

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)
Registration No. 2000/010447/08

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

**CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

COMPANY INFORMATION

Registration number:	2000/010147/08
Registered address:	23 Plantation Road Hillcrest 3650
Business address:	23 Plantation Road Hillcrest 3650
Postal address:	P O Box 461 Hillcrest 3650
Auditors:	PricewaterhouseCoopers Inc. Pietermaritzburg
Bankers:	Standard Bank Limited

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CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

STATEMENT OF DIRECTORS' RESPONSIBILITY
for the year ended 31 March 2009

The directors are responsible for the preparation, integrity, and fair presentation of the financial statements of Citrus Growers Association of Southern Africa. The financial statements presented on pages 4 to 22 have been prepared in accordance with Statements of Generally Accepted Accounting Practice (GAAP) in South Africa, 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, and that all Statements of GAAP that they consider to be applicable have been followed. 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.

Citrus Growers Association of Southern Africa 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.

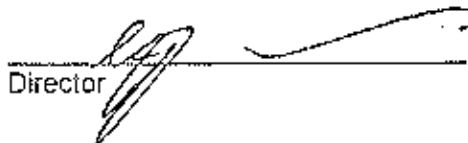
The company's external auditors, PricewaterhouseCoopers Incorporated, audited the financial statements, and their report is presented on page 3.

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

Director



Director



Date

20 July 2009

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA

We have audited the annual financial statements and group annual financial statements of Citrus Growers Association of Southern Africa, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 March 2009, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 22.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 23 does not form part of the annual financial statements and is presented as additional information. We have not audited this schedule and accordingly we do not express an opinion on it.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as of 31 March 2009, and their financial performance and their cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc
Director: R D Klute
Registered Auditor

Date 20/07/2009

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

DIRECTORS' REPORT
for the year ended 31 March 2009

The directors present their annual report, which forms part of the audited financial statements of the company for the year ended 31 March 2009.

General review

The company continued to collect levies from growers on export citrus fruit and pay administrative and some research costs.

Financial results

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

Members of the board

The following acted as board members during the year :

Chairman

S J Viljoen

Vice-Chairman

G J van Eeden

Board members

G L Hall

G F Piner

P Smit

M R Woodburn

G Uys

Dr J E Danckwerts

C W Maggs

K van Zyl

M I Nemaorani

P S Noëdeboe

C H Engelbrecht

R A Rouillard

S R Dellis

J Smit

P du Plessis

Dr D J Nei

Material events after year end

No matter which is material to the financial affairs of the company has occurred between 31 March 2009 and the date of approval of the financial statements.

Subsidiary

The company owns 100% of the share capital of River Bioscience (Pty) Ltd.

Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with Section 270(2) of the Companies Act.

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

CONSOLIDATED BALANCE SHEET
at 31 March 2009

	Note	Group		Company	
		2009	2008	2009	2008
		R	R	R	R
ASSETS					
Non-current assets					
Loan – Citrus Academy		9 557	-	9 557	-
Investment in subsidiary	7	-	-	2 608 843	2 608 843
Plant and equipment	6	7 986 859	7 536 227	29 456	44 973
Special Export Program investment	13	966 417	390 370	966 417	390 370
Deferred tax asset	11	577 799	394 261	-	-
		9 540 632	8 320 848	3 614 273	3 044 186
Current assets					
Inventory	8	54 016	95 550	-	-
Receivables and prepayments	9	8 003 401	8 529 630	2 362 108	4 356 253
Due from Special Export Program		25 393	222 655	25 393	222 655
Cash and cash equivalents	10	16 999 675	19 479 663	10 655 600	14 392 587
		25 082 485	28 327 498	13 043 101	18 971 495
Total assets		34 623 117	36 648 346	16 657 374	22 015 681
EQUITY AND LIABILITIES					
Capital and reserves					
Retained earnings		24 581 808	24 419 930	15 078 713	17 427 654
Total equity		24 581 808	24 419 930	15 078 713	17 427 654
Non-current liabilities					
Interest bearing borrowings	17	4 122 284	4 164 327	-	-
Special Export Program liability	14	966 417	390 370	966 417	390 370
Loan account – Citrus Academy		-	120 232	-	120 232
Deferred tax liability	11	91 951	-	-	-
		5 180 652	4 674 929	966 417	510 602
Current liabilities					
Short-term portion of interest bearing borrowings	17	42 042	42 042	-	-
Current tax liability		611 262	513 365	-	-
Trade and other payables	12	4 207 353	6 998 080	612 244	4 077 425
		4 860 657	7 553 487	612 244	4 077 425
Total liabilities		10 041 309	12 228 416	1 578 661	4 588 027
Total equity and liabilities		34 623 117	36 648 346	16 657 374	22 015 681

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
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CONSOLIDATED INCOME STATEMENT
for the year ended 31 March 2009

	Note	Group		Company	
		2009 R	2008 R	2009 R	2008 R
Revenue		45 545 393	39 776 232	29 395 579	28 606 581
Cost of goods sold		(8 406 906)	(5 006 223)	-	-
Gross profit		37 138 487	34 770 009	29 395 579	28 606 581
Other income		903 555	3 193 871	901 659	1 872 289
Operating expenses		(38 252 320)	(27 227 488)	(33 701 580)	(23 432 444)
Operating (loss) profit	2	(210 278)	10 736 392	(3 404 382)	7 046 426
Finance costs	4	(125 477)	(30 946)	-	-
Finance income	4	1 871 062	1 083 479	1 055 401	636 384
Profit (loss) before taxation		1 535 307	11 788 925	(2 348 941)	7 682 810
Taxation	5	(1 373 429)	(691 518)	-	-
Net profit (loss) for the year		161 878	11 097 407	(2 348 941)	7 682 810

**CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2009**

Retained earnings	Group R	Company R
Year ended 31 March 2009	24 419 930	17 427 654
Balance at 1 April 2008		
Profit for the year	161 878	(2 348 941)
Balance at 31 March 2009	24 581 808	15 078 713
Year ended 31 March 2008		
Balance at 1 April 2007	13 322 523	9 744 844
Profit for the year	11 097 407	7 682 810
Balance at 31 March 2008	24 419 930	17 427 654

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
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CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2009

	Note	Group		Company	
		2009	2008	2009	2008
		R	R	R	R
Cash flows from operating activities					
Cash receipts from customers		46 071 622	40 511 250	36 186 281	31 304 725
Cash paid to suppliers and employees		(46 976 247)	(27 766 470)	(41 337 233)	(22 085 694)
Cash flows from operating activities	15	(904 625)	12 744 780	(5 150 952)	9 239 031
Taxation paid		(1 367 129)	(270 703)	-	-
Dividends received		-	-	300 042	-
Interest paid	4	(125 477)	(30 946)	-	-
Interest received	4	1 871 062	1 083 479	1 055 401	636 384
Net cash from operating activities		(526 169)	13 526 610	(3 795 509)	9 875 415
Cash flows from investing activities					
Sale of financial assets		2 000	-	-	-
Proceeds of plant and equipment		117 408	-	5 088	-
Acquisition of plant and equipment		(2 098 657)	(7 404 233)	(14 039)	(19 377)
Decrease in amounts due from Special Export Program		197 262	1 027 407	197 262	1 027 408
Increase in amount due from Citrus Academy		(9 557)	-	(9 557)	-
Net cash from investing activities		(1 791 544)	(6 376 826)	176 754	1 008 031
Cash flows from financing activities					
(Decrease) / increase in borrowings		(162 275)	4 200 147	(120 232)	120 232
Net cash from financing activities		(162 275)	4 200 147	(120 232)	120 232
Net (decrease) increase in cash and cash equivalents		(2 479 988)	11 349 931	(3 736 987)	11 003 678
Cash and cash equivalents at beginning of year		19 479 663	8 129 732	14 392 587	3 388 909
Cash and cash equivalents at end of year	10	16 999 675	19 479 663	10 655 600	14 392 587

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice (SA GAAP). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and the fair value of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of the financial statements in conformity with SA GAAP requires the use of estimates and assumptions that affect the reported amounts of 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 Consolidation

Subsidiaries

Subsidiary undertakings, which are those companies in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued, or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. All inter company transactions, balances and unrealised surpluses and deficits on transactions between group companies are eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the group. Minority interest is stated at the minority's proportion of the fair values of the identifiable assets and liabilities recognised.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1.3 Property, plant and equipment

All plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes 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 group and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement 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 :

Furniture and fittings	6 years
Lab equipment	5 years
Computers	3 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 note 1.4)

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

1.4 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 purposes 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 suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1.5 Inventory

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

1.6 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

1.7 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents includes 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 balance sheet.

1.8 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 income statement over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1.9 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

1.10 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.

1.11 Provisions

Provisions are recognised when: the group 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 that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.12 Financial risk management

Financial risk factors :

Foreign exchange risk

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

Interest rate risk

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

Credit risk

Potential concentrations of credit risk consist principally of accounts receivable. The group has policies in place to ensure sales of services are made to customers with an appropriate credit history. At the year-end the group 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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

Liquidity risk

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

Fair value estimations :

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

1.13 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 group's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts. Revenue is recognised as follows :

(a) *Levy income*

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

(b) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(c) *Sales of goods - retail*

The group sells and distributes Cryptogran through various consultants to the general public. Sales of goods are recognised when the consultant sells a product to the customer.

1.14 Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1.15 Comparatives

Where necessary, comparative figures have been adjusted to take effect of changes in presentation and accounting policies in the current year, as disclosed in note 18.

1.16 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

1.17 Standards, interpretations and amendments to existing standards issued

Standards, amendments and interpretations effective in 2008

The following standards, amendments and interpretations of published standards are mandatory for accounting periods beginning on or after 1 January 2008 but are not relevant to the Company's operations:

- IFRIC 12, 'Service Concession Arrangements', (effective for periods beginning on or after 1 January 2008),
- IFRIC 14, IAS 19 – 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', (effective for periods beginning on or after 1 January 2008).

Standards, amendments and interpretations of existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2009 but the Company has not early adopted them:

- IAS 1, 'Presentation of Financial Statements – Revised', (effective for periods beginning on or after 1 January 2009),
- The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Company will apply IAS 1 from annual periods beginning 1 April 2009.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1.17 Standards, interpretations and amendments to existing standards issued (continued)

- IAS 16, 'Property, Plant and Equipment', (effective for periods beginning on or after 1 January 2009),
- IAS 16 amends the definition of "recoverable amount" to replace the term "net selling price" with the term "fair value less costs to sell", in order to achieve consistency with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and IAS 36 Impairment of Assets. The Company will apply IAS 16 from annual periods beginning 1 April 2009.
- IAS 23, 'Borrowing Costs – Revised', (effective for periods beginning on or after 1 January 2009),

The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The accounting policy of the Company is to capitalise borrowing costs and therefore this amendment will not have a significant financial impact on the Company.

- IFRIC 13, 'Customer Loyalty Programmes', (effective for periods beginning on or after 1 July 2008),
- IFRIC 13 addresses the accounting by an entity that grants award credits to its customers as part of a sales transaction or the rendering of services and, subject to meeting any further qualifying conditions, the customers can redeem in the future for free or discounted goods or services. The Company is assessing the accounting and disclosure requirements of IFRIC 13. The Company will apply IFRIC 13 from annual periods beginning 1 April 2009.

Standards, amendments and interpretations of existing standards that are not yet effective and not relevant to the Company's operations

Management have assessed the relevance of the following new standards, amendments and interpretations to existing standards with respect to the Company's operations and concluded that they are not relevant to the Company's operations:

- IFRIC 15, 'Agreements for the Construction of Real Estate', (effective for periods beginning on or after 1 January 2009),
- IFRIC 16, 'Hedges of a Net Investment in a Foreign Operation', (effective for periods beginning on or after 1 October 2008),

Amendment to IFRS 2, 'Share-based Payment - Vesting conditions and cancellations', (effective for periods beginning on or after 1 January 2009),

Amendment to IAS 32, 'Financial Instruments: Presentation' and IAS 1, 'Presentation of financial statements - Puttable Financial Instruments and Obligations Arising on Liquidation', (effective for periods beginning on or after 1 January 2009),

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1.17 Standards, interpretations and amendments to existing standards issued (continued)

- Amendment to IFRS 1, 'First time adoption of IFRS' and IAS 27, 'Consolidated and separate financial statements', (effective for periods beginning on or after 1 January 2009),
- IFRS 3, 'Business Combinations – Revised', (effective for periods beginning on or after 1 July 2009),
- IFRS 8, 'Operating Segments', (effective for periods beginning on or after 1 January 2009),
- IAS 27, 'Consolidation and Separate Financial Statements – Revised', (effective for periods beginning on or after 1 July 2009),
- IAS 39, 'Financial Instruments – Recognition and Measurement', (effective for periods beginning on or after 1 January 2009),
- IFRIC 17, 'Distributions of non-cash assets to owners', (effective for periods beginning on or after 1 July 2009).

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

2. Operating profit

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

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Depreciation on plant and equipment (refer note 5)	1 560 873	754 568	21 351	32 132
Auditors remuneration - current year	128 641	160 074	43 920	89 153
Operating lease rentals - office equipment	50 749	51 184	50 749	51 184
- office/land and buildings	295 302	297 265	165 352	160 450
Staff costs (refer note 3)	4 734 581	4 344 763	2 411 821	2 310 824
Other expenses	39 889 080	26 635 857	31 008 387	20 798 701
Total costs of goods sold, administration and other expenses	46 659 226	32 233 711	33 701 580	23 432 444

3. Staff costs

Salaries and wages	4 734 581	4 344 763	2 411 821	2 310 824
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4. Finance income / (costs)

Interest paid	(125 477)	(30 946)	-	-
Interest received	1 871 062	1 083 479	1 055 041	636 384
Net finance income	1 745 585	1 052 533	1 055 401	636 384

5. Taxation

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
South African normal taxation	1 465 026	1 106 868	-	-
Deferred taxation	(91 597)	(415 350)	-	-
	1 373 429	691 518	-	-

The tax on the company's profit (loss) before tax differs from the theoretical amount that would arise using the basic taxation rate as follows :

Profit (loss) before taxation	1 535 307	11 788 925	(2 348 941)	7 682 810
Tax at statutory rate of 28% (2008: 29%)	429 886	3 418 788	(657 703)	2 228 015
Permanent differences	943 543	(2 727 270)	657 703	(2 228 015)
Taxation charge	1 373 429	691 518	-	-

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

6. Plant and equipment

Group	Capital work in progress R	Computers R	Furniture & equipment R	Motor vehicles R	Lab Equipment R	Total R
Year ended 31 March 2009						
Opening net book value	4 177 151	74 352	393 806	278 719	2 612 197	7 536 225
Additions	235 856	53 729	220 262	-	1 588 810	2 098 657
Disposal to minorities	-	(8 205)	-	-	(78 947)	(87 152)
Depreciation	-	(42 156)	(112 915)	(72 590)	(1 333 210)	(1 560 871)
Closing net book value	4 413 007	77 720	501 153	206 129	2 788 850	7 986 859
At 31 March 2009						
Cost	4 413 007	186 536	669 864	362 946	4 371 558	10 003 911
Accumulated depreciation	-	(108 816)	(168 711)	(156 817)	(1 582 708)	(2 017 052)
Net book value	4 413 007	77 720	501 153	206 129	2 788 850	7 986 859
Year ended 31 March 2008						
Opening net book value	560 354	60 865	82 823	218 772	304 440	1 227 254
Additions	3 896 974	64 140	339 169	165 040	2 936 910	7 404 233
Disposal to minorities	(280 177)	(3 678)	-	(56 839)	-	(340 694)
Depreciation	-	(46 975)	(28 186)	(48 254)	(631 153)	(754 568)
Closing net book value	4 177 151	74 352	393 806	278 719	2 612 197	7 536 225
At 31 March 2008						
Cost	4 177 151	245 587	458 923	362 947	3 371 432	8 616 040
Accumulated depreciation	-	(171 235)	(65 117)	(84 228)	(759 235)	(1 079 815)
Net book value	4 177 151	74 352	393 806	278 719	2 612 197	7 536 225

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

6. Plant and equipment (continued)

Company	<i>Computers</i>	<i>Furniture & equipment</i>	<i>Total</i>
	<i>R</i>	<i>R</i>	<i>R</i>
Year ended 31 March 2009			
Opening net book value	29 253	15 720	44 973
Additions	14 039	-	14 039
Disposals	(8 205)	-	(8 205)
Depreciation	(15 985)	(5 366)	(21 351)
Closing net book value	19 102	10 354	29 456
At 31 March 2009			
Cost	78 999	32 403	111 402
Accumulated depreciation	(59 897)	(22 049)	(81 946)
Net book value	19 102	10 354	29 456
Year ended 31 March 2008			
Opening net book value	36 068	21 662	57 728
Additions	19 377	-	19 377
Depreciation	(26 190)	(5 942)	(32 132)
Closing net book value	29 253	15 720	44 973
At 31 March 2008			
Cost	177 740	41 727	219 467
Accumulated depreciation	(148 487)	(26 007)	(174 494)
Net book value	29 253	15 720	44 973

7. Investment in subsidiary

The investment consists of 350 shares in River Bioscience (Pty) Ltd. These shares are held at cost.

	Group		Company	
	2009	2008	2009	2008
	R	R	R	R
At beginning and end of year	-	-	2 608 843	2 608 843

8. Inventory

Finished goods at cost	54 016	95 550	-	-
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CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

9. Receivables and prepayments

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Trade receivables	12 548 562	16 602 185	6 049 735	12 496 160
Less: Provision for doubtful debts	(4 545 161)	(8 454 717)	(4 545 161)	(8 454 717)
	8 003 401	8 147 468	1 504 574	4 041 443
Other receivables	-	382 162	857 534	314 810
	8 003 401	8 529 630	2 362 108	4 356 253

All current receivables are due within 6 months from the balance sheet date and therefore it is deemed that the fair value equates the cost as presented above.

There is no concentration of credit risk with respect to trade receivables, as the company has a large number of customers.

10. Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise of the following:

Cash and bank	16 999 675	19 479 663	10 655 600	14 392 587
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11. Deferred income tax

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 28% (2008: 29%). The movement in the deferred income tax account is as follows:

At beginning of year	(394 251)	(394 251)	-	-
Movement in deferred tax income	(86 015)	-	-	-
Movement in provision for leave pay	(5 582)	-	-	-
At end of year	(485 848)	(394 251)	-	-

Deferred tax (assets) / liabilities may be analysed as follows:

Accelerated capital allowances for tax purposes	91 951	-	-	-
Assessed loss	(501 227)	(394 251)	-	-
Other	(76 572)	-	-	-
	(485 848)	(394 251)	-	-

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association incorporated Under Section 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

12. Trade and other payables

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Trade payables – Citrus Research Trust	-	3 390 124	-	3 390 124
Trade payables – other	1 694 442	1 524 163	291 807	264 459
Other payables	1 926 167	1 635 317	320 437	422 842
Receiver of Revenue – VAT	313 272	218 693	-	-
Deferred income	273 472	229 783	-	-
	4 207 353	6 998 080	612 244	4 077 425

13. Special Export Program investment

Bank balance	744 851	303 674	744 851	303 674
Loan from Citrus Growers Association	(25 393)	(222 656)	(25 393)	(222 656)
Special Export Program debtors	246 959	309 351	246 959	309 351
Closing balance	966 417	390 370	966 417	390 370

14. Special Export Program liability

Opening balance	390 370	250	390 370	250
Income	3 880 911	5 303 391	3 880 911	5 303 391
Expenses	(3 244 864)	(4 833 271)	(3 244 864)	(4 833 271)
Administration charge	(60 000)	(80 000)	(60 000)	(80 000)
Closing balance	966 417	390 370	966 417	390 370

15. Cash flows from operating activities

	Group		Company	
	2009 R	2008 R	2009 R	2008 R
Net profit for the year	1 535 307	11 788 925	(2 348 841)	7 682 810
Adjusted for:				
Interest paid	125 477	30 946	-	-
Interest received	(1 871 062)	(1 083 479)	(1 055 401)	(636 384)
Increase in provisions	-	352	-	-
Dividends received	-	-	(300 042)	-
Depreciation	1 560 873	754 568	21 351	32 132
Profit on sale of goods	(30 256)	-	3 117	-
Profit on foreign goods	(2 000)	-	-	-
Operating profit (loss) before changes in working capital	1 318 339	11 491 312	(3 679 916)	7 078 558
Changes in working capital:	(2 222 964)	1 253 468	(1 471 036)	2 160 473
Decrease (increase) in inventories	41 534	(24 533)	-	-
Decrease (increase) in accounts receivable	526 229	(1 027 664)	1 994 145	935 463
Increase (decrease) in accounts payable	(2 790 727)	2 305 665	(3 465 181)	1 226 010
Cash (utilised in) generated by operations	(904 625)	12 744 780	(5 150 952)	9 239 031

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

16. Related party transactions

Company

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

Services rendered by related parties

Citrus Research Trust	25 108 461	16 000 000
Citrus Academy	1 177 000	1 100 000
	<u>26 285 461</u>	<u>17 100 000</u>

Outstanding balances payable

Citrus Research Trust – creditor	-	8 168 134
Less: Citrus Research Trust debtor	-	(4 778 010)
	-	<u>3 390 124</u>

Receivables

Loan to Citrus Academy	9 557	-
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Borrowings

Loan from Citrus Academy	-	120 232
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Justin Chadwick is the owner of Phoenix Marketing. Phoenix Marketing charges Citrus Growers Association a rental fee for office premises.

Rental	166 352	150 450
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17. Interest bearing borrowings

Loan from shareholders - Plantbio	4 060 000	4 060 000	-	-
ABSA vehicle finance	104 326	146 369	-	-
Total interest bearing borrowings	<u>4 164 326</u>	<u>4 206 369</u>	-	-

Current portion included in current liabilities

ABSA vehicle finance	42 042	42 042	-	-
	<u>42 042</u>	<u>42 042</u>	-	-

Long term liability

	<u>4 122 284</u>	<u>4 164 327</u>	-	-
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Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

Finance lease liabilities – minimum lease payments

Not later than 1 year	47 846	54 503	-	-
Later than 1 year but no later than 5 years	74 086	139 249	-	-
	<u>121 932</u>	<u>193 752</u>	-	-

Future finance charges on finance leases

	(17 606)	(47 383)	-	-
Present value of finance lease liabilities	<u>104 326</u>	<u>146 369</u>	-	-

CITRUS GROWERS ASSOCIATION OF SOUTHERN AFRICA
(Association Incorporated Under Section 21)

DETAILED INCOME STATEMENT
for the year ended 31 March 2009

Company	2009 R	2008 R
INCOME		
<i>Revenue</i>	29 395 579	28 606 581
Levies from citrus growers – statutory	28 258 297	27 733 037
Levies from citrus growers – voluntary	793 783	588 160
Levy income accrual	343 499	285 384
<i>Other operating income</i>	901 659	1 872 289
Citrus Industry Trust	-	139 501
CMF income	3 000	17 174
Other income – audit adj 06/07	-	245 614
Grant Agri Seta	-	190 000
Grant Department of Agriculture - Mentorship	263 158	1 200 000
SEP administration	60 000	80 000
Market access income – contrib. To USA costs	275 459	-
Dividends received	300 042	-
EXPENSES		
<i>Administration expenses</i>	(326 483)	(398 589)
Accounting and audit fees	43 920	89 153
Annual report	64 334	66 514
Bank charges	20 236	17 945
Computer expenses	15 322	15 489
Consulting fees	10 556	8 122
Printing and stationery	11 746	5 574
Sundry expenses	21 078	68 652
Telephone, postage and fax	139 291	127 140
<i>Operating expenses</i>	(33 375 097)	(23 033 856)
Advertising, promotions and recruitment	19 951	7 203
Board costs	264 951	313 612
Depreciation	21 351	32 132
Insurance	18 483	13 852
Forex loss	9 840	-
Loss on disposal of asset	3 116	-
Information	264 224	400 169
Legal fees	19 692	22 005
Levies and levy collection fees PPECB	6 128	174 961
Market access costs	1 722 459	1 277 794
Membership fees	181 575	404 089
S A Fruit Journal	155 644	123 524
2010 citrus conference	29 094	-
Provision for doubtful debts expense	(367 651)	(1 762 682)
Rent : Office	165 352	150 450
Rent : Office equipment	50 749	51 184
Research programmes :Citrus Research Trust	24 946 993	16 000 000
Salaries	2 411 821	2 310 824
Transformation expenses	3 259 458	3 316 785
Travel and accommodation	183 740	197 952
Logistics	8 127	-
<i>Finance income</i>	1 055 401	636 384
Interest received	1 055 401	636 384
Net (loss) profit for the year	(2 348 941)	7 682 810