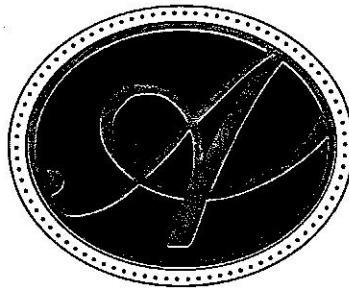


THE MAIZE TRUST  
(Registration number T 8214/98)  
FINANCIAL STATEMENTS  
for the year ended 30 June 2001



**ASHTON**

THE MAIZE TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001

<b>Country of incorporation</b>	South Africa
<b>Type of trust</b>	Non-trading trust
<b>Trustees</b>	Mr HJ Botma Mr CK Ferreira Mr JH Gordon Mr LA Makanete Mrs GMB Mokoena Mr L Wolthers
<b>Business address</b>	1188 Woodlands drive Queenswood PRETORIA 0186
<b>Auditors</b>	Ashton Chartered Accountants Chartered Accountants (S.A.) Registered Accountants and Auditors
<b>Registration</b>	T 8214/98

THE MAIZE TRUST  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2001

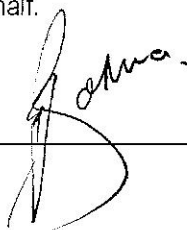
The reports and statements set out below comprise the financial statements presented to trustees:

Index	Page
Compilation report of the accountants	3
Report of the trustees	4
Balance sheet	5
Income statement	6
Cash flow statement	7
Notes to the financial statements	8 - 11

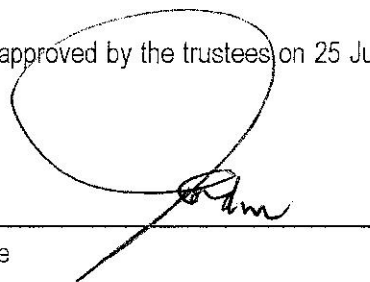
### Approval

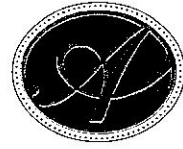
The financial statements which appear on pages 4 to 11 were approved by the trustees on 25 July 2001 and signed on their behalf.

Trustee



Trustee





# ASHTON

CHARTERED ACCOUNTANTS INC

Ashton House, 51 Lebombo St,  
Ashlea Gardens, 0181  
PO Box 35555, Menlo Park, 0102  
Tel: +27 (012) 460 3050  
Tel: +27 (012) 460 0367  
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25 Julie 2001

## 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 12 for the year ended 30 June 2001. 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 2001 and the results of its operations for the year then ended in accordance with generally accepted accounting practice.

**ASHTON CHARTERED ACCOUNTANTS**

Chartered Accountants (SA)

Registered Accountants and Auditors

## THE MAIZE TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2001

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 or other institutions approved by the Minister for Agriculture. The Maize Trust was registered on 31 August 1998 to receive the assets of the Maize Board.

The Maize Board has already transferred an amount of more than R250 million to the Trust and during the current financial year a further R5 million was transferred to the Trust. The Maize Board is at present in the process of finalising its closure and the remaining assets of the Board should be transferred to the Trust in the course of the 2001/2002 financial year. The major portion of the Trust's funds are invested through two Asset Managers, namely Prudential and Old Mutual, with the remaining cash invested at ABSA Bank, who also serves as the Trust's custodian.

The following Trustees served on the Trust during the 2000/2001 financial years:

Mr. H.J. Botma	Representative of producers of white maize
Mr. C.K. Ferreira	Representative of producers of yellow maize
Mr. J.H. Gordon	Ministerial representative
Mr. L.A. Makenete	Ministerial representative
Mrs. G.M.B. Mokoena	Ministerial representative
Mr. L. Wolthers	Representative of processors of maize

(During the financial year the following changes occurred in the composition of the Board of Trustees, due to the expiry of the terms of office of five of the six Trustees at the end of August 2000:

- Mr. H.J. Botma was re-appointed as a Trustee and was re-elected as Chairperson of the Trust.
- Mr. C.K. Ferreira replaced Mr. J.E. Grobler as a Trustee.
- Mr. J.H. Gordon replaced Mr. N.F.E. Leitch as a Trustee.
- Mr. L.A. Makenete replaced Dr. R.P. Mohlahane as a Trustee.
- Mrs. G.M.B. Mokoena replaced Mrs. L. Bengu-Baloyi as a Trustee.
- Mr. L. Wolthers was re-appointed as a Trustee and was elected as Vice-Chairperson of the Trust.)

Applications for funding to a total amount of R21, 2 million were approved by the Trust during the financial year. Of this, an amount of more than R4 million can be directly attributed to the funding of projects for the benefit of the emerging sectors of the industry. A marked improvement with applications for market access projects has been noted over the past year.

The Trustees have updated the Norms, Procedures and Criteria of the Trust for funding applications during the year and a copy of this is available from the Trust's Administrators on demand, L&L Agricultural Services, P.O. Box 12203, Queenswood, 0121.

THE MAIZE TRUST  
BALANCE SHEET  
AS AT 30 JUNE 2001

	Notes	2001 R	2000 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	4	332,381,496	285,557,248
<b>Current assets</b>			
Debtors	8	8,302,554	11,716,450
Bank balances	6	1,513,795	-
		6,788,759	11,716,450
<b>Total assets</b>		<u>340,684,050</u>	<u>297,273,698</u>
<b>CAPITAL AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Non-distributable reserve	3	75,380,171	36,256,621
Distributable reserve		71,050,076	26,556,563
		4,330,095	9,700,058
<b>Non-current liabilities</b>			
Donations	2	264,128,772	259,128,772
<b>Current liabilities</b>			
Creditors	7	1,175,107	1,888,305
<b>Total capital and liabilities</b>		<u>340,684,050</u>	<u>297,273,698</u>

**THE MAIZE TRUST  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2001**

	Note	2001 R	2000 R
<b>Income</b>		18,169,534	17,155,557
Dividends received		12,212,705	13,145,230
Interest received		5,956,829	4,010,327
<b>Total income</b>		18,169,534	17,155,557
<b>Expenditure</b>		2,375,596	2,077,916
Admin and management fees paid		-	25,287
Advertising		11,400	47,424
Auditors' remuneration - underprovision previous year		1,530	3,183
Auditors' remuneration - this year provision		17,302	15,000
Bank charges		81,484	66,377
Computer expenses		-	1,950
Conference costs		28,842	40,674
Fines and penalties		-	4,578
Insurance		470	-
Interest		4,968	7,167
Legal expenses and other professional fees		15,204	54,300
Remuneration - Administrators		560,878	537,138
Remuneration - Asset Managers		1,332,352	887,345
Remuneration - Investment advisor		80,521	77,215
Secretarial fees		7,750	7,065
Trustees' emoluments		232,895	303,213
Net Income before allocations		15,793,938	15,077,641
Allocations to beneficiaries	12	21,163,901	28,290,564
Net loss for the year after allocations		(5,369,963)	(13,212,923)
Retained profits at beginning of year		9,700,058	22,912,981
Retained profits at end of year		4,330,095	9,700,058

THE MAIZE TRUST  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2001 R	2000 R
<b>Cash flows from operating activities</b>		(2,596,956)	3,361,264
Cash receipts from customers		18,169,534	17,155,556
Cash paid to suppliers and employees		(17,767,155)	(2,652,118)
Cash generated by operating activities	13.1	402,379	14,503,438
Interest received		5,956,829	4,010,327
Interest paid		(4,968)	(7,167)
Dividends received		12,212,705	13,145,230
Allocations to beneficiaries		(21,163,901)	(28,290,564)
<b>Cash flows from investing activities</b>		(2,330,735)	(14,389,755)
Expenditure to maintain operating capacity			
Revaluation surplus on investments		44,493,513	21,329,999
Expenditure for expansion			
Investments		(46,824,248)	(35,719,754)
Decrease in cash and cash equivalents		(4,927,691)	(11,028,491)
Cash and cash equivalents at beginning of the year		11,716,450	22,744,941
Cash and cash equivalents at end of the year		6,788,759	11,716,450

THE MAIZE TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 AT 30 JUNE 2001

1. Accounting basis

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

1.1 Revenue 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.

1.2 Investments

Listed investments are stated at market value.

Unlisted investments are stated at Trustees' valuation.

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

	2001 R	2000 R
<b>2. Donations</b>		
Donations consist of advances received from the Maize Board		
- Received in 1999	244,128,772	244,128,772
- Received in 2000	15,000,000	15,000,000
- Received in 2001	5,000,000	-
	<u>264,128,772</u>	<u>259,128,772</u>
<b>3. Non-distributable reserve</b>		
- Revaluation of investment surplus	<u>71,050,076</u>	<u>26,556,563</u>
Balance at end of year	<u>71,050,076</u>	<u>26,556,563</u>

THE MAIZE TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 AT 30 JUNE 2001

	2001 R	2000 R
<b>4. Investments</b>		
<u>Unlisted investment</u>	1	1
South African Grain Information Services (SAGIS)		
<u>Listed investments</u>		
Fedsure Asset Managers (Cost - R 18 000 000)	-	23,691,329
Prudential Asset Managers (Cost - R 120 000 000)	181,685,057	150,569,930
Old Mutual Asset Managers (Cost - R 132 320 351; Original cost - R 120 000 000)	<u>150,696,438</u>	<u>111,295,988</u>
	<u>332,381,496</u>	<u>285,557,248</u>
Trustees' valuation of unlisted shares	<u>1</u>	<u>1</u>

The cost of R132 320 351 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 120 000 000.

**5. Investment income**

Interest income		
- Interest received	5,956,829	4,010,327
Dividend income		
- Dividends received from listed companies	<u>12,212,705</u>	<u>13,145,230</u>
	<u>18,169,534</u>	<u>17,155,557</u>

**6. Cash and Cash Equivalents**

ABSA Bank - Administration Account	6,788,696	3,646,250
32 Day Call Account	-	8,070,137
Petty cash	63	63
	<u>6,788,759</u>	<u>11,716,450</u>

Included in the balance as stated above is an amount of R5,000,000 received as a further donation from the Maize Board. This amount is therefore in terms of the Trustdeed not available for distribution unless otherwise decided by the Board of Trustees.

THE MAIZE TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 AT 30 JUNE 2001

	2001 R	2000 R
<b>7. Creditors and other payables</b>		
Nu Farmer and African Entrepreneur	73,530	-
Climatic and Agricultural Bulletin	425,000	-
AFMA	552,000	-
Ashton Chartered Accountants	16,084	-
Prudential Asset Managers	103,788	-
SARS - Paye	4,705	-
Sundry	-	103,400
SAGIS	-	1,697,913
Trustee - NFE Leitch	-	12,990
CSIR	-	74,000
	<u>1,175,107</u>	<u>1,888,303</u>
<b>8. Debtors</b>		
Prudential Asset Managers	1,084,951	-
Old Mutual Asset Managers	428,844	-
	<u>1,513,795</u>	<u>-</u>

These amounts are payable by the Asset Managers for the interest and dividends accrued during June 2001.

**9. Taxation**

No provision has been made for 2001 taxation as the trust is exempted from income tax in terms of the provisions of section 10(1)(cA)(i) of the SA Income Tax Act.

**10. Risk management**

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

- Funds available for investment has been distributed between two 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**  
**AT 30 JUNE 2001**

**11. Fair values**

The carrying amounts of cash and cash investments and accounts payable were used in the determination of fair value.

	2001 R	2000 R
<b>12. Allocations to beneficiaries</b>		
Agricultural Research Council (ARC)	8,317,047	14,812,265
Grain South Africa	8,759,202	8,729,352
Maize Forum	100,000	-
Nu Farmer and African Entrepreneur	294,120	-
Climatic and Agricultural Bulletin	785,000	-
SAGIS	1,287,532	3,665,959
AFMA	1,114,000	-
SA Grain Laboratory	447,000	508,988
National Association of Maize Millers	60,000	-
South African Poultry Association (SAPA)	-	360,000
University of Durban - Westville	-	140,000
Council of Scientific and Industrial Research	-	74,000
	<u>21,163,901</u>	<u>28,290,564</u>

**13. Notes to the cash flow statement**

*13.1 Cash generated by operating activities*

Net profit	15,793,938	15,077,641
Adjustments for:		
Investment income	(18,169,534)	(17,155,557)
Finance costs	4,968	7,167
Deferred revenue	5,000,000	15,000,000
	<u>2,629,372</u>	<u>12,929,251</u>
Movements in working capital		
Increase in accounts receivable	(1,513,795)	-
(Decrease)/increase in accounts payable	(713,198)	1,574,187
	<u>402,379</u>	<u>14,503,438</u>