CITRUS ACADEMY NPC
Registration No. 2007/012300/08
Annual Financial Statements
for the year ended 31 March 2016

Company Information

Registration number:	2007/012300/08
Registered address:	Unit 7 22 on Main 22 Old Main Road Gillitts KwaZulu-Natal 3610
Business address:	Unit 7 22 on Main 22 Old Main Road Gillitts KwaZulu-Natal 3610
Postal Address:	P.O. Box 461 Hillcrest 3650
Auditors:	PriceWaterhouseCoopers Inc. Pietermaritzburg
Bankers:	Standard Bank Limited
Level of assurance:	The annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of2008.
Preparer:	The annual financial statements have been prepared by Citrus Academy NPC under the supervision of J De Klerk.

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Statement of Directors' Responsibility

The directors are responsible for the preparation, integrity, and fair presentation of the financial statements of Citrus Academy NPC. The financial statements presented on pages 4 to 16 have been prepared in accordance with the International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs), 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.

Citrus Academy 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 page 6.

The financial statements were approved by the board of directors on 02/08/2016 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 2016.

1. General review

The company provided services to the citrus industry in skills development and capacity building.

2. Financial results

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

3. Members of the board

The following persons acted as board members during the year:

Chairman
J. Hobbs (appointed 2012/11/20)

Vice-Chairman
P. Dempsey (appointed 2012/11/20)

Board members
G. Piner (appointed 2015/01/28, resigned 2015/04/01)
J. van Biljon (appointed 2009/01/26, resigned 2015/11/30)
C. van der Merwe (appointed 2015/03/12)
A. Sithole (appointed 2015/05/06)
T.R.D. Wafer (appointed 2015/04/01)

4. Material events after year end

No matter which is material to the financial affairs of the company has occurred between 31 March 2016 and the date of approval of the financial statements.

5. Going Concern

We draw attention to the fact that at 31 March 2016, the company had accumulated losses of (R16 801) and that the company's total liabilities exceed its assets by R16 801.

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.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that Citrus Growers Association of Southern Africa (Association incorporated under Section 21) continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 9 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

Report of the Directors

5. Going Concern (continued)

The fact that the total liabilities exceed the assets has not hindered the company's ability to pay its debts as they become due in the normal course of business.

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 THE CITRUS ACADEMY NPC

We have audited the financial statements of Citrus Academy NPC set out on pages 7 to 17, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 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.

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 about 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.

PricewaterhouseCoopers Inc., Block C, 21 Cascades Crescent, Cascades, Pietermaritzburg 3201
P O Box 13884, Cascades 3202
T: +27 (33) 343 8600, F: +27 (33) 347 5957, www.pwc.co.za

Chief Executive Officer: T D Shango
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk
The Company's principal place of business is at 2 Eglin Road, Sunninghill where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Citrus Academy NPC as at 31 March 2016, and its financial performance and its 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.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers. Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion thereon.

Other matter

The supplementary information set out on pages 18 to 19 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and accordingly we do not express an opinion thereon.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: B S Carshagen
Registered Auditor
Block C, 21 Cascades Crescent
Cascades
Pietermaritzburg
3201
Date: 02 August 2016

Statement of Financial Position

	Note	2016	2015
		R	**R**
ASSETS			
Non-current assets			
Computer equipment	4	**66 193**	17 471
		66 193	17 471
Current assets			
Receivables and prepayments	5	**2 077 376**	1 620 411
Cash and cash equivalents	6	**17 746**	66 232
		2 095 122	1 686 643
Total assets		**2 161 315**	1 704 114
EQUITY AND LIABILITIES			
Capital and reserves			
(Accumulated Loss)/Retained Earnings		**(16 801)**	40 827
Total equity		**(16 801)**	40 827
Current liabilities			
Borrowings	6	**18 750**	14 752
Trade and other payables	7	**1 551 874**	1 048 535
Loan account – Citrus Growers' Association of Southern Africa	11	**607 492**	600 000
		2 178 116	1 663 287
Total liabilities		**2 178 116**	1 663 287
Total equity and liabilities		**2 161 315**	1 704 114

Statement of Comprehensive Income

	Note	2016	2015
		R	R
Revenue		**2 499 996**	2 300 000
Other income		**3 661 475**	3 541 934
Administration expenses		**(2 716 360)**	(2 110 355)
Other expenses		**(3 502 739)**	(3 989 712)
Net deficit for the year	2	**(57 628)**	(258 133)
Other comprehensive income		**-**	-
Total comprehensive deficit for the year		**(57 628)**	(258 133)

Statement of Changes in Equity

	2016	2015
	R	R
Balance at beginning of year	**40 827**	298 960
Deficit for the year	**(57 628)**	(258 133)
Balance at end of year	**(16 801)**	40 827

Statement of Cash Flows

	Note	2016	2015
		R	**R**
Cash flows from operating activities			
Cash receipts from customers		**5 704 505**	5 114 727
Cash paid to suppliers and employees		**(5 685 309)**	(5 696 105)
Net cash generated generated from/ (utilised in) operating activities	8	**19 196**	(581 378)
Cash flows from investing activities			
Acquisition of fixed assets		**(79 172)**	(15 094)
Proceeds on sale of fixed assets		**-**	7 208
Net cash (utilised in) investing activities		**(79 172)**	(7 886)
Cash flows from financing activities			
Movement in loan account		**7 492**	600 000
Net cash generated from financing activities		**7 492**	600 000
Net (decrease)/increase in cash and cash equivalents		**(52 484)**	10 736
Cash and cash equivalents at beginning of year		**51 480**	40 744
Cash and cash equivalents at end of year	6	**(1 004)**	51 480

Notes to the Financial Statements

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 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, 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 IFRS for SMEs 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. Computer equipment

All computer 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

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 receivable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer 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. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Notes to the Financial Statements

1.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds it recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.4 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 company 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 reorganization, 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.

1.5 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position 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 statement of financial position.

1.6 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.

1.7 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.

Notes to the Financial Statements

1.8 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.

1.9 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 in funding by keeping committed credit lines available.

Fair value estimations:

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

Notes to the Financial Statements

1.10 Revenue recognition

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

a) Service income

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

b) Grant income

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

Notes to the Financial Statements

	2016	2015
	R	R

2. Operating profit

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

Auditors remuneration – current year	**15 700**	19 995
Legal fees	**-**	7 000
Operating lease rentals – office	**-**	30 727
Staff costs (refer note 3)	**1 916 679**	1 507 990
Depreciation	**30 450**	16 203
Other expenses	**4 256 270**	4 518 152
Total costs of goods sold administration and other expenses	**6 219 099**	6 100 067

3. Staff costs

Salaries and wages	**1 916 679**	1 507 990
Average number of persons employed over the period		
- Full time	**6**	5

4. Computer equipment

Opening carrying amount	**17 471**	18 580
Additions	**79 172**	15 094
Depreciation	**(30 450)**	(16 203)
Closing carrying amount	**66 193**	17 471
Cost	**111 827**	55 768
Accumulated depreciation	**(45 634)**	(38 297)
Closing carrying amount	**66 193**	17 471

5. Receivables and prepayments

Trade receivables	**1 999 701**	1 361 241
Other receivables	**7 825**	-
Prepaid expenses	**69 850**	242 616
Receiver of Revenue - VAT	**-**	16 554
	2 077 376	1 620 411

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

Notes to the Financial Statements

	2016	2015
	R	R
6. Cash and cash equivalents		
Standard Bank Current Account	**17 746**	66 232
Corporate Card Account	**(18 750)**	(14 752)
	(1 004)	51 480
7. Trade and other payables		
Trade payables	**52 156**	314 568
Other payables	**1 499 718**	733 967
	1 551 874	1 048 535
8. Cash flows generated from/(utilised in) operations		
Net deficit for the year	**(57 628)**	(258 133)
Adjusted for:		
Depreciation	**30 450**	16 203
Profit on disposal of assets	**-**	(7 208)
	(27 178)	(249 138)
Changes in working capital:	**46 374**	(332 240)
Movement in trade and other receivables	**(456 966)**	(727 207)
Movement in trade and other payables	**503 340**	394 967
	19 196	(581 378)
9. Related party transactions		
Borrowings		
Loan from Citrus Growers' Association of Southern Africa	**607 492**	600 000
Services rendered to related parties		
Citrus Growers' Association of Southern Africa		
Services rendered	**2 499 996**	2 300 000
Bursary fund income	**45 000**	55 000
	2 544 996	2 355 000

10. Income Tax

The company is exempt from the payment of normal income tax in terms of S10(1)(cN).

Notes to the Financial Statements

11. Loan account – Citrus Growers' Association of Southern Africa

The loan payable has been subordinated by Citrus Growers' Association of Southern Africa.
The loan is interest free and there are no fixed terms of repayment.

Detailed Statement of Comprehensive Income

	2016	2015
	R	R
Income		
Revenue		
Services rendered – Citrus Growers' Association of Southern Africa	**2 499 996**	2 300 000
Other operating income	**3 451 072**	3 365 858
Audio-visual funding – Citrus Planting	**500 000**	-
Bursary funding	**2 013 173**	1 819 363
Citrus Business Management funding	**78 451**	446 643
Citrus Resource Warehouse sponsorship	**-**	200 000
Emerging Export Excellence funding	**555 948**	429 652
Experiential learning funding	**247 500**	266 250
Industry Exposure	**56 000**	-
Ready-Steady-Work sponsorship	**-**	200 000
Sales learning media	**-**	3 950
Other income	**210 403**	176 078
Profit on disposal of fixed assets	**-**	7 208
Cost recovery	**210 403**	168 870
Operating expenses	**(3 502 739)**	(3 989 712)
Academic awards costs	**-**	650
Audio-visual development costs – Citrus Planting	**360 701**	29 641
Audio-visual development costs – Industry Promotion	**147 463**	31 435
Audio-visual development costs – new projects	**-**	2 762
Bursary funding paid out	**1 850 715**	1 902 553
Career Fair costs	**23 366**	52 512
Citrus Business Management costs	**122 373**	588 352
Citrus Production Management costs	**45 000**	675
Citrus Resource Warehouse costs	**60 097**	-
Citrus Secondary costs	**99 937**	100 587
Emerging Export Excellence costs	**458 054**	409 871
Experiential learning payments	**191 250**	281 250
Industry Exposure Programme costs	**110 925**	341 421
Production Learning Material costs	**8 000**	-
Ready-Steady-Work costs	**-**	205 471
Vacation work costs	**24 858**	42 532

Detailed Statement of Comprehensive Income

	2016	2015
	R	R
Operating expenses	**(2 716 360)**	(2 110 357)
Accommodation	**34 163**	28 274
Accounting fees	**15 700**	19 995
Bank charges	**8 039**	8 559
Cleaning and refreshments	**43 752**	31 677
Computer expenses	**48 581**	15 772
Consulting fees	**15 250**	950
Courier and postage	**4 847**	5 648
Database development	**6 750**	
Depreciations	**30 450**	16 203
Directors’ meeting expenses	**14 615**	6 130
Entertainment expenses	**63 991**	45 594
Fundraising costs	**-**	9 079
Legal fees	**-**	7 000
Marketing expenses	**94 481**	67 762
Penalties and interest – SARS	**3 039**	2 049
Printing and stationery	**27 929**	13 562
Rent paid	**-**	30 727
Repairs and maintenance	**1 214**	468
Salaries	**1 916 679**	1 507 990
Salaries – leave pay	**21 110**	30 512
Software licences	**21 452**	-
Staff training	**22 680**	10 250
Subscriptions and resources	**246**	482
Telephone	**82 384**	37 406
Travel expenses	**223 925**	169 450
Unemployment insurance fund	**9 700**	7 983
Website costs	**5 383**	36 835
Net deficit for the year	**(57 628)**	(258 133)