

THE MAIZE TRUST

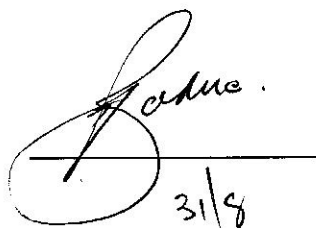
**FINANCIAL STATEMENTS
30 JUNE 2000**

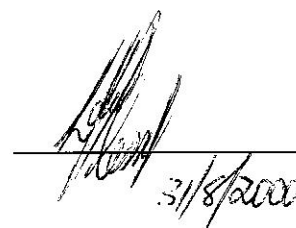
**ROBERTS MARAIS INCORPORATED
REGISTRATION NUMBER : 97/10297/2**

THE MAIZE TRUST
FINANCIAL STATEMENTS - 30 JUNE 2000

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<u>FINANCIAL STATEMENTS</u> The following report and statements in respect of the year ended 30 June 2000 are presented in compliance with the requirements of the Companies Act, 1973.	
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The financial statements set out on pages 3 - 10 were approved by the Trustees on 10 August 2000 and are signed by:


31/8


31/8/2000

THE MAIZE TRUST
GENERAL INFORMATION

TRUSTEES

Ms L N Bengu - Baloyi
Mr H J Botma
Mr J E Grobler
Mr N F E Leitch
Dr R P Mohlahlane
Mr L Wolthers

REGISTERED OFFICE

1188 Woodlands Drive
Queenswood
PRETORIA
0186

BANKERS

ABSA Bank

AUDITORS

Robberts Marais Incorporated
PRETORIA

REGISTRATION NUMBER

IT 8214 / 98



ROBBERTS MARAIS INCORPORATED

Registered Auditors and Public Accountants

10 August 2000

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE MAIZE TRUST

We have audited the annual financial statements of The Maize Trust as set out on pages 2 to 10 for the year ended 30 June 2000. These financial statements are the responsibility of the trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes :

- * examining on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- * assessing the accounting principles used and significant estimates made by management, and;
- * evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the trust at 30 June 2000 the results of its operations for the year then ended in accordance with generally accepted accounting practice.

ROBBERTS MARAIS INCORPORATED

Chartered Accountants (SA)

Registered Accountants and Auditors

Accounting & Auditing Services · Business Consulting · Taxation Specialists · Estate Planning and Wills · Judicial Managers · Curator Bonis and Trustees

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Directors: A. Robberts B. Compt (Hons) CA (SA) E.L. Marais B. Com (Hons) CA (SA)
Reg. no: 97/10297/21

THE MAIZE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2000

The Marketing of Agricultural Products Act of 1996 provides, inter alia, for the transfer of all the assets of the previous control boards to trusts. For this reason the Maize Trust was registered on 31 August 1998 to receive the assets of the Maize Board.

The objectives of the Maize Trust are to promote the maize industry in the Republic of South Africa through financial support :

- * of the acquisition, assimilation and dissemination of market information for maize and in respect of the maize industry;
- * of market and production related research in respect of maize, and;
- * of market access with respect to South African maize.

The following Trustees served on the Trust during the 1999/2000 financial year :

Ms. L. Bengu-Baloyi	Ministerial representative
Mr. H.J. Botma	Representative of producers of yellow maize
Mr. J.E. Grobler	Representative of producers of white maize
Mr. N.F.E. Leitch	Ministerial representative
Dr. R.P. Mohlahlane	Ministerial representative
Mr. L. Wolthers	Representative of processors of maize

(Mr. L. Wolthers has been appointed in the place of Mr. S.W. Pienaar who has resigned during the 1998 / 1999 financial year).

During the year the Maize Board transferred a further R 15 million to the Trust. The major portion of the Trust's funds are invested through two Asset Managers, namely Prudential and Old Mutual. The latter was appointed by the Trustees to replace Fedsure Asset Managers on 11 May 2000. The international portion of the applicable investment portfolio is, however, still invested through Fedsure pending the approval of an asset swap by the Reserve Bank, after which it will also be transferred to Old Mutual.

Applications for funding of projects to a total amount of R 27,3 million was approved by the Trust during the financial year. This represent more than the income of the Trust during the year, but is due to the fact that some funding applications were delayed in the previous year. The Trustees therefore had to consider these applications in the 1999 / 2000 financial year, which caused a larger concentration of funding than what would normally be expected. It is not envisaged that this situation will repeat itself in the coming year as it is believed that the Trust will receive funding applications that are less than the Trust's income.

During the year the Trustees have endeavoured to strengthen their relations with the Directly Affected Groups in the industry as well as with the other grain and cereal Trusts. This was achieved to a large extent and the policy for the future is to keep up these efforts and to continue with regular meetings with the applicable groups. Marked improvements with applications for market access projects and with inquiries to the Trust concerning market access have been noted over the past year.

THE MAIZE TRUST
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2000

(Continued)

The Trustees have formulated Norms, Procedures and Criteria for funding applications after consulting with the Liaison Committee of the Maize Forum. The document containing these issues has been sent to all the Directly Affected Groups and to the institutions and persons that have applied to the Trust for funding.

The terms of office of five of the six Trustees expire on 30 August 2000. Nominations have been requested from the relevant Directly Affected Groups and from the National Minister for Agriculture and Land Affairs to timeously fill these positions. At the time of writing this report the nominations were still being awaited.

The firm Robberts Marais Incorporated was appointed as auditors to the Trust and L & L Agricultural Services commenced to render administrative and secretarial services to the Trust on 1 July 1999.

THE MAIZE TRUST
BALANCE SHEET AS AT 30 JUNE 2000

	<u>NOTES</u>	<u>2000</u> <u>R</u>	<u>1999</u> <u>R</u>
<u>ASSETS</u>			
<u>Current assets</u>			
Cash and cash equivalents	6	11 716 450	22 744 941
<u>Non-current assets</u>			
Investments	4	285 557 248	249 837 494
<u>TOTAL ASSETS</u>		<u>297 273 698</u>	<u>272 582 435</u>
<u>EQUITIES AND LIABILITIES</u>			
<u>Donations received</u>			
	2	259 128 772	244 128 772
<u>Reserves</u>			
	3	36 256 623	28 139 547
<u>Current liabilities</u>			
Trade creditors and other payables	7	1 888 303	314 116
<u>TOTAL EQUITY AND LIABILITIES</u>		<u>297 273 698</u>	<u>272 582 435</u>

THE MAIZE TRUST
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

	NOTES	<u>2000</u> R	<u>1999</u> R
INCOME		17 155 556	32 979 382
Dividends received		13 145 230	505 503
Interest on investments	5	4 010 326	32 473 879
LESS: EXPENDITURE		2 077 913	1 257 780
Bank charges		66 377	5 614
Admin cost - under provision : previous year		25 287	-
Software expenses		1 950	-
Promotion and advertising costs		47 424	4 010
Interest paid		7 167	1 951
Legal fees		54 300	203 876
Penalties and Interest - Receiver of Revenue		4 576	2 938
Postage		-	750
Conference costs		40 673	3 983
Remuneration paid		1 519 881	721 385
- Administrators		537 138	385 582
- Asset Managers		887 345	73 459
- Auditors - this year provision		15 000	30 000
- Auditors - previous year under provision		3 183	-
- Facilitator		-	43 320
- Industry Advisor		-	84 886
- Investment Advisor		77 215	104 138
Secretarial expenses		7 065	-
Strategic Planning Workshop Costs		-	24 742
Stationery		-	1 775
Trustees' reimbursements		303 213	286 756
- Direct costs		144 032	127 334
- Indirect costs		159 181	159 422
RETAINED INCOME - Before distributions		15 077 643	31 721 602
LESS: DISTRIBUTIONS	8	- 28 290 564	- 8 808 621
NETT (LOSS) / INCOME - After distributions		- 13 212 921	22 912 981
ACCUMULATED INCOME - BEGINNING OF YEAR		22 912 981	-
ACCUMULATED INCOME - END OF YEAR		9 700 060	22 912 981

THE MAIZE TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared on the historical cost basis, with the exception of investments.

1.1 Investments

Listed investments are stated at market value.

Unlisted investments are stated at Trustees' valuation.

Unrealised surpluses resulting from the revaluation of investments are treated as non-distributable reserves.

1.2 Income recognition

Interest and dividends on cash and investments are recognised on an accrual basis. Interest received on investments managed by external Asset Managers are recognised after taking interest paid by such, on operating accounts, into account.

	<u>2000</u>	<u>1999</u>
	<u>R</u>	<u>R</u>
2. DONATIONS		
Donations consist of advances received from the Maize Board	259 128 772	244 128 772
Received in 1999	244 128 772	244 128 772
Received in 2000	15 000 000	-
	36 256 623	28 139 547
3. RESERVES		
<u>Distributable reserves</u>		
Retained income	9 700 060	22 912 981
<u>Non-distributable reserves</u>		
Revaluation of investment surplus	26 556 563	5 226 566
	285 579 248	249 837 493
4. INVESTMENTS		
<u>Listed investments</u>		
Fedsure Asset Management (Cost - R 18 000 000)	23 691 329	125 314 795
Prudential Portfolio Managers (Cost - R 120 000 000)	150 569 930	124 522 698
Old Mutal Asset Managers (Cost - R 108 408 524; Original cost - R 102 000 000)	111 295 988	-
The cost of R 108 408 524 was the market value of the Investment Portfolio that was transferred from Fedsure Asset Management to Old Mutual Asset Managers.		
The original investment managed for a period by Fedsure Asset Management was R 102 000 000.		

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2000 (Continued)

	<u>2000</u>	<u>1999</u>
	<u>R</u>	<u>R</u>
<u>NOTE FOR INVESTMENTS (CONTINUED)</u>		
<u>Unlisted investments</u>		
South African Grain Information Services (SAGIS)	1	1
(Incorporated under Section 21 of the Companies' Act)		
1 Share of R 1		
(Cost - R 1)		
(Trustees valuation - R 1)		
5. <u>INTEREST ON INVESTMENTS</u>	4 010 326	32 473 879
Interest received	4 205 204	32 473 879
<u>Less:</u> Interest paid	194 878	-
6. <u>CASH AND CASH EQUIVALENTS</u>	11 716 450	22 744 941
ABSA Bank - Administration Account	3 646 250	176 579
Landbank - Call deposit	-	22 567 362
32 Day Call Account	8 070 137	-
Petty cash	63	1 000
7. <u>CREDITORS AND OTHER PAYABLES</u>	1 888 303	314 116
The Maize Board	-	194 107
Sundry	103 400	120 009
SAGIS	1 697 913	-
Trustee - N F E Leitch	12 990	-
CSIR	74 000	-
The amount of R 1 697 913 payable to SAGIS is a provision of approved current year distributions not yet paid at year end. The amount of R 74 000 payable to CSIR, is subject to conditions as per note 8.		

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2000 (Continued)

	<u>2000</u>	<u>1999</u>
	<u>R</u>	<u>R</u>
8. <u>DISTRIBUTIONS</u>	28 290 564	10 036 386
Agricultural Research Council (ARC)	14 812 265	2 536 111
South African Grain Information Services (SAGIS)	3 665 959	1 227 765
- current year approvals	2 754 523	1 227 765
- approved in previous year paid in current year	911 436	-
The amount distributed to South African Grain Information Services (SAGIS) in 1999 does not correspond with the minutes and resolution of the meetings of the trustees. According to these resolutions an amount of R 2 139 202 should have been distributed to SAGIS. At the 30 June 1999 R 911 435-64 of this distribution was still outstanding but was not reflected as such in the 1999 Financial Statements.		
South African Poultry Association (SAPA)	360 000	-
South African Grain Laboratory (SAGL)	508 988	249 660
University of Durban - Westville	140 000	-
Grain South Africa	8 729 352	-
National Maize Producers' Organisation (NAMPO)	-	4 795 085
Council of Scientific and Industrial Research (CSIR)	74 000	-
Distributions payable to the CSIR for the amount of R 74 000 will be paid out once agreement has been reached on the issues pertaining to intellectual property. (See note 7.)		

- 9. TAXATION**
 No provision has been made as the Trust is exempted from income tax in terms of the provisions of section 10 (1) (cA) (i) of the S A Income Tax Act.

10. RIKS MANAGEMENT

The Trust instituted the following control measures to minimise risks pertaining to listed investments :

- funds available for investment has been distributed between three reputable asset management companies;
- an investment advisor to the Trust has been appointed; and
- an investment committee has been formed within the Trust.

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2000 (Continued)

	<u>2000</u>	<u>1999</u>
	<u>R</u>	<u>R</u>
11. <u>FAIR VALUES</u>		
The carrying amounts of cash and investments and accounts payable were used in the determination of fair value.		