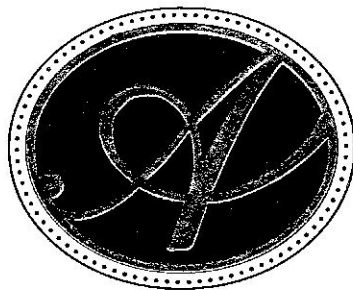


THE MAIZE TRUST
(Registration number T8214/98)
FINANCIAL STATEMENTS
for the year ended 30 June, 2003



ASHTON

**THE MAIZE TRUST
FINANCIAL STATEMENTS
for the year ended 30 June, 2003**

Country of incorporation	South Africa
Type of trust	Non-trading trust
Trustees	Mr HJ Botma Mr CK Ferreira Dr. RP Mohlahlane Mr LA Makenete Mr JK Peele Mr L Wolthers
Business address	1188 Woodlands Drive Queenswood Pretoria 0186
Bankers	ABSA
Auditors	Ashton Chartered Accountants Inc. Chartered Accountants (S.A.) Registered Accountants and Auditors
Registration	T8214/98

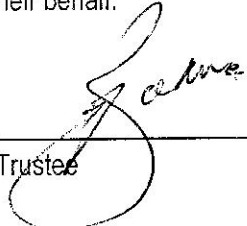
THE MAIZE TRUST
FINANCIAL STATEMENTS
for the year ended 30 June, 2003

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

Index	Page
Report of the independent auditors	3
Report of the trustees	4
Balance sheet	5
Income statement	6
Cash flow statement	7
Notes to the financial statements	8 - 12

Approval

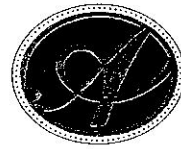
The financial statements which appear on pages 4 to 12 were approved by the trustees on 31 July, 2003 and signed on their behalf.



Trustee



Trustee



ASHTON

CHARTERED ACCOUNTANTS INC

Ashton House, 51 Lebombo St,
Ashlea Gardens, 0181
PO Box 35555, Menio Park, 0102
Tel: +27 (012) 460 3050
Tel: +27 (012) 460 0367
Fax: +27 (012) 346 1269
E-mail: info@ashtongroup.co.za

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

We have audited the annual financial statements of The Maize Trust set out on pages 4 to 12 for the year ended 30 June, 2003. These financial statements are the responsibility of the trust's 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 misstatements. 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, 2003 and the results of its operations and 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 in South Africa.


Ashton Chartered Accountants Inc.
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Pretoria
31 July, 2003

**THE MAIZE TRUST
REPORT OF THE TRUSTEES
for the year ended 30 June, 2003**

The trustees present their report for the year ended 30 June, 2003. This report forms part of the audited financial statements.

1. General review

The trust's business and operations and the results thereof are clearly reflected in the attached financial statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

2. Statements of responsibility

The trustees are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements.

The trustees are also responsible for the trust's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the trustees have every reason to believe that the trust has adequate resources in place to continue in operation for the foreseeable future.

3. Trustees

The trustees of the trust during the accounting period and up to the date of this report were as follows:

Mr HJ Botma
Mr CK Ferreira
Dr. RP Mohlahlane
Mr LA Makenete
Mr JK Peele
Mr L Wolthers
Mr JH Gordon
Mrs GMB Mokoena

Trustee until 30 August, 2002
Trustee until 30 August, 2002

Pretoria

31 July, 2003

THE MAIZE TRUST
BALANCE SHEET
as at 30 June, 2003

	Notes	2003 R	2002 R
Assets			
Non-current assets			
Investments	2	351,212,726	370,043,938
		2,962,993	11,803,239
Current assets			
Debtors	6	1,675,331	3,081,310
Cash and cash equivalents		1,287,662	8,721,929
Total assets		<u>354,175,719</u>	<u>381,847,177</u>
Equity and liabilities			
Capital and reserves			
Donations	8	264,128,772	264,128,772
Non-distributable reserve	4	93,189,123	110,247,735
Accumulated loss		(3,354,162)	7,335,234
Current liabilities			
Trade and other payables	7	211,986	135,436
Total equity and liabilities		<u>354,175,719</u>	<u>381,847,177</u>

**THE MAIZE TRUST
INCOME STATEMENT
for the year ended 30 June, 2003**

	Note	2003 R	2002 R
Income		19,818,134	17,077,969
Dividends received		9,642,061	9,639,841
Interest received		10,176,073	7,414,837
Sundry income		-	23,291
Total income		19,818,134	17,077,969
Expenditure		3,341,461	2,638,600
Administrators fees		604,488	562,615
Audit fees- Under provision previous years		2,980	5,358
Auditors' remuneration		30,830	28,397
Bank charges		4,153	44,815
Conference costs		22,653	26,199
Insurance		5,940	5,500
Interest		-	271
Investment costs- Asset Manager Fees		1,789,147	1,664,353
Legal expenses		12,149	2,979
Maize Forum Costs		14,986	32,530
Maintenance of ex Maize Board Archives		571,689	-
Remuneration- Investment advisor		101,822	86,551
Trustees emoluments		180,624	179,032
Net surplus before payments to beneficiaries		16,476,673	14,439,369
Payments to beneficiaries	9	(27,166,069)	(11,434,233)
Net (shortage)/surplus after payments to beneficiaries for year		(10,689,396)	3,005,136
Retained surplus at beginning of year		7,335,234	4,330,098
(Accumulated shortage)/Retained surplus at end of year		(3,354,162)	7,335,234

THE MAIZE TRUST
CASH FLOW STATEMENT
for the year ended 30 June, 2003

	Notes	2003 R	2002 R
Cash flows from operating activities		(9,206,867)	397,953
Cash utilised in operating activities	14.1	(1,858,932)	(5,222,221)
Interest received		10,176,073	7,414,837
Interest paid		-	(271)
Dividends received		9,642,061	9,639,841
Allocations to beneficiary		(27,166,069)	(11,434,233)
Cash flows from investing activities			
Revaluation surplus on investments		(17,058,612)	39,197,659
Investments		18,831,212	(37,662,442)
(Decrease)/increase in cash and cash equivalents		(7,434,267)	1,933,170
Cash and cash equivalents at beginning of the year	14.2	8,721,929	6,788,759
Cash and cash equivalents at end of the year	14.2	1,287,662	8,721,929

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 30 June, 2003

1 Basis of preparation

The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties.

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.

1.3 Changes in accounting policy

In previous years allocations to beneficiaries that were approved during the financial year were accounted for in that period. The basis has changed during the year, in order to conform with the Accounting Statement AC 130 on Provisions, Contingent liabilities and Contingent assets, to account for allocations that were approved subject to certain conditions.

The comparative figures were restated to account for this change in accounting policy.

2. Investments

	2003 R	2002 R
Unlisted shares at cost- SAGIS	1	1
Allan Gray		
(Cost - R143 564 420; Original Cost R120 000 000)	169,872,568	167,532,317
Prudential Asset Managers		
(Cost - R120 000 000)	181,340,157	202,511,620
	<u>351,212,726</u>	<u>370,043,938</u>
Market value of listed shares	351,212,725	370,043,937
Trustees' valuation of unlisted shares	1	1
	<u>351,212,726</u>	<u>370,043,938</u>

The cost of R143 564 420 was the market value of an investment portfolio that was transferred from Old Mutual to Allan Gray Asset Managers on 8 November 2001. The original investment managed for a period by Old Mutual Asset Management was R120 000 000.

3. Effect of change in accounting policy (Contingent liabilities)

A contingent liability exist for allocations that were approved subject to certain conditions. The liability for this year amounts to R11,494,588 (2002- R12,535,883). Refer to note 10.

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 30 June, 2003

	2003 R	2002 R
4. Non-distributable reserve		
Balance at beginning of year	110,247,735	71,050,076
Movement during year:		
- Revaluation of Investment Surplus	<u>(17,058,612)</u>	<u>39,197,659</u>
Balance at end of year	<u>93,189,123</u>	<u>110,247,735</u>
5. Investment income		
Interest income		
- Interest received	10,176,073	7,414,837
Dividend income		
- Dividends received from listed companies	<u>9,642,061</u>	<u>9,639,841</u>
	<u>19,818,134</u>	<u>17,054,678</u>
6. Debtors		
Prudential Asset Managers	841,793	596,131
Prepaid Expenses	54,020	47,883
Allan Gray Asset Managers	<u>779,518</u>	<u>2,437,296</u>
	<u>1,675,331</u>	<u>3,081,310</u>
7. Creditors		
Ashton Chartered Accountants Inc.	14,520	17,540
Prudential Asset Managers	51,864	57,886
Allan Gray Asset Managers	79,929	54,721
SARS- PAYE	5,669	5,289
MGX Outsourcing- Scanning	<u>60,000</u>	<u>-</u>
	<u>211,982</u>	<u>135,436</u>
8. Donations		
Donations consist of advances received from the Maize Board		
- Received 1999	244,128,772	244,128,772
- Received 2000	15,000,000	15,000,000
- Received 2001	<u>5,000,000</u>	<u>5,000,000</u>
	<u>264,128,772</u>	<u>264,128,772</u>

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 30 June, 2003

9. Actual payments to beneficiaries

	2003	2002
	R	R
Nu Farmer and African	402,942	220,590
Approved 2002 and prior	73,530	220,590
Approved 2003	329,412	-
SAGIS	3,065,380	2,801,331
Approved 2002	-	2,801,331
Approved 2003	3,065,380	-
Grain SA	8,722,394	3,251,709
Approved 2002	4,414,724	3,251,709
Approved 2003	4,307,670	-
Agricultural Research Council	11,540,416	2,490,536
Approved 2002	6,704,629	2,490,536
Approved 2003	4,835,787	-
SA Grain Laboratory	717,732	1,485,364
Approved 2002	-	1,485,364
Approved 2003	717,732	-
Limpast	749,800	632,254
Approved 2002	-	632,254
Approved 2003	749,800	-
CSIR- Approved 2003	773,500	-
Agri Inspec- Approved 2003	56,660	-
NAMM- Approved 2003	52,695	-
SACOTA- Approved 2003	100,000	-
Animal Feed Manufacturers- Approved 2002	-	37,449
University of Cape Town- Approved 2002	566,000	515,000
Climatic and Agricultural Bulletin- Approved 2001	155,000	-
AMT (Pty) Ltd- Approved 2003	263,550	-
	27,166,069	11,434,233

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 30 June, 2003

	2003 R	2002 R
10. Allocations approved during the year by the trustees		
Agricultural Research Council	9,671,575	9,350,165
Nu Farmer and African Entrepreneur	329,412	294,120
SAGIS	3,065,381	2,801,331
University of The Free State- Formerly to AFMA	-	37,449
SA Grain Laboratory	809,884	1,485,364
University of Cape Town	-	1,703,000
Grain South Africa	9,635,529	7,666,433
Limpast	749,800	632,254
CSIR	1,355,500	-
Agri Inspec	56,658	-
NAMM	52,695	-
SACOTA	100,000	-
Medical Research Council	637,032	-
AMT (Pty) Ltd	263,550	-
	<u>26,727,016</u>	<u>23,970,116</u>

The payment of the allocations as approved by the Board of Trustees during the year are subject to certain terms and conditions as set out in the Trust Deed and the Norms and Procedures of the Trust.

As referred to in note 3 the following allocations were approved by the Trustees in the past and have not been paid on 30 June and is made up as follows:

Nu Farmer and African Entrepreneur	-	73,530
Climatic and Agricultural Bulletin	-	155,000
University of Cape Town	622,000	1,188,000
Agricultural Research Council	4,835,787	6,704,629
Grain SA	4,817,764	4,414,724
Medical Research Council	637,037	-
CSIR	582,000	-
	<u>11,494,588</u>	<u>12,535,883</u>

11. Taxation

No provision for taxation has been made for 2003 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. SARS reviewed this exemption with the introduction of new legislation and the Trust must reapply to qualify for the exemption. The application is currently in progress.

12. Risk management

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

- Funds available for investment has been distributed between two reputable asset managers 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, 2003

13. Fair values

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

14. Notes to the cash flow statement

	2003	2002
	R	R
<i>14.1 Cash utilised in operating activities</i>		
Net profit	16,476,673	14,439,369
Adjustments for:		
Investment income	(19,818,134)	(17,054,678)
Finance costs	-	271
	<u>(3,341,461)</u>	<u>(2,615,038)</u>
Movements in working capital		
Decrease/(increase) in accounts receivable	1,405,979	(1,567,515)
Increase/(decrease) in accounts payable	76,550	(1,039,668)
	<u>(1,858,932)</u>	<u>(5,222,221)</u>
<i>14.2 Cash and cash equivalents</i>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<u>1,287,662</u>	<u>8,721,929</u>