

**THE MAIZE TRUST**  
(Registration number IT8214/98)  
Annual Financial Statements  
for the year ended 30 June 2018



THE  
**ASHTON**  
CA (SA) GROUP INC.

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## General Information

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<b>Type of trust</b>	Non-trading trust
<b>Trustees</b>	Dr TJ Hewu Ms N Mahlali Dr SS Ndlungwane Dr JL Purchase Mr BC Schoonwinkel Mr DJM Mathews Ms ME Mabe (Nominated) Mr Z Ngejane (Nominated)
<b>Business address</b>	The Grain Building 477 Witherite Road The Willows Pretoria 0040
<b>Bankers</b>	ABSA
<b>Auditors</b>	The Ashton CA (SA) Group Chartered Accountants (S.A.) Registered Auditors
<b>Trust registration number</b>	IT8214/98

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

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The reports and statements set out below comprise the annual financial statements presented to the trustees:

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# The Maize Trust

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## Trustees' Responsibilities and Approval

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The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

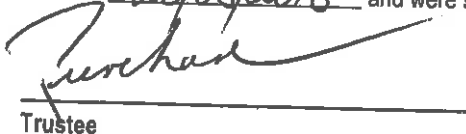
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Trust and all employees are required to maintain the highest ethical standards in ensuring the Trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Trust is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the Trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

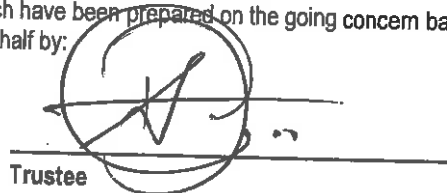
The trustees have reviewed the trust's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Trust's annual financial statements. The annual financial statements have been examined by the Trust's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 19, which have been prepared on the going concern basis, were approved by the board on 28/08/2018 and were signed on its behalf by:



Trustee



Trustee

Pretoria



THE  
**ASHTON**  
CA (SA) GROUP INC.

REGISTERED ACCOUNTANTS  
AND AUDITORS

## Independent Auditor's Report

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To the trustees of The Maize Trust

### Opinion

We have audited the Annual Financial Statements of The Maize Trust set out on pages 7 to 18, which comprise the Statement of Financial Position as at 30 June 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of The Maize Trust as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 are independent of the trust in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards, and for such internal control as the trustees determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report

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## Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual 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 International Standards on Auditing 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 Annual Financial Statements.

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

- Identify and assess the risks of material misstatement of the Annual 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 trustee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee
- Conclude on the appropriateness of the trustees 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 trust'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 Annual 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 trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

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The Ashton CA (SA) Group Inc  
Andre Robberts  
Director  
Chartered Accountants (SA)  
Registered Auditors

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Ashlea House  
51 Lebombo Street  
Ashlea Gardens  
Pretoria  
0181

# **The Maize Trust**

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## **Trustees' Report**

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The trustees have pleasure in submitting their report on the annual financial statements of The Maize Trust for the year ended 30 June 2018.

### **1. Trustees**

The trustees in office at the date of this report are as follows:

#### **Trustees**

Dr T J Hewu

Ms N Mahlali

Dr SS Ndlungwane

Dr JL Purchase

Mr BC Schoonwinkel

Mr DJM Mathews

Ms ME Mabe (Nominated)

Mr Z Ngejane (Nominated)

### **2. Events after the reporting period**

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

### **3. Going concern**

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

### **4. Legislation**

The Minister of Agriculture, Forestry and Fisheries has published the Marketing of Agricultural Products Amendment Bill in Government Gazette No. 36562, Notice 610 dated 14 June 2013. Should this legislation be passed, certain provisions contained in this publication could have an influence on the business model implemented by the Trust.

### **5. Subsidiaries**

The Maize trust holds a 100% shareholding of the issued shares of Grain Building (Pty) Ltd.

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Statement of Financial Position as at 30 June 2018

Figures in Rand	Note(s)	2018	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investments in subsidiaries	2	250 156 522	250 156 522
Investments	3	825 097 179	806 180 747
		<u>1 075 253 701</u>	<u>1 056 337 269</u>
<b>Current Assets</b>			
Cash and cash equivalents	4	21 762 730	12 848 206
<b>Total Assets</b>		<u>1 097 016 431</u>	<u>1 069 185 475</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Donations	5	319 234 732	319 234 732
Accumulated surplus		742 342 607	717 373 064
		<u>1 061 577 339</u>	<u>1 036 607 796</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	21 953	1 266
Provisions	7	35 417 139	32 576 413
		<u>35 439 092</u>	<u>32 577 679</u>
<b>Total Equity and Liabilities</b>		<u>1 097 016 431</u>	<u>1 069 185 475</u>



# The Maize Trust

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Annual Financial Statements for the year ended 30 June 2018

## Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Profit on sale of investments and other income		8 099 021	2 463 504
Operating expenses		(3 505 346)	(4 234 912)
<b>Surplus/ (Loss) before investment revenue, allocations to beneficiaries, fair value adjustments and asset management fees</b>		<b>4 593 675</b>	<b>(1 771 408)</b>
Investment revenue - Interest & Dividends		32 118 418	31 906 432
Allocations to beneficiaries	8	(50 265 559)	(57 685 557)
Fair value adjustments	11	41 818 540	958 571
Asset management fees	3	(3 295 531)	(3 558 016)
<b>Surplus/(loss) for the year</b>		<b>24 969 543</b>	<b>(30 149 978)</b>
Other comprehensive income			
<b>Total comprehensive income/(loss) for the year</b>		<b>24 969 543</b>	<b>(30 149 978)</b>

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Statement of Changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
<b>Balance at 01 July 2016</b>	<b>319 234 732</b>	<b>747 523 042</b>	<b>1 066 757 774</b>
Surplus for the year	-	(30 149 978)	(30 149 978)
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(30 149 978)</b>	<b>(30 149 978)</b>
<b>Balance at 01 July 2017</b>	<b>319 234 732</b>	<b>717 373 064</b>	<b>1 036 607 796</b>
Surplus for the year	-	24 969 543	24 969 543
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>24 969 543</b>	<b>24 969 543</b>
<b>Balance at 30 June 2018</b>	<b>319 234 732</b>	<b>742 342 607</b>	<b>1 061 577 339</b>
Note(s)	5		

# The Maize Trust

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Annual Financial Statements for the year ended 30 June 2018

## Statement of Cash Flows

Figures in Rand

	Note(s)	2018	2017
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	13	398 650	(89 266 188)
Interest income		1 056	1 148
Dividends received		7 585 721	7 525 872
<b>Net cash from operating activities</b>		<b>7 985 427</b>	<b>(81 739 168)</b>
<b>Cash flows from investing activities</b>			
Investment withdrawals		51 194 656	60 306 435
Allocations to beneficiaries		(50 265 559)	(57 685 557)
Movement in investments			(1 500 000)
Increase in Investment in Subsidiaries			(8 520 810)
<b>Net cash from investing activities</b>		<b>929 097</b>	<b>(7 399 932)</b>
<b>Total cash movement for the period</b>		<b>8 914 524</b>	<b>(89 139 100)</b>
Cash at the beginning of the period		12 848 206	101 987 306
<b>Total cash at end of the period</b>	4	<b>21 762 730</b>	<b>12 848 206</b>

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Investments in subsidiaries

In the trust's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

#### 1.2 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through surplus or deficit.

##### Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised

##### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instruments measured at amortised cost, are measured at cost less impairment.

##### Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

#### 1.3 Impairment of assets

The trust assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

#### 1.4 Provisions and contingencies

Provisions are recognised when:

- the Trust has an obligation at the reporting date as a result of a past event;
- it is probable that the Trust will be required to transfer economic benefits in settlement; and
- the amount of the obligation can be estimated reliably.

# The Maize Trust

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Annual Financial Statements for the year ended 30 June 2018

## Accounting Policies

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### 1.5 Revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends are recognised, in surplus or deficit, when the Trust's right to receive payment has been established.

### 1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

### 1.7 Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

### 1.8 Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

	2018	2017			
<b>2. Investments in subsidiaries</b>					
<b>Name of subsidiary</b>	<b>Principal place of business</b>	<b>% Holding at 30 June 2018</b>	<b>% Holding at 30 June 2017</b>	<b>Carrying amount at 31 December 2017</b>	<b>Carrying amount at 30 June 2017</b>
Grain Building (Pty) Ltd	RSA	100.00 %	100.00 %	250 156 522	250 156 522
This investment is shown at cost less accumulated impairment charges.					
The directors of Grain Building (Pty) Ltd are appointed by the trustees of The Maize Trust.					
<b>3. Investments</b>					
<b>At cost</b>					
Investment deposit				1 500 000	1 500 000
The investment, together with accrued interest, calculated at commercial bank call rates, is collectable within a period of 5 years since inception.					
<b>At fair value</b>					
Allan Gray Ltd				444 353 510	428 327 891
Book value - R 378 859 827					
Foord Asset Management				264 978 261	264 200 109
Book value - R 194 077 185					
Coronation Fund Managers				114 265 408	112 152 747
Book value - R 99 619 927					
				<u>823 597 179</u>	<u>804 680 747</u>
<b>Total other financial assets</b>				<u>825 097 179</u>	<u>806 180 747</u>
<b>Non-current assets</b>					
At cost				1 500 000	1 500 000
At fair value through profit or loss				823 597 179	804 680 747
				<u>825 097 179</u>	<u>806 180 747</u>
<b>Asset management fees paid</b>					
Allan Gray Ltd				2 207 854	2 430 785
Foord Asset Management (Pty) Ltd				1 087 677	1 077 417
Prescient Management Company					49 814
				<u>3 295 531</u>	<u>3 558 016</u>

Asset management fees relating to Coronation Fund Managers are included in the fair value adjustment of the underlying investment.

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand	2018	2017
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	21 762 730	12 848 206
<b>5. Donations</b>		
Donations consist of advances received from the Maize Board.		
- Received 2000	244 128 772	244 128 772
- Received 2000	15 000 000	15 000 000
- Received 2001	5 000 000	5 000 000
- Received 2006	25 000 000	25 000 000
- Received 2010	30 105 960	30 105 960
	<u>319 234 732</u>	<u>319 234 732</u>
<b>6. Funding recovered from beneficiaries</b>		
Grain Farmer Development Association	961 938	662 913
<b>7. Provisions</b>		
The following allocations were approved by the Trustees, but have not been paid at the end of the period and are made up as follow:		
Agricultural Research Council	6 204 265	3 628 184
Bursary Scheme	454 178	246 474
Bureau for Food and Agricultural Policy	1 821 311	4 000 094
Cape Peninsula University of Technology	212 160	332 160
CA Coordination	1 030 555	-
Grain Farmer Development Association	8 112 664	4 852 286
Grain SA	5 743 484	3 850 282
Grain SA - Farmer Development Programme	2 532 411	5 992 374
Mahlathini Development Foundation	114 000	123 200
National Agricultural Marketing Council	406 407	233 857
National Chamber of Milling	-	400 000
North West University	257 831	515 663
Southern African Grain Laboratory	1 876 218	2 300 609
South African Grain Information Service	6 049 387	5 361 380
Sandy Soils Development Committee	184 268	135 744
Tshwane University of Technology	-	186 106
University of Stellenbosch	314 000	314 000
University of Pretoria	104 000	104 000
	<u>35 417 139</u>	<u>32 576 413</u>

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

2018

2017

### 8. Allocations approved during the year by the trustees

Agricultural Research Council	6 248 298	7 755 547
Bureau for Food and Agricultural Policy	245 050	1 084 585
Bursary Scheme	755 195	574 131
CA Coordination	1 972 823	391 597
Cape Peninsula University of Technology	530 401	830 401
National Chamber of Milling- Recalculation of allocation	(400 000)	-
Grain Farmer Development Association	9 985 868	9 113 655
Grain SA	4 410 876	4 330 782
- Approved	4 613 022	4 601 231
- Recalculation of allocations	(202 146)	(270 449)
Grain SA - Farmer Development Programme	8 152 318	10 351 290
- Approved	9 059 289	12 137 935
- Recalculation of allocations	(906 971)	(1 786 645)
Mahlathini Development Foundation	114 000	123 600
Mycotoxin Coordination	109 458	99 096
National Agricultural Marketing Council	373 525	-
Maize Forum	205 488	289 884
Southern African Grain Laboratory	4 665 515	11 001 347
South African Grain Information Service	10 990 403	8 246 504
Sandy Soils Development Committee	921 341	678 719
Tshwane University of Technology	-	465 264
University of Cape Town	-	(85 000)
- Approved	-	25 000
- Recalculation of allocations	-	(110 000)
University of Stellenbosch	785 000	785 000
North West University	-	1 289 157
University of Pretoria	200 000	360 000
	<b>50 265 559</b>	<b>57 685 557</b>
Approved during the year (as above)	50 265 559	57 685 557
Unpaid allocations at the end of the previous year (as per note 7)	32 576 413	35 352 288
	82 841 972	93 037 845
Allocations paid during the year (as per note 9)	(47 424 833)	(60 461 432)
	<b>35 417 139</b>	<b>32 576 413</b>



# The Maize Trust

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Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

2018

2017

### 9. Actual payments to beneficiaries

Agricultural Research Council	3 672 219	9 011 444
Bureau for Food and Agricultural Policy	2 423 832	3 760 224
Bursary Scheme	547 488	731 532
CA Coordination	942 269	1 329 948
Cape Peninsula University of Technology	650 401	830 941
Dr WJ van der Walt	-	12 380
Grain Farmer Development Association	6 725 490	7 040 979
Grain SA	2 517 675	10 826 699
Grain SA - Farmer Development Programme	11 612 282	4 663 592
Mycotoxin Coordination	109 458	99 096
North West University	257 831	773 494
Southern African Grain Laboratory	5 089 906	9 098 659
South African Grain Information Service	10 302 396	9 545 519
Sandy Soils Development Committee	872 817	624 677
Tshwane University of Technology	186 106	465 264
University of Cape Town	-	127 000
University of Stellenbosch	785 000	785 000
National Agricultural Marketing Council	200 975	-
Maize Forum	205 488	289 884
University Of Kwazulu Natal	-	144 000
Mahlatini Development Foundation	123 200	45 100
University of Pretoria	200 000	256 000
	<u>47 424 833</u>	<u>60 461 432</u>

### 10. Trade and other payables

Trade payables	<u>21 953</u>	<u>1 266</u>
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### 11. Fair value adjustments

Investments	<u>41 818 540</u>	<u>958 571</u>
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### 12. Auditors' remuneration

Fees	<u>146 832</u>	<u>142 650</u>
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# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

	2018	2017
<b>13. Cash generated from (used in) operations</b>		
Surplus (deficit) before taxation	24 969 543	(30 149 978)
<b>Adjustments for:</b>		
Allocations to beneficiaries	50 265 559	57 685 557
Asset management fees	3 295 531	3 558 016
Dividends received	(16 929 957)	(17 671 442)
Interest received	(15 188 461)	(14 234 990)
Movements in provisions	2 840 726	(2 775 875)
Investment charges	26 205	95 318
Fair value adjustment	(41 818 540)	(958 571)
Profit on sale of shares	(7 082 643)	(1 655 854)
<b>Changes in working capital:</b>		
Trade and other receivables	-	6 846 073
Trade and other payables	20 687	(90 004 442)
	<u>398 650</u>	<u>(89 266 188)</u>

### 14. Related parties

#### Relationships

The Maize Trust holds membership in SAGIS and GFADA.

### 15. Risk Management

The Trust's investment activities expose it to a variety of financial risks.

**Interest rate risk:** As the Trust has significant interest-bearing assets, the Trust's income and operating cash flows are substantially dependant on changes in market interest rates.

**Market performance and currency risk:** The Trust is exposed to equity securities risk and foreign currency risk, because of investments held by the Trust and classified on the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in equity securities, the trust diversifies its portfolio into local and foreign currency. Funds available for investments has been distributed between three reputable asset manager companies with diversified risk strategies. The Trust also appointed an investment advisor.

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Notes to the Annual Financial Statements

Figures in Rand

2018

2017

### 16. Trustees fees

	Allowances	Reimbursements	Total
<b>30 June 2018</b>			
TJ Hewu	58 488	81 070	139 558
N Mahlali	42 014	7 044	49 058
SS Ndlungwane	87 674	61 038	148 712
JL Purchase (paid to employer)	39 616	-	39 616
BC Schoonwinkel	52 864	67 018	119 882
DJM Mathews	62 290	59 204	121 494
ME Mabe	20 120	715	20 835
Z Ngejane	37 998	92 182	130 180
	<u>401 064</u>	<u>368 271</u>	<u>769 335</u>
<b>30 June 2017</b>			
JF De Villiers (paid to employer)(ex trustee)	10 129	-	10 129
TJ Hewu	153 945	44 236	198 181
N Mahlali	45 644	10 457	56 101
SS Ndlungwane	122 669	89 319	211 988
JL Purchase (paid to employer)	36 214	708	36 922
BC Schoonwinkel	55 208	43 259	98 467
DJM Mathews	42 564	44 604	87 168
	<u>466 373</u>	<u>232 583</u>	<u>698 956</u>

# The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended 30 June 2018

## Detailed Income Statement

Figures in Rand	Note(s)	2018	2017
<b>Income</b>			
Dividends received		16 929 957	17 671 442
Funding recovered from beneficiaries	6	961 938	662 913
Interest received		15 188 461	14 234 990
Profit on sale of investments		7 082 643	1 655 854
Sundry Income		54 440	144 737
		<u>40 217 439</u>	<u>34 369 936</u>
<b>Operating expenses</b>			
Accounting fees		(94 803)	(94 551)
Administration costs		(1 725 619)	(1 757 027)
Audit fees	12	(146 832)	(142 650)
Bank charges		(88 490)	(103 134)
Computer expenses		(8 907)	(5 245)
Conference costs		(178 781)	(45 838)
Insurance		(72 382)	(72 348)
Printing and stationery		-	(1 995)
Professional fees		(56 028)	(962 148)
Remuneration - Investment advisor		(260 506)	(243 946)
Travel and accommodation		(96 808)	(100 234)
Trustees fees	16	(769 335)	(698 956)
Website costs		(6 855)	(6 840)
		<u>(3 505 346)</u>	<u>(4 234 912)</u>
<b>Surplus before allocations to beneficiaries, fair value adjustments and asset management fees</b>		<b>36 712 093</b>	<b>30 135 024</b>
Allocations to beneficiaries	8	(50 265 559)	(57 685 557)
Fair value adjustments	11	41 818 540	958 571
Asset Management fees	3	(3 295 531)	(3 558 016)
		<u>(11 742 550)</u>	<u>(60 285 002)</u>
<b>Surplus/(loss) for the period</b>		<b>24 969 543</b>	<b>(30 149 978)</b>