annual financial statements and is unaudited:

Detailed Statement of Comprehensive Income	60-61
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Statement of Directors' Responsibility

CGA GROWER DEVELOPMENT COMPANY NPC

Registration No. 2016/303573/08

Annual Financial Statements for the year ended 31 March 2023

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.

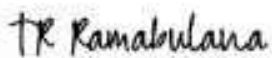
The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the company to enable the directors to ensure that the financial statements comply with the relevant legislation.

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 46-48.

The financial statements were approved by the board of directors on 14 August 2023 and are signed on its behalf:



Director

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 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 of South Africa.

What we have audited

CGA Grower Development Company NPC's financial statements set out on pages 8 to 19 comprise:

- the statement of financial position as at 31 March 2023;
- 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)*.

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 the year ended 31 March 2023" which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Responsibilities of the directors for the financial statements

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.

Auditors 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.

Auditor's responsibilities for the audit of the financial statements

- 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.

PricewaterhouseCoopers Inc.
Director: D Hill
Registered Auditor
Pietermaritzburg

Date : 16 August 2023



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 2023.

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

Board members

NT Mankhili

ZLMgadle

AA Muller

R Govender

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.

6. Material events after year end

No matter which is material to the financial affairs of the company has occurred between 31 March 2023 and the date of approval of the financial statements.

Statement of Financial Position

	Note (s)	2023 R	2022 R
ASSETS			
Non-current assets			
Plant & equipment	4	679 124	832 670
		679 124	832 670
Current assets			
Trade and other receivable	7	879 394	783 215
Cash and cash equivalent	5	12 196 049	18 289 766
		13 075 443	19 072 981
Total assets		13 754 567	19 905 651
EQUITY AND LIABILITIES			
Capital and reserves			
Retained surplus		13 108 460	19 212 030
Total equity		13 108 460	19 212 030
Current liabilities			
Trade and other payable	6	646 107	693 621
Total Liabilities		646 107	693 621
Total equity and liabilities		13 754 567	19 905 651

Statement of Comprehensive Income

	Note (s)	2023 R	2022 R
Revenue		39 000 000	32 056 876
Transformation expenses		(35 530 136)	(11 301 455)
Gross surplus		3 469 864	20 755 421
Administration and operating expenses		(11 451 421)	(9 427 554)
Operating (deficit)/surplus	2	(7 981 557)	11 327 867
Operating income		1 398 043	1 573 559
Finance income		479 944	380 884
(Deficit)/surplus before taxation		(6 103 570)	13 282 310
Taxation	8	-	-
(Deficit)/surplus for the year		(6 103 570)	13 282 310
Other comprehensive income		-	-
Total comprehensive (deficit) / surplus for the year		(6 103 570)	13 282 310

Statement of Changes in Equity

	Retained surplus R	Total R
Year ended 31 March 2023		
Balance at beginning of year	19 212 030	19 212 030
Total comprehensive deficit for the year	(6 103 570)	(6 103 570)
Balance at end of the year	13 108 460	13 108 460
Year ended 31 March 2022		
Balance at beginning of year	5 929 720	5 929 720
Total comprehensive surplus for the year	13 282 310	13 282 310
Balance at end of the year	19 212 030	19 212 030

Statement of Cash Flows

	Note (s)	2023 R	2022 R
Cash flows (used in)/ from operating activities			
Cash receipts from customers	A	40 301 864	32 997 502
Cash paid to suppliers and employees	B	(46 708 053)	(20 581 157)
Cash flows (used in)/generated from operations	9	(6 406 189)	12 416 345
Interest received		479 944	380 884
Net cash (used in)/generated from operating activities		(5 926 245)	12 797 229
Cash flows used in investing activities		(167 472)	(119 478)
Purchase of plant and equipment	4	(167 742)	(119 478)
Net movement in cash and cash equivalents		(6 093 717)	12 677 751
Cash and cash equivalents at beginning of year		18 289 766	5 612 015
Cash and cash equivalents at end of year	5	12 196 049	18 289 766
A. Cash receipts from customers			
Levies received from Citrus Growers Association		39 000 000	32 056 876
Other income		1 398 043	1 573 559
Trade and other receivables			
Opening		783 215	150 282
Closing		(879 394)	(783 215)
		40 301 864	32 997 502
Total cost of goods sold, admin and other expenses		46 981 557	20 729 009
Less: Depreciation		(321 018)	(295 174)
Movement in trade payables		47 514	147 322
		46 708 053	20 581 157

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 its 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.

*Notes to the Annual Financial Statements***Summary of significant accounting policies (Continued)****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 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

1.6 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.

1.7 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.

1.8 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.

Notes to the Annual Financial Statements

Summary of significant accounting policies (Continued)

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.

1.9 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.

b) Grant income

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

c) Interest Income

Interest is recognised in profit or loss, using the effective interest rate method.

d) 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.

1.10 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.

1.11 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.

Notes to the Annual Financial Statements

2. Operating (deficit)/surplus

The following items have been charged in arriving at operating (deficit)/surplus:

	2023 R	2022 R
Auditors' remuneration—current year	90 905	43 900
Staff costs (refer to note 3)	6 149 689	6 174 286
Depreciation	321 018	295 174
Travel — Local	998 236	615 447
Workshops & study groups	482 661	291 032
Accommodation	444 359	320 607
Board costs	611 670	429 094
Other expenses	2 352 883	1 258 014
Total administration and operating expenses	11 451 421	9 427 554

3. Staff costs

Salaries and wages	6 149 689	6 174 286
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4. Plant & Equipment**At 31 March 2023**

	Furniture	Vehicles	Computers	Total
Opening net book value	33 112	638 360	161 198	832 670
Additions	155 375	-	12 098	167 47 2
Depreciation	(39 589)	(196 423)	(85 007)	(321 01 8)
Closing net book value	148 898	441 937	88 289	679 124
Cost	310 917	1 422 115	385 175	2 118 207
Accumulated Depreciation	(162 019)	(980 178)	(296 886)	(1 439 083)
Net book value	148 898	441 937	88 289	679 124

At 31 March 2022

Opening net book value	53 801	834 783	119 781	1 008 365
	3 303	-	116 176	119 479
Depreciation	(23 992)	(196 423)	(74 759)	(295 174)
Closing net book value	33 112	638 360	161 198	832 670
Cost	155 543	1 422 115	373 077	1 950 734
Accumulated Depreciation	(122 430)	(783 755)	(211 879)	(1 118 065)
Net book value	33 112	638 360	161 198	832 670

Notes to the Annual Financial Statements

5. Cash and cash equivalents

	2023	2022
	R	R
Standard Bank Current Account	12 196 049	18 289 766

6. Trade and other payables

Provisions	552 386	683 723
Accruals	30 160	9 898
Payables	63 561	-
Eastern Cape Project funding- bank account	(494 864)	(369 896)
Eastern Cape Project Funding received not yet expended	494 864	369 896
	646 107	693 621

The Eastern Cape grant funding relates to funding provided by the Eastern Cape Government to enhance the development of citrus growers, increase citrus production and provide assistance with increasing employment in the citrus industry. An outside third party provides the necessary services and CGA Grower Development Company NPC pays the money over to them. CGA

Grower Development Company NPC merely holds the money to pay it over to the third party and is not entitled to any portion of it. There was no funding received from the Eastern Cape Government during the 2023 financial year. To date, a total of R14 520 000 has been received and R15 092 569 has been paid to services providers as per the project funding guidelines. The excess expenditure was funded using the interest earned on the funding received. No additional funding has been received and the excess funds must still be disbursed.

7. Trade and other receivables

Other receivables	879 394	783 215
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8. Income taxes

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

Notes to the Annual Financial Statements

9. Cash flows (utilised in)/generated from operations

	2023 R	2022 R
Net (deficit)/surplus before tax	(6 103 570)	13 282 310
Adjusted for:		
Interest received	(479 944)	(380 884)
Depreciation	321 018	295 174
	(6 262 496)	13 196 600
Changes in working capital:	(143 693)	(780 255)
Movement in trade and other payables	(47 514)	147 322
Movement in receivables	(96 179)	(632 933)
Total cash flows (utilised in)/generated from operations	(6 406 189)	12 416 345

10. Related party transactions**Related party****Relationship**

Citrus Growers Association of Southern Africa NP
The Citrus Research Trus

Entity under common directorship
The board members of Citrus Growers
Association of Southern Africa are trustees of
The Citrus Research Trust.
Other related parties

River Bioscience Proprietary Limited

Services rendered to related parties

Citrus Growers Association of Southern Africa NPC

39 000 000 32 056 876

Other Income received from related parties

Citrus Growers Association of Southern Africa NPC – Jobs Fund

1 062 159 1 443 124

Rent paid to related parties

River Bioscience Proprietary Limited

37 803 42 468

Amounts owing to related parties

River Bioscience Proprietary Limited

17 763 -

Notes to the Annual Financial Statements

11 Financial assets by category

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

Financial assets at amortised cost	13 075 443	19 072 981
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12 Financial liabilities by category

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

Financial liabilities at amortised cost	63 561	-
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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 the basis of accounting policies applicable to a going concern. 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

	2023 R	2022 R
TR Ramabulana	406 957	304 000
JM Mashaba	-	44 450
R Govender	79 000	11 300
	485 957	359 750

Detailed Statement of Comprehensive Income**Income****Revenue**

Services rendered—Citrus Growers Association of Southern Africa NPC

Operating income

Other income — Citrus Industry Trust Funding

Services rendered — Jobs Fund Project

Other income — Development Alternatives Incentives

Expenses**Transformation expenses****Administration expenses**

Accounting and audit fees

Bank charges

Computer expenses

Consulting fees

Data & internet costs

Depreciation

Interest paid

Office expenses

Printing and stationery

Telephone, postage, and fax

Operating expenses

Accommodation

Board costs

Entertainment expenses

Legal fees

Unemployment Insurance Fund

Subscription

Provision for leave pay

Electricity and water

Rent

Cleaning and refreshments

Staff costs

Travel— Local

Workshops & study groups

Repairs and Maintenance

2023

R

2022

R

39 000 000

32 056 876

39 000 000

32 056 876

1 398 043

1 573 559

217 39 2

130 435

1 062 159

1 443 124

118 492

-

(35 530 136)

(11 301 455)

(1 299 744)

(795 035)

90 905

43 900

22 296

14 828

102 189

109 033

521 791

17 155

19 162

22 616

321 018

295 174

1 906

118 597

68 912

29 878

31 879

14 018

119 686

129 836

(10 151 677)

(8 632 519)

444 359

320 607

611 670

429 094

259 527

119 238

56 207

12 098

18 598

18 618

280

20 914

(32 989)

14 898

30 540

47 663

654 490

476 172

-

40

6 149 689

6 174 286

998 236

615 447

482 661

291 032

65 002

9 226

Detailed Statement of Comprehensive Income (Continued)

	2023 R	2022 R
Operating expenses (continued)		
Business plans	-	18 078
Workmen's compenation	-	11 608
Marketing and communication	29 918	27 533
Staff training	36 752	3 800
Staff other	-	22 167
Citrus Industry Trust funding expense	249 983	-
Penalties	96 754	-
Operating (deficit)/surplus	(6 583 514)	12 901 426
Interest received	479 944	380 884
Net (deficit)/surplus for the year	(6 103 570)	13 282 310

CGA GROWER DEVELOPMENT COMPANY NPC

Registration No. 2016/303573/08

Annual Financial Statements for the period ended 31 March 2023





CONTACT DETAILS

 Agri-Hub Office Park, Block B, First Floor
477 Witherite Road, The Willows, Pretoria, 0184

 + 27 12 003 4209

 www.cga.gdc.co.za

WE TRANSFORM TO SUSTAIN OUR INDUSTRY, CREATE JOBS AND WEALTH,
SECURE OUR FUTURE AND ENSURE FOOD SECURITY.