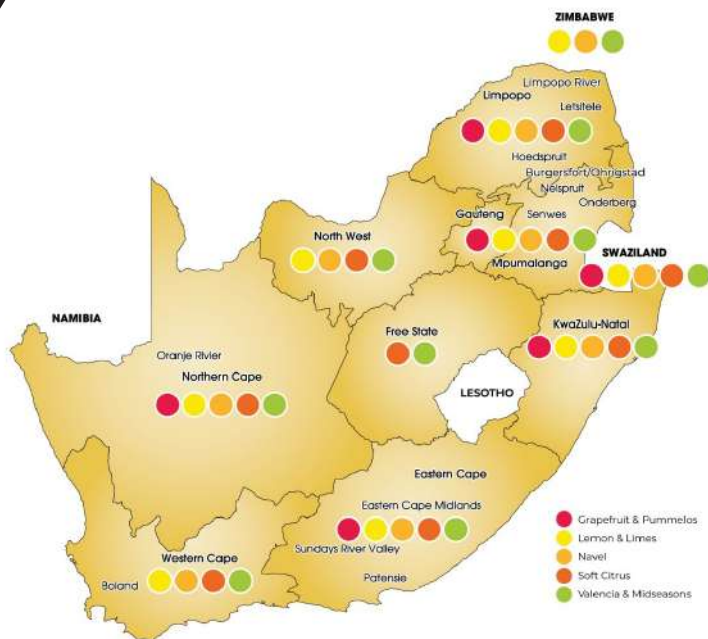




ANNUAL REPORT

2020/2021





PRODUCTION AREAS

Province	Area (Ha)
Limpopo	36 039
Eastern Cape	23 020
Western Cape	16 241
Mpumalanga	6 985
Kwazulu Natal	2 034
Northern Cape	1 877
Zimbabwe	919
Swaziland	842
North West	599
Free State	13
Grand Total:	88 569

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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 a transformation strategy and support programme for the citrus industry.
- Strategic Goal 2** Facilitate access to technical and business management knowledge and services to develop thriving, financially viable enterprises.
- Strategic Goal 3** Facilitate market access to the national, regional and international market for black citrus growers.
- 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 citrus industry is characterised by a diversity of growers, ranging from large and highly profitable producers to small-scale producers who mostly sell their products in local markets. The industry supplies numerous varieties of citrus, such as soft citrus, lemons, limes, oranges and grapefruit. Citrus fruits are grown in 15 regions across the country - 18 when one includes Swaziland, Namibia and Zimbabwe.

South Africa has become the second largest exporter of fresh citrus in the world, after record-breaking exports that delivered 146 million cartons of citrus in 2020. Citrus is one of South Africa's most important subsectors in the agricultural sector that provides a significant contribution to job creation and economic activity in South Africa's rural communities. Agriculture, Land Reform and Rural Development Minister Thoko Didiza has commended the citrus industry on the record exports they made.

She further indicated that the industry has expanded notably over the past decade and thanked the farmers for showing confidence and increasing the investments. This highlights that the industry's investment is starting to pay off. The Citrus Growers Association reported that South Africa exported a record 146 million cartons of citrus in 2020 - an increase of 16 million cartons from the previous year. This means that the SA citrus industry still remains the world's second largest exporter of fresh citrus after Spain.

According to Didiza, government has committed to opening more export markets for the industry. The estimates suggest that there will be roughly 300 000 tons added into the current volumes in the next three years that will require an export market.

She further committed that government will work with the industry and other stakeholders to expand the market access to destinations such as the United States, China and India and the European Union, as well as other countries that already enjoy the South African citrus. This also means working with relevant stakeholders in improving logistics for export activity.



OVERVIEW OF THE CITRUS INDUSTRY (Continued)

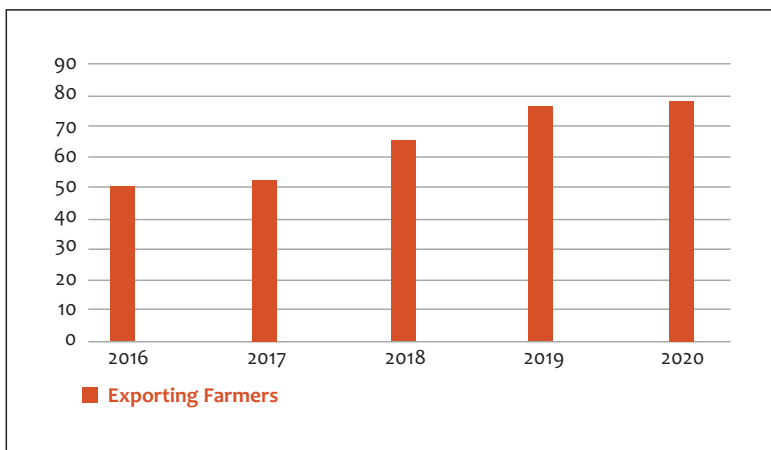
As agriculture is part of the Economic Reconstruction and Recovery Plan that the president announced late last year; to this end, her department will continue working with all stakeholders to ensure that they provide a policy environment conducive for all subsectors to prosper. Part of the growth-enhancing interventions is detailed in the Sector Master Plan, which was announced in the first quarter of 2021.

The growth projections for soft citrus, lemons and Valencia oranges alone indicate an expected additional R6.8 billion in foreign exchange earnings and the creation of 22 250 sustainable jobs over the next three years.

To date, the fruit industry is the largest contributor, by value, to South African agricultural exports. The fruit industry is also an important foreign currency earner, with about 90% of the revenue derived from fruit earnings originating from foreign countries, with a total export value of R50 billion. The citrus industry contributes approximately R20.3 billion to this total fruit export value, employs more than 125 000 workers (roughly 14% of agricultural labour), and contributes approximately 27% of the total agricultural exports value. Driving the success and development of the citrus sector is the Citrus Growers' Association (CGA), which protects the interests of stakeholders (growers) among exporters, suppliers, research institutions and government.

Despite its continued success in the recent past, the domestic citrus fruit industry still faces challenges with a complexity and intensity that cannot be separated from the ever-changing business environment. One of the challenges is to have more exporting developing black citrus growers. Presently there are only 78 exporting black citrus growers in the whole of the Republic of South Africa. The export volume in tons has grown by 40% from 84 000 to 117 600 tons.

Exporting Black Citrus Growers



OVERVIEW OF THE CITRUS INDUSTRY (Continued)

The total number of Ha under developing black citrus growers has increased from 7 143Ha in 2019 to 9 369Ha in 2020 and the total new citrus planting has increased from 75Ha in 2019 to 1 275Ha in 2020. Below is the summary of farmers in the CGA regions:

Summary of citrus farms in the CGA regions

Province:	Total Farms:	Ha Planted Citrus:	Bearing Citrus Trees (Ha):	Non - Bearing Citrus Trees (Ha):	New Entrants:	Available for Planting (Ha):	Vandalised Non - Existing Farms:
Eastern Cape (EC)	34	2 171	1 759	412	0	423	7
Gauteng (GP)	1	32	32	0	0	40	1
KwaZulu-Natal (KZN)	7	748	557	191	0	801	8 (329Ha)
Limpopo (L)	36	4 007	3 346	661	3	2 000	28 (1 018Ha)
Mpumalanga (MP)	8	1 072	1 072	0	1	1 420	8 (604Ha)
North West (NW)	6	91	80	11	4	203	0
Northern Cape (NC)	4	861	861	0	0	0	0
Western Cape (WC)	9	387	387	0	0	0	0
Totals	105	9369	8094	1275	8	4887	52 (1951Ha)

Chairperson of the Board's Statement



As we celebrate five years of the CGA-GDC, it offers an opportunity for us to look back at the journey travelled, the achievements made, and the challenges faced. It also offers us the opportunity to look forward at the journey ahead and its many opportunities that it offers to both the GDC and its clients. It has been an exciting journey and we need to celebrate these achievements with all the stakeholders.

Thanks to our main shareholders, the CGA family through its Board and Development Chamber who had a vision for the establishment of development company for the citrus industry to lead its transformation initiative. We salute those who conceived the establishment of the GDC, formulated its MOI, key strategic documents and policies that received the buy-in and support from the CGA Board and Development Chamber.

I would like to pay a tribute to the previous and current Board members of the GDC for providing the vision, mission and strategic objective that gave life to the activities of the Company in the achievement of its mandate.

Our journey would not have been easy without the support and guidance of the CGA through its CEO Mr Justin Chadwick and Mr Robert Miller. They have remained our support throughout the five years in the establishment of the Company and the creation of its governing and operational framework. For all their effort we are grateful.

I also want to express my sincere thanks to the management of the Company for having been dedicated under a challenging environment to ensure the execution of its Strategic Plan to the benefit of its clients.

We are now witnessing the impact of the business support and extension services provided by the Company as many of our clients are becoming sustainable and profitable enterprises.

As a Board, we are happy to report that we have sustained the process to build the necessary capacity to execute the mandate of the GDC successfully for the past five years. We have also witnessed both the challenging and exciting moments in the life of the GDC. The support and networks provided by the GDC to our clients continue to improve their enterprises to increase their production, exports, income and well-being.

In celebrating the achievements, we also celebrate our challenges and, indeed our failures. As we move from the establishment phase of the GDC to the growth phase, we need to have a fresh approach to what we do. We have our shareholders committing more resources to enable the GDC to make a meaningful impact on our clients and that demands greater innovation to realise this objective and demonstrate the value of every rand spent. I have no doubt that the GDC now has the right people, the skills, the passion, the dedication and creativity to make a huge impact on our clients going forward. This is supported by a compelling mandate, an ambitious strategy and strong leadership. I am confident to say that we are on the right track for the next five years to contribute to the benefit of our clients, the industry and the economy of our country.

GOVERNANCE

General Manager's Statement



Lukhanyo Nkombisa
General Manager

It has always been a pleasure to report back on the many successes of the CGA-GDC, as well as progress made throughout the year. This year's report focuses on the work that has been done to support, develop and grow the enterprises of black citrus growers following the unanticipated Covid-19 pandemic and national lockdown. It is worth noting that while this created new challenges for the CGA-GDC, we still have a number of success stories to celebrate.

The citrus industry has continued to prove its remarkable resilience over the past year. I find it encouraging that the difficulties present in our operating environment never affected our drive to continue promoting the inclusive growth of our sector, while ensuring maximum participation of black citrus growers in the value chain and citrus industry.

The lockdowns imposed over 2020 and 2021 have posed several challenges to many businesses, including our own operational environment. We were forced to suspend most of our interactions with growers with great difficulty, in order to help prevent the spread of Covid-19. The CGA-GDC had to adapt quickly, as the majority of our programmes could no longer be held face-to-face. These included our study group meetings, information days and the training of growers.

We quickly increased our interactions with prominent stakeholders within the industry in order to ensure the continued support of the majority of our programmes. We also made use of every technological tool at our disposal in order to conduct the work of the Company on a virtual basis. Our technical support and business unit continued to support growers on a one-on-one basis, as lockdown regulations slowly began to ease to allow business operations under strict Covid-19 protocols.

As a result, the CGA-GDC is proud to announce that we have seen remarkable growth in terms of the output and export figures of black citrus growers, who have achieved a 40% increase in their production figures in a single year. Several farms and black growers have recorded an increase in their output by a minimum of 40 000 cartons – and a maximum of 99 000 cartons between 2019-2020, with most farms increasing their output to local markets by an astounding 55%.

When it comes to increased market access, 75% of black citrus growers in South Africa are currently exporting their produce to overseas markets, with black growers in the Eastern Cape increasing their export figures (in terms of number of cartons) by over 25% in the past year alone.

During the year under review, we've seen one grower in the North West receive support from the Department of Agriculture, Land Reform and Rural Development (DALRRD) to the tune of R10.5 million. This was realised through DALRRD's Land Development Support Programme.

GOVERNANCE

General Manager's Statement (Continued)

Another flagship project which is currently being led by the CGA-GDC in partnership with the Jobs Fund, AgriSETA and DALRRD, is the R307 million Economic Transformation Black Citrus Growers Programme. We put out a call for applications in 2020 before the outbreak of Covid-19 and are thrilled with the response from black citrus growers who have applied to the programme.

Our technical and business support continues to be provided to growers during these difficult times. Our Enterprise Development Fund has also helped manage and maintain our support of black citrus growers, by supporting growers in our northern regions with water infrastructure and trees. The total amount spent on this enterprise development amounts to R2.5 million at R150 000 per enterprise, with 4 allocations in the North West, 7 in KwaZulu Natal, 3 in Mpumalanga and 17 in Limpopo.

Compliance and accreditation is another important element of the work we do in advising growers to continue applying sound agricultural practices on their farms. The funding we received from the Department of Science and Innovation has been used to accelerate the Continuous Improvement Programme, which assists growers in the continued improvement of their general practices, which ultimately helps them access new markets.

We have held several virtual discussions with key government stakeholders at a provincial and national level in order to ensure business continuity irrespective of what lockdown alert level the country was under. We have also spent some time fine tuning all our internal operations and finances. We have ensured that all our staff have enjoyed access to the tools they need to execute the work that is required from them. We have managed our finances carefully and kept our lines of communication open in an effective manner.

Our growers continue to face a number of challenges, especially with regard to land ownership rights and the allocation of water use licenses. The CGA-GDC will continue to engage with government to resolve these issues and remove bottlenecks wherever possible, in order to keep supporting the growth and development of our black citrus growers.

The CGA-GDC also finds itself celebrating its fifth year of operations in 2021. We are extremely grateful for the support we have received from farmers, our staff and all those involved with the CGA-GDC. We plan to build on our many successes and continue delivering on our main objective, which is ensuring real transformation within the citrus industry, over the next five years.



Chairperson of Finance and Risk Committee's Statement



Andries Muller
Vice Chairperson

The committee assesses and questions the Company's financial sustainability, financial reporting, internal controls, effective risk and opportunity management, and provides oversight over IT governance.

The committee is properly constituted with three independent non-executive directors. The members are:

- Mr. Andries Muller - Independent Non-Executive Chairman
- Mr. Zukile Mgadle - Independent Non-Executive Director
- Mr. Tshililo Ramabulana - Independent Non-Executive Director

Each member has adequate relevant knowledge, financial expertise, and experience to equip the committee to properly execute its duties and responsibilities. The experience and qualifications of the members are set out on our website.

As the Finance and Risk Committee we are very happy with the way the finances of the CGA-GDC are handled as well as the reporting system. We are fortunate to have employees that have the necessary skills, attitude and knowledge. Corporate governance is good and all the necessary documents and policies are in place. Our Finance Manager, Mathapelo Mello, qualified as a Chartered Accountant this year which is an achievement on its own. We are well equipped and positioned to tackle the next five years.

We strive to report in five years that there are commercially viable black producers that no longer need any financial assistance.

Functions of the Committee

During the year under review, four scheduled committee meetings were held. All members of the committee attended the scheduled meetings. During the financial year under review, the committee reviewed:

- The quarterly financial reports, the annual financial statements and accounting policies for the Company,
- The reports of the CGA Group internal audit function on the state of internal control,
- The effectiveness of the audit function,
- The auditor's findings and recommendations, and
- The effectiveness of risk management systems.

Independence of External Auditor

The committee is satisfied with the independence and objectivity of PWC as external auditor. The committee further approved the fees to be paid to PWC and its terms of engagement, and pre-approved each proposed contract with PWC for the provision of non-audit services to the Company.

GOVERNANCE

Chairperson of Finance and Risk Committee's Statement (Continued)

Statutory Reporting

The committee has evaluated the annual financial statements of the GDC for the year ended 30 March 2021 and, based on the information provided to the committee, considers that the Company complies, in all material respects, with the requirements of the Companies Act of South Africa, applicable legislation and financial pronouncements as issued by the Financial Reporting Standards Council.

Internal Financial Controls

The committee's agendas provide for confidential meetings between committee members and external auditors. The committee has oversight of the Company's financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring the Company's external audit function is independent and has the necessary resources, standing, and authority in the organisation to discharge its duties. Based on information from, and discussions with management, the Audit and Risk Committee confirms that it has no reason to believe that there were any material breakdowns in the design or operating effectiveness of internal financial controls during this financial year which have not been addressed or are not in the process of being addressed. The financial records could therefore be relied upon for the preparation of the annual financial statements.

Statement of Internal Control and Risk Management

Management identifies and monitors potential risks faced by the Company and the risk mitigation strategies proposed and implemented. The CGA Group internal audit functions and the committee monitor the effectiveness of internal control systems and make recommendations to the Board. The Board has concluded, based on the recommendation of the Audit and Risk Committee and their own understanding, that there is no reason to believe that there were any material internal control or risk management shortcomings during the current financial year that have not been addressed or are not in the process of being addressed.

Recommendation of the Annual Financial Statements

The committee, having fulfilled the oversight role regarding the reporting process for the annual financial statements and having regard to material factors that may impact the integrity of the report, recommends the annual financial statements for approval by the Board of Directors.

► GOVERNANCE

Chairperson of Remuneration Committee's Statement



Tshililo Ramabulana
Independent Director

Our belief is that all factors underpinning enhanced performance require the highest calibre of leadership and specialist technical expertise, and that stakeholders' interests are best served by aligning strategy, business model, structure, staffing and compensation. Moreover, without attracting, motivating and retaining the best available talent, even the best strategies, business models and structures will fail.

These principles are reflected as one of the core components of CGA-GDC's strategy, which emphasises the group's commitment to investing in human and intellectual capital. This investment is informed by the view that the performance and sustainability of the GDC will correlate highly with the investment we make in our staff.

Put simply, the better the GDC's people are, the better the Company. This is all the more relevant in the current environment, where the entrepreneurial flair of the GDC is augmented by the depth and quality of its management team.

Attracting and retaining high-calibre talent depends on providing both intrinsic and extrinsic rewards. While the annual report deals with the latter, intrinsic rewards are reflected in the GDC's employee value proposition, which strives to provide talented individuals with good leadership, personal development and support, and meaningful work in an intellectually stimulating and demanding environment. To complement this, compensation policies aim to sustain a performance-driven and entrepreneurial culture where the most talented people at all levels consider the GDC and the CGA Group as an employer of choice.

Remuneration Committee Composition

The Board has ultimate responsibility for the appropriateness of remuneration policies and executive remuneration. The Board delegates oversight of this responsibility to the remuneration committee, which comprises the following non-executive directors:

Tshililo Ronald Ramabulana

Chairman of the committee; independent non-executive director.

Dr Mono Mashaba

Chairman of the Board; independent non-executive director.

Tompson Mankhili

Independent non-executive director.



GOVERNANCE

Chairperson of Remuneration Committee's Statement (Continued)

Responsibility of the Remuneration Committee

The committee performs all the functions necessary to fulfil its role. Within this role, the committee places special emphasis on the following:

- Remuneration of employees
- Employee engagement
- Training, development and career planning
- Human capital framework
- Transformation
- Reporting

The GDC is well positioned and highly efficient, with a good opportunity to sustain its delivery of deepening the development and growth of black growers in the South African citrus industry. GDC's entrepreneurial management teams will continue to implement the strategy with discipline and innovate in developing new products and services to support growers and in leveraging existing partnerships with government and private sector. On this basis, we expect the GDC to increase the number of black farmers and export volume of their produce over the medium term.

Given Covid-19 and other challenges facing businesses locally and internationally, I commend management, and indeed all GDC's people, for staying focused on delivering both excellent results and a positive social impact.

My thanks to the Board for their invaluable counsel and contribution to the GDC's success, and also to the Citrus Growers Association and members for their continued support.





Justin Chadwick
CEO

The launch of the CGA Grower Development Company was presided over by the Minister of Agriculture, which heralded a stimulus in black grower support and closer alignment with government. CGA's policy of creating focused companies to address its strategic objectives led to the formation of the CGA-GDC with its own Board and management. The Board, under the Chairmanship of Dr Mono Mashaba, has moulded the CGA-GDC into a significant organisation when it comes to supporting black grower development, while the management and staff, ably led by Mr Lukhanyo Nkombisa, have grown in number and effectiveness.

Transformation of the citrus industry is an imperative recognised by all growers, and government. Citrus production, and especially the ability to produce export quality fruit, is highly technical and capital intensive.

A tree planted in year one will only produce export quality fruit in year five, and break even in year ten. Citrus farmers are in it for the long haul and need all the support they can get. In steps the team from CGA-GDC, who has well qualified extension specialists to assist in transferring research and training the growers. On the business side the CGA-GDC has assisted through the drawing up of bankable business plans, farm business management support and general financial education. The CGA-GDC is the implementation for the Jobs Fund/FNB/CGA project which aims to add a further 1 034 hectares of citrus to black grower ownership and create over 329 permanent and 1 397 seasonal jobs.

Many of the black growing entity are already exporting citrus, with many more on the cusp. These growers are no longer “emerging”; they are fully-fledged commercial growers. Congratulations to the CGA-GDC on your fifth birthday – please continue to play the important role you play in supporting these members of the CGA.



GOVERNANCE

Chairperson of the Chamber's Statement



The Citrus Growers Development Chamber (CGDC) is responsible for assisting emerging growers and addressing any concerns or needs they may have.

The Chamber is a committee of the CGA Board. The Chamber usually meets twice a year but due to Covid, have had to hold virtual meetings.

The CGDC encourages emerging growers to participate in industry events, so as to receive exposure to the industry at large.

The CGDC Executive Committee is elected by the Chamber. Virtual executive meetings were held on the following dates:

- 31 July 2020
- 6 October 2020
- 1 December 2020
- 11 March 2021 - a hybrid meeting (in person and via Zoom) was held on 11 March 2021 at City Lodge OR Tambo

A Chamber meeting was held on 12 March 2021 which was also a hybrid meeting where some members were physically present at City Lodge OR Tambo and some were present via Zoom. Sive Silo from Citrus Academy was contracted by CGA to act as secretariat for the Chamber. The CGA Transformation Budget covered the cost of all Chamber members to attend the Citrus Summit and so benefit from the information available and the chance to network.



GOVERNANCE

Chairperson of the Chamber's Statement (Continued)

Members of the Chamber are as follows:

Eastern Cape		
Name	Area	
1. Eric Nohamba	Amathole KAT River	Executive Member
2. Lawrence Mgadle	Amathole Peddie	Executive Member
3. Luyanda Kutta	Amathole Great Kei	Executive Member
4. Khaya Brian Katoo	Sarah Baartman Patensie	
5. Siseko Maqoma	Amathole KAT River	
6. January Simphiwe Yawa	Sarah Baartman SRV	
Western Cape		
Name	Area	
1. Wayne Mansfield	Boland	
Limpopo		
Name	Area	
1. Ntamiseni Thompson Mankhili	Vhembe District	Executive Member
2. Bennet Sdumo Malungane	Mopani District	Executive Member
3. Octavias Masalesa	Waterberg District	
4. Pheladi Tlomatsane	Capricorn District	
5. Walter Tshiane Mathidi	Vhembe District	
Mpumalanga		
Name	Area	
1. Olivia Dikeledi Selowe	Ehlanzeni District	
2. Petros Eric Shiba	Gert Sibande District	
3. Hlulekile Phonela Yoce	Ehlanzeni District	
4. Simona Tiisang Selowe	Ehlanzeni District	
KwaZulu Natal		
Name	Area	
1. Mziwoxolo Makhanya	Uthungulu KZN Nkweleni	Executive Member
North West		
Name	Area	
1. Louisa Maloka Mogotsi	North West Province	
Gauteng		
Name	Area	
1. Motsile Joel Matlou	Gauteng Province	

► GOVERNANCE

Highlights over the Five-Year Period

On the evening of the 18th of March 2016, the CGA launched the CGA-Grower Development Company as a dedicated vehicle to support the development of black citrus growers in South Africa. The journey to this milestone commenced in 2000 with the establishment of the transformation desk within the CGA and the subsequent establishment of the Citrus Grower Development Chamber in 2010. The launch was well attended by stakeholders from government, commodity organisations, research, development finance, fresh produce and farmers. The launch opened doors for partners with common interests to partner with the CGA-GDC. From the date of the launch, the Company has since partnered with a number of stakeholders both in government and non-government, and these include provincial departments such as the Eastern Cape, Western Cape and Limpopo, the Agricultural Research Council, Perishable Products Export Control Board, ABSA, Coca Cola Beverages South Africa and the National Agricultural Marketing Council. The stakeholder buy-in is an indication that transformation is a journey that should be taken together, hence there is still a need to strengthen these partnerships to develop support linkages and complement each other.

Being a new kid on the block, there was a lot of work ahead to prove the Company's ability to be a force to be reckoned with. This included addressing misconceptions that come with wearing the transformation hat. A great deal of work then had to go into communicating the work that we do and provide a clear understanding of our mandate in creating an enabling environment for the growers. In the landscape of supporting developing farmers there are various factors among which include strategic partners, mentors, suppliers with long-standing relationships, management companies, etc. Having a team of seasoned and experienced staff came in handy in navigating the space and creating platforms that take advantage of these networks and co-exist. A great deal of support was also received in working with other partners within the group.



► GOVERNANCE

Highlights over the Five-Year Period (Continued)

The main low-hanging fruit is the ‘transformation readiness’ of the black citrus grower in the citrus industry. This drives home of the slogan, “Nothing About Us Without Us!” (Latin: “**Nihil de nobis, sine nobis**”) a slogan used to communicate the idea that no programme should be decided by any representative without the full and direct participation of members of the group(s) affected by that programme. Since the establishment of the Chamber, the black citrus growers have been active participants in the development of other growers. Hence, with the establishment of the Company, the representation of black growers was expanded to include representation in the Boards of Directors in all the citrus groups of companies.

Journeying with the developing grower is not an easy one, as there have been various challenges on the way such as natural disasters and scarcity of resources. In 2017 the Eastern Cape was hit by an outbreak of fruit-drop leading to the lowest harvest of navels compared to previous years. The recent droughts also caused challenges and water shortages are still an issue in some areas and these have a negative impact on the gross production value and farmers’ financial positions. Furthermore, citrus remains a commodity with high input costs, hence some producers are unable to access inputs without external support in the form of grants or loans. This is where support from external assistance is required to ensure that these enterprises graduate from the stage of external dependence to be able to have their revolving funds for the next production season. All of these challenges are also an opportunity for the CGA-GDC to develop programmes that address the key pillars of transformation which are ownership, management and control.

Along the way, we have lost some of the champions at primary production level, farmers such as Skotile, Nemaorani, Ndzoyi. A silver lining here was that these enterprises seemed to have had successions plans, because these businesses remained in operation.



Board Members



Dr Mono Mashaba
Chairperson



Andries Muller
Vice Chairperson



Lawrence Mgadle
Independent
Director - Farmer



Tompson Mankhili
Independent
Director - Farmer



Tshililo Ramabulana
Independent Director

Citrus Growers Association (CGA)



Justin Chadwick
CEO

Citrus Growers Development Chamber (CGDC)



Mzo Makhanya
Chairperson of Chamber

▶ PEOPLE OF THE CGA-GDC

Staff Members



Lukhanyo Nkombisa
General Manager



Mathapelo Mello CA (SA)
Finance Manager



Yolanda Ntlakaza
Business Support Manager



Andrew Mbedzi
Production &
Technical Support Manager



Melton Mulaudzi
Extension Officer



Camille Khoza
Admin and Finance Assistant



Princess Mogale
Business Support Assistant



Nomonde Ntloko
Business Support Assistant



Zamazima Njili
Extension Officer



OPERATIONS

Production and Technical Support



Andrew Mbedzi
Production &
Technical Support Manager

The provision of a mechanism for effectively transferring research outputs in appropriate formats to the intended users of the technology has been identified as a key strategic objective in the southern African citrus industry. 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

Due to the Covid-19 pandemic, group extension methods such as citrus study groups, information days and farmers days were suspended in line with the Covid-19 protocols. The citrus study groups and information days draw large numbers of citrus growers and other industry stakeholders, and social distancing Covid-19 protocol was going to be a challenge hence these activities were suspended.

One-on-One Farmer Support

One-on-One Farmer Support was used and is probably the most universally used extension method in both developed and developing countries. 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.

Developing citrus growers were also reached through Covid-19 memos, SMSs, emails and telephonic conversations. It was very critical to keep in contact with the growers to provide them with the relevant information for their farming activities. 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.

One-on-One Farmer Support assists the extension officer(s):

- To familiarise himself/herself with the farmer and his family,
- Enable him/her to give specific advice or information to the farmer,
- Build up his/her knowledge of the area, and of the kinds of problems farmers face, permit him/her to explain a new recommended practice or follow up and observe results to date, and
- Evoke general interest among the farmers and stimulate their involvement in extension activities.

New Entrant Farmer Support

A total of 15 new entrant farmers requested support. Only seven farms were assisted during the 2020/2021 growing season, with the assessment of their farms for the suitability of planting citrus varieties.

North West Province

In the North West province four farms were supported:

- Molamu & Sons Agric Services Farm: Molamu & Sons Agric Services is being further assisted with the compiling of a bankable business plan by the CGA-GDC business unit

OPERATIONS

Production and Technical Support *(Continued)*

- Lesego Mokoga Farm: The farmer has to come back to the CGA-GDC after drilling boreholes for further assessment of the farm.
- Prof. Neo Mathabe Farm: The CGA-GDC technical unit is waiting for Prof Mathabe to show them the demarcated 2 000 Ha for further assessment of the soil and water.
- Isaac Kerowe Farm: The farmer has prepared 6Ha of land to plant oranges. He was further assisted to make blocks and pegging of his farm.

Limpopo Province

A total of three farms were supported:

- Joyce Munyai Lemon Farm: The farmer has planted 2Ha of lemons.
- Jenny's Farm: The CGA-GDC business unit is further assisting the farmer with the business plan.
- Manini Holding: The farmer has already secured citrus seedlings and will start planting in August 2021.

Eastern Cape Province

One farm was supported in the Eastern Cape:

- Middledrift Farm: The farm was visited and was referred to Dr Hannes Coetzee for further assistance regarding the analysis of nutrients.

Biosecurity

Citrus Huanglongbing (HLB) which is caused by the Asian Psylla is a destructive disease of citrus and a major threat to the citrus industry around the world. It is moving towards South Africa and as such the Citrus Research International (CRI) has started putting traps along the citrus farms in the north-eastern side of our country. The CGA-GDC, CRI and Government extension officers were involved in the placing of Asian citrus psylla traps at Easy Farm, Tshivhilwi in Limpopo. The aim of the traps is to monitor the movement of this pest.

Citrus Sub-Sector Revitalisation of the Agriculture and Agro-Processing Value Chain (RAAVC).

The Limpopo Department of Agriculture and Rural Development has established RAAVC Citrus Sub-Sector to drive the implementations of the RAAVC citrus projects in the province. The committee is chaired by the general manager of the CGA-GDC.

Considering the growth potential in the sector and transformation imperatives of the sector, one of the key components of the 9-point plan was an initiative of Revitalisation of Agriculture and the Agro-processing Value Chain (RAAVC). The committee is working on a list of potential projects to be funded under the programme.

The prioritised farms to be supported for citrus expansion purposes are the catalytic farms due to their massive farm sizes and potential to create jobs. The development interventions in those farms will be executed in multi years and is expected to commence during the 2021/2022 financial year.

BUSINESS SUPPORT

Enterprise Development Support – Northern Region



Yolanda Ntlakaza
Business Support Manager

The Northern region was in the second phase of enterprise development funding. The first phase was implemented in 2018 to the tune of R100 000 per farm and the next phase in 2020 to the tune of R150 000 per farm. The majority of the requests were for production inputs, to a lesser extent growers applied for irrigation support, equipment and trees. In most cases, growers normally make the request to support bearing orchards. The timing of the disbursement was therefore perfect, as the initial support started in July when the growers were busy with the spray programme, and this made it possible to allow for soil and foliar applications in most cases. This investment model of production support is of great help to smaller enterprises that are less than five hectares, since in this region the cost of production support could be between R40 000 to R80 000 per hectare. Due to limitations in resources, some enterprises spread the support to production inputs, and other pressing matters on the farm, such as fixing the current irrigation system.

The table below indicates the number of farms supported and increase in yields

Province	Number of Farms supported (31)	Detail Information	2019 Export Season (15 kg carton)	2020 Export Season (15 kg carton)
Limpopo	17	4 exporting 13 local	568 377	897 206
KwaZulu Natal	4	1 exporting 3 near export	442 394	286 635
Mpumalanga	3	2 exporting 1 local	0	298 750
North West	7	4 exporting 3 local	29 000	48 000



The Economic Transformation of Black Citrus Growers Project (JF 8/1388)-Jobs Fund

The Citrus Growers Association (CGA) launched the Economic Transformation of Black Citrus Growers Project with a call for applications. This project is a partnership between the CGA, Jobs Fund, Land Bank initially and later replaced by FNB, the Department of Land Reform and Rural Development, and AgriSETA. The project value is R274 million with R176 254 660 of blended loan funding (64%) and R98 226 196 grant funding (36%). The CGA is the lead partner with the Jobs Fund, while implementation is through the CGA-GDC as an implementing agent, working closely with Lima Rural Development on project management and the Citrus Academy on skills development.

The qualifying criterion for the project is 60% black ownership of assets and operations, with priority given to 100% black ownership. The main aim of the project is to make available affordable funding for orchard expansion, rehabilitation and on-farm infrastructure by subsidising loan funding with a grant from the Jobs Fund, while also making available skills development funding. Due to Covid-19 and lockdown restrictions, roadshows and manual application forms were abandoned and an online application process was developed. Black growers were encouraged to apply through this process for funding from the project. An application review process is in place to ensure that applicants go through a rigorous process for compliance and ensuring that sound business applications that meet the programme requirements are supported.

The total value of the applications was to the tune of R86 430 333; with applications ranging from R3 million to R45 million per enterprise. Three of these applications were rejected at technical review stage as they did not meet the requirements of the project. Two steering committee meetings evaluated 18 applications. Fourteen applications were passed for financial review, while four were rejected.

The bank follows an in-depth process which includes the past and future performance of the enterprise.

- Through this process, three of the reviewed enterprises were rejected due to insolvency and enterprise a going concern. The rest are receiving the attention of agricultural specialists from the bank. Two applications passed the credit committee stage and term sheets were submitted to them.

The programme has been faced with a few hurdles as follows:

- The launch coincided with the hard lockdown, which necessitated a change in the direction of the application process.
- Insolvency of a number of farms.
- Changing of the lending institution which necessitated the CGA to approach a different lender to submit proposals to participate in the project.
- Transparency of applicants when submitting documents.
- Some of the land that is under black ownership is now leased out to white commercial farmers, and this reduces the number of potential applications.

DALRRD Project (Land Development Support)

The Service Level Agreement with DRDLR was signed in December 2018, but the approval to implement the project was received in the third quarter of 2020. The total value approved for Batlhako Temo Farm in the North West is R10 009 937 of which R9 813 664 is the grant portion and R196 273 management fee. The focus of this project is on orchard expansion, production support, infrastructure support and mechanisation.

BUSINESS SUPPORT

Enterprise Development Support – Northern Region (Continued)

DALRRD Project (Land Development Support) (Continued)

Mechanisation was identified as a critical area, and the procurement process commenced to acquire the items. Thus far, mechanisation support has been concluded, fertilizers and chemicals for current orchards and trees purchased for planting towards the end of 2021.

On infrastructure, the Engineering Services faced delays with designs since the current designs could not be accommodated in the approved budget and alternative measures had to be explored. Furthermore, due to the extra quota that the farm has received for water, they will no longer need the two boreholes, and that allocation will be deferred for use towards the dam construction.

Top of Class Training

The CGA-GDC received funding to the tune of R100 000 towards the implementation of this project. This training provides an overview of the export value chain from the field to households. It seeks to further develop new farmers, emerging exporters and industry employees with knowledge and skills with respect to the key aspects of the fruit value chain.

Participants from five farms and one emerging export agent attended the training, which was hosted in the North West.

This group was targeted as most of them joined the industry without prior knowledge of the farming sector. Participants were from the following areas: Healthy Life for Achievers (2), Gaman 67 (2), Elandskraal (2), Maako (1), Spillion Group (1) and two staff members from CGA-GDC.

Business Plans

The following enterprises were supported with business plan development: Lovers Retreat; Gatyena; Oakdene; Jerico; Zanentlutha and Letas Farm. Some farms applying for the Economic Transformation projects had their business plans reviewed.

SIZA

Ten enterprises were receiving ethical compliance support at different stages. The programme consists of the following aspects of support: registration on the SIZA Platform; completion of the Self-Assessment Questionnaire (SAQ); pre-audit assessment assistance to ensure that gaps identified to comply with the SIZA standard have been addressed; social/ethical auditing where requested and when ready; continuous improvement support to ensure sustainability and to maintain compliance and continuous support.



GALLERY



Mrs Manyota of Oakdene farm
in the Eastern Cape



Inputs provided under
Enterprise Development Funding



Patty Reddy from Nkweleni in KZN



Lerato of Batlhako Temo farm
in the North West with trainees



Mechanisation support under the LDS project



Segomotso of Gaman 67 farm
in the North West giving a
thumbs-up to the product

GALLERY



Harvest at Oakdene farm



Harvest at Gaman 67 farm



Louisa - a farmer at Healthy Life for Achievers in the North West



Baseleng Maloka – a trainee at Healthy Life for Achievers in the North West



Harvest at Ripplemead Packhouse

Financial Manager's Report

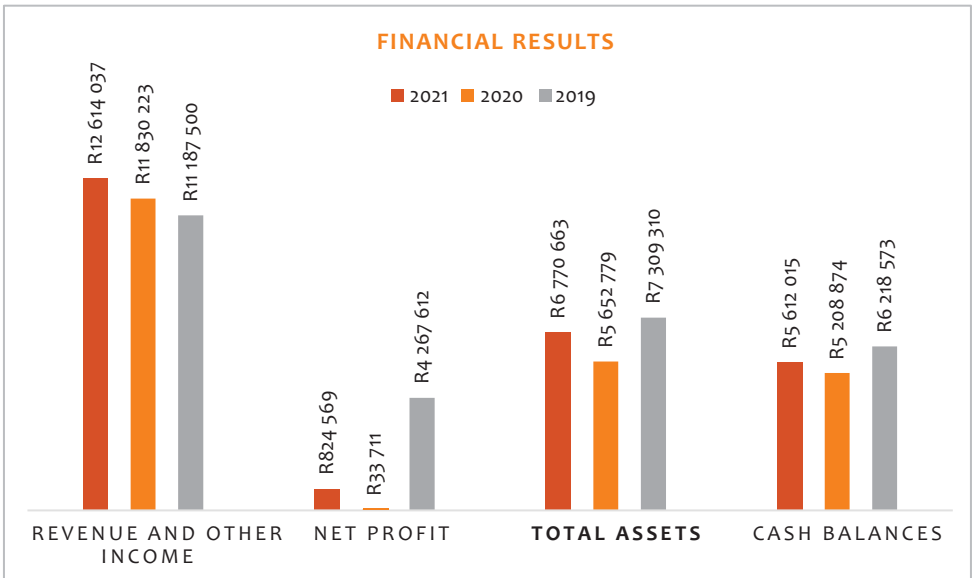


Overview

CGA-GDC has achieved a profit for the year of R824 569 00 which is a significant improvement on our R33 711 00 profit in the previous financial year. This is to a large extent in line with the underlying operational performance of the Company.

The significant increase in profit is attributable to the impact of Covid-19 and subsequent travel restrictions which resulted in the Company foregoing study groups, face-to-face meetings as well as farm visits which resulted in savings on the travel and accommodation, business plans and the workshop and study groups expenses, together with the slight increase in revenue of R12 614 037 00 which was up compared to R11 830 223 00 in the previous year.

Performance at a glance



Outlook

The Covid-19 pandemic poses a significant threat to global health systems and economic markets. However, we have seen a positive impact within the citrus industry amidst the current conditions. The Company will continue to strive for stronger liquidity and solvency ratios through minimal exposure to lending as well as reduction of operating and capital expenditure.



CGA GROWER DEVELOPMENT COMPANY NPC

Registration No. 2016/303573/08

Annual Financial Statements for the period ended 31 March 2021

Company Information

Registration number:	2016/303573/08
Business address:	Grain-building Agri-Hub Office Park Block B, First Floor477 Witherite Road The Willows Pretoria Gauteng 0184
Registered address:	Unit 7 22 on Main22 Old Main Road GillittsKwaZulu-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.

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Statement of Directors’ Responsibility	32
Report of the Directors	33
Report of the Independent Auditors	34- 36
Statement of Financial Position	37
Statement of Comprehensive Income	38
Statement of Changes in Equity	38
Statement of Cash Flows	39
Notes to the Annual Financial Statements	40-46

The followingsupplemental informationdoes not form part of the annual financial statements
and is unaudited:

Detailed Statement of Comprehensive Income	47-48
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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 33 and pages 37 to 48 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.

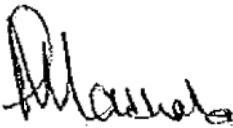
The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the company to enable the directors to ensure that the financial statements comply with the relevant legislation.

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 34 to 36.

The financial statements were approved by the board of directors on 16 August 2021 and are signed on its behalf.



Director

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 2021.

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

MJ Mashaba

Board members

NT Mankhili

TR Ramabulana ZL Mgadle

AA Muller

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. Material events after year end

No matter which is material to the financial affairs of the company has occurred between 31 March 2021 and the date of approval of the financial statements.

6. Auditors

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

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 2021, 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 2021;
- 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 2021" 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.

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.

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.

Auditor's responsibilities for the audit of the financial statements

- 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 2021



Statement of Financial Position

	Note (s)	2021 R	2020 R
ASSETS			
Non-current assets			
Plant and equipment	4	1 008 365	408 104
		1 008 365	408 104
Current assets			
Cash and cash equivalents	5	5 612 015	5 208 874
Trade and other receivables	7	150 283	35 801
		5 762 298	5 244 675
Total assets		6 770 663	5 652 779
EQUITY AND LIABILITIES			
Capital and reserves			
Retained earnings		5 929 720	5 105 151
Total equity		5 929 720	5 105 151
Current liabilities			
Trade and other payables	6	840 943	547 628
		840 943	547 628
Total Liabilities		840 943	547 628
Total equity and liabilities		6 770 663	5 652 779

Statement of Comprehensive Income

	Note (s)	2021 R	2020 R
Revenue		11 396 563	11 500 000
Administration and operating expenses		(11 879 361)	(12 005 933)
Operating loss	2	(482 798)	(505 933)
Other income		-	330 223
Citrus Industry Trust Funding and Jobs fund project		1 217 474	-
Finance income		89 893	209 421
Surplus before taxation		824 569	33 711
Taxation	8	-	-
Surplus for the period		824 569	33 711
Other comprehensive income		-	-
Total comprehensive income for the period		824 569	33 711

Statement of Changes in Equity

	Retained earnings R	Total R
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
Year ended 31 March 2020		
Balance at beginning of year	5 071 440	5 071 440
Net surplus for the year	33 711	33 711
Balance at end of year	5 105 151	5 105 151

Statement of Cash Flows

	Notes	2021	2020
		R	R
Cash flows from operating activities			
Cash receipts from customers	A	12 499 555	12 364 643
Cash paid to suppliers and employees	B	(11 358 514)	(13 369 703)
Cash flows generated from/ (utilised in) operations	9	1 141 041	(1 005 060)
Finance income		89 893	209 421
Net cash generated from/ (utilised in) operating activities		1 230 934	(795 639)
Cash flow from investing activities			
Purchase of plant and equipment	4	(827 793)	(36 966)
Cash flow from financing activities			
Movement in long term loan		-	(177 094)
Net movement in cash and cash equivalents		403 141	(1 009 699)
Cash and cash equivalents at beginning of period		5 208 874	6 218 573
Cash and cash equivalents at end of period	5	5 612 015	5 208 874
A. Cash receipts from customers			
Levies received from Citrus Growers Association		11 396 563	11 500 000
Other income		1 217 474	330 223
Trade and other receivables			
Opening		35 801	570 221
Closing		(150 283)	(35 801)
		12 499 555	12 364 643
B. Cash paid to suppliers			
Total cost of admin and other expenses		11 879 361	12 005 933
Less: Depreciation		(227 532)	(149 378)
Movement in trade payables		(293 315)	1 513 148
		11 358 514	13 369 703

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.

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.

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.

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 surplus

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

	2021 R	2020 R
Auditors remuneration—current year	39 479	30 710
Staff costs (refer to note 3)	5 879 205	4 453 668
Depreciation	227 532	149 378
Other expenses	5 733 145	7 372 177
Total administration and operating expenses	11 879 361	12 005 933

3. Staff costs

Salaries and wages	5 879 205	4 453 668
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4. Plant & Equipment

	Furniture	Vehicles	Computers	Total
At 31 March 2021				
Opening carrying value	67 835	301 676	38 593	408 104
Additions	8583	713 739	105 471	827 793
Depreciation	(22 617)	(180 632)	(24 283)	(227 532)
Closing 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)
Carrying value	53 801	834 783	119 781	1 008 365
At 31 March 2020				
Opening carrying value	90 449	403 351	26 716	520 516
Additions	-	-	36 966	36 966
Depreciation	(22 614)	(101 675)	(25 089)	(149 378)
Closing carrying value	67 835	301 676	38 593	408 104
Cost	143 657	708 376	151 430	1 003 463
Accumulated Depreciation	(75 822)	(406 700)	(112 837)	(595 359)
Carrying value	67 835	301 676	38 593	408 104

Notes to the Annual Financial Statements

5. Cash and cash equivalents

Standard Bank Current Account

Moody's P-3 rating indicates that the issuer has an acceptable ability to repay short - term debt obligations.

6. Trade and other payables

	2021	2020
	R	R
	5 612 015	5 208 874
Trade payables	-	30 221
Provisions	570 476	274 265
Accruals	-	21 805
Receiver of Revenue –VAT	270 467	221 337
Eastern Cape Project funding- bank account	(1 092 385)	(1 797 065)
Eastern Cape Project Funding received not yet disbursed	1 092 385	1 797 065
	840 943	547 628

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 role that the CGA Grower Development Company NPC played in the management of these funds, was the role of an implementing agent and this was through housing of the grant funds. The CGA Grower Development Company NPC is not paid an admin fee for implementation of the project plans relating to the growers.

Total funding of R5 520 000 was received from the Eastern Cape Government during the 2020 financial year. To date, a total of R14 520 000 has been received and R14 338 560.25 have been paid to services providers as per the project funding guidelines. No additional funding has been received and the excess funds must still be disbursed.

7. Trade and other receivables

	2021	2020
	R	R
Other receivables	150 283	35 801
	150 283	35 801

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 generated from operations

	2021 R	2020 R
Net surplus before tax	824 569	33 711
Adjusted for:		
Finance income	(89 893)	(209 421)
Depreciation	227 532	149 378
Changes in working capital:	962 208	(26 332)
Movement in trade and other payables	178 833	(978 728)
Movement in receivables	293 315	(1 513 148)
	(114 482)	534 420
Total cash flows generated from/ (utilised in) operations	1 141 041	(1 005 060)

10. Related party transactions

Related party

Citrus Growers Association of Southern Africa NPC

The Citrus Research Trust

Relationship

Entity under common directorship

The board members of Citrus Growers Association of Southern Africa are trustees of The Citrus Research Trust.

Services rendered to related parties

Citrus Growers Association of Southern Africa NPC

Other Income received from related parties

Citrus Growers Association of Southern Africa NPC – Jobs Fund

Citrus Industry Trust

11. Financial assets by category

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

Financial assets at amortised cost.

12. Financial liabilities by category

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

Financial liabilities at amortised cost.

	11 396 563	11 500 000
	1 130 517	-
	86 957	-
	5 762 298	5 244 675
	840 943	547 628

Notes to the Annual Financial Statements

13. Going Concern

Revenue

The CGA Grower Development Company NPC's major source of operational revenue is the service fee received from the Citrus Growers' Association of Southern Africa (CGA) that supplemented by other income from the Jobs Fund project. There was no adverse impact because of the Covid-19 as it turned out to be a successful season for the citrus industry.

Cash flow and borrowings

The CGA Grower Development Company NPC's cash flow position has remained positive throughout the financial period and ended off the year with healthy reserves.

Policies

Policies were implemented to ensure that there was little to no interruptions to the operations of the CGA Grower Development Company NPC resulting from lockdown restrictions as staff were able to carry out their daily responsibilities while working from home, and all workshops and study groups were suspended however one on one support to the growers was encouraged to continue with extension service and schedules were put in place to alternate office visits in an attempt to minimize number of staff in the office encouraging social distancing.

14. Remuneration paid to directors

Remuneration paid for services

2021 R	2020 R
192 000	128 000
192 000	128 000



Detailed Statement of Comprehensive Income

Income

Revenue

Services rendered–Citrus Growers Association of Southern Africa NPC

Other income

Jobs Fund Project

Citrus Industry Trust Funding

2021 R	2020 R
11 396 563	11 500 000
11 396 563	11 500 000
1 217 474	330 223
1 130 517	330 223
86 957	-

Expenses

Administration expenses

Accounting and audit fees

Bank charges

Computer expenses

Consulting fees

Data & internet costs

Depreciation

Insurance

Interest paid

Office expenses

Printing and stationery

Telephone, postage and fax

Website design and hosting

R	R
(707 758)	(851 072)
39 479	30 710
11 472	14 290
73 930	73 079
128 119	176 928
20 524	6 542
227 531	149 378
-	1 331
362	279
56 778	279 316
12 120	283
137 443	118 286
-	650

This statement does not form part of the annual financial statements and is unaudited.

Detailed Statement of Comprehensive Income

	2021 R	2020 R
Operating expenses	(11 171 603)	(11 154 861)
Accommodation	173 217	256 216
Board costs	195 521	214 741
Transformation project	3 827 304	4 700 255
Entertainment expenses	77 517	-
Legal fees	-	47 205
UIF	15 764	-
Subscription	4 140	4 140
Provision for leave pay	200 307	23 463
Electricity and water	24 948	-
Rent	344 732	323 478
Cleaning and refreshments	591	-
Staff costs	5 663 134	4 453 668
Travel – Local	211 076	582 327
Workshops & study groups	186 476	415 252
Repairs and Maintenance	14 987	-
Business plans	150 000	134 116
Workmen's compensation	7 293	-
Marketing and communication	74 596	-
Operating surplus	734 676	(175 710)
Finance income	89 893	209 421
Net surplus for the year	824 569	33 711


This statement does not form part of the annual financial statements and is unaudited.






**CGA
Grower
Development
Company**

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

