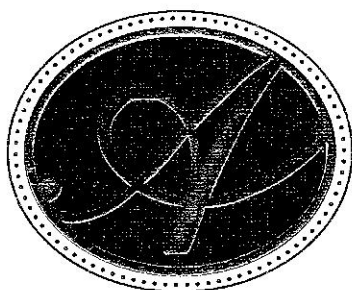


**THE MAIZE TRUST**  
**(Registration number IT8214/98)**  
**FINANCIAL STATEMENTS**  
**for the year ended 30 June 2005**



**ASHTON**

**THE MAIZE TRUST**  
**FINANCIAL STATEMENTS**  
for the year ended June 2005

<b>Country of incorporation</b>	South Africa
<b>Type of trust</b>	Non-trading trust
<b>Trustees</b>	Mr HJ Botma Mr CK Ferreira Dr. RP Mohlahlane Mr LA Makenete Mr JK Peele Mr JF de Villiers
<b>Business address</b>	1187 Cobham Drive Queenswood Pretoria 0186
<b>Bankers</b>	ABSA
<b>Auditors</b>	Ashton Chartered Accountants Inc. Chartered Accountants (S.A.) Registered Accountants and Auditors
<b>Registration</b>	IT8214/98

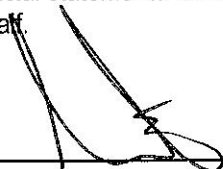

**THE MAIZE TRUST**  
**FINANCIAL STATEMENTS**  
for the year ended June 2005

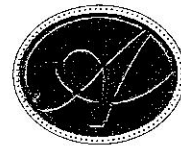
The reports and statements set out below comprise the financial statements presented to the trustees:

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 - 14

**Approval**

The financial statements which appear on pages 4 to 14 were approved by the trustees on 11 August 2005 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  
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 14 for the year ended 30 June 2005. 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

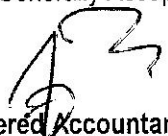
We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatements. An audit includes:

- 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 2005 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  
11 August 2005

**THE MAIZE TRUST  
REPORT OF THE TRUSTEES  
for the year ended June 2005**

The trustees present their report for the year ended 30 June 2005. 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:

Dr. RP Mohlahlane  
Mr CK Ferreira  
Mr HJ Botma  
Mr LA Makenete  
Mr JK Peele  
Mr JF de Villiers

Pretoria

11 August 2005

**THE MAIZE TRUST**  
**BALANCE SHEET**  
 30 June 2005

	Notes	2005 R	2004 R
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	3	472,214,925	360,157,354
<b>Current assets</b>			
Debtors	7	2,308,455	1,050,374
Cash and cash equivalents		29,481,453	33,485,249
<b>Total assets</b>		<u>504,004,833</u>	<u>394,692,977</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Donations	9	264,128,772	264,128,772
Non-distributable reserve	5	208,459,985	96,399,451
Distributable reserve		31,210,309	34,085,669
<b>Current liabilities</b>			
Trade and other payables	8	205,767	79,085
<b>Total equity and liabilities</b>		<u>504,004,833</u>	<u>394,692,977</u>

**THE MAIZE TRUST**  
**INCOME STATEMENT**  
for the year ended June 2005

	Note	2005 R	2004 R
<b>Income</b>		19,462,004	55,733,846
Dividends received		10,381,749	9,421,494
Interest received		9,029,367	8,812,352
Over provision of ex maize board archives		50,888	-
Profit on disposal of investments		-	37,500,000
<b>Total income</b>		19,462,004	55,733,846
<b>Expenditure</b>		1,526,462	1,060,252
Administrators fees		626,122	601,920
Advertising		29,298	-
Audit fees- Under provision previous years		6,108	7,140
Auditors' remuneration		48,334	40,740
Bank charges		4,761	5,022
Conference costs		66,968	71,479
Forensic Auditors Remuneration		337,044	-
Insurance		12,351	5,940
Interest (SARS prior years)		310	9,179
Legal expenses		2,752	15,094
Maize Forum Costs		35,844	21,588
RSC - levies		500	-
Remuneration- Investment advisor		140,505	95,547
Trustees emoluments		215,565	186,603
Net surplus before payments to beneficiaries		17,935,542	54,673,594
Payments to beneficiaries	10	(20,810,902)	(22,980,421)
Net (shortage)/surplus after payments to beneficiaries for year		(2,875,360)	31,693,173
Retained surplus at beginning of year		34,085,669	2,392,496
(Accumulated shortage)/Retained surplus at end of year		31,210,309	34,085,669

**THE MAIZE TRUST**  
**CASH FLOW STATEMENT**  
for the year ended June 2005

	Notes	2005 R	2004 R
<b>Cash flows from operating activities</b>		108,053,775	3,642,215
Cash receipts from customers		19,462,004	55,733,846
Cash paid to suppliers and employees		89,991,867	(47,335,877)
Cash generated by operating activities	15.1	109,453,871	8,397,969
Interest received		9,029,367	8,812,352
Interest paid		(310)	(9,179)
Dividends received		10,381,749	9,421,494
Allocations to beneficiary		(20,810,902)	(22,980,421)
<b>Cash flows from investing activities</b>		(112,057,571)	28,555,372
<i>Expenditure to maintain operating capacity</i>			
Proceeds of disposals of investments		-	37,500,000
Investments		(112,057,571)	(8,944,628)
(Decrease)/increase in cash and cash equivalents		(4,003,796)	32,197,587
Cash and cash equivalents at beginning of the year	15.2	33,485,249	1,287,662
Cash and cash equivalents at end of the year	15.2	29,481,453	33,485,249

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended June 2005**

**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**

Investments are reflected at market value, after making provision for any anticipated losses.

Marketable securities are valued at the lower of cost and market value or in the case of short sales the higher of cost and market value.

Increases in the carrying amount of marketable securities classified as non-current assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same marketable security are charged to the reserves in shareholders' equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. On disposal of a marketable security classified as a non-current asset, amounts in revaluation and other reserves relating to that marketable security are transferred to retained earnings.

Unlisted investments are stated at Trustees valuation.

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

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended June 2005**

**1.3 Financial instruments**

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade creditors. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Receivables

Trade receivables are carried at original invoice amount, less provision made for the impairment of these receivables. 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 the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at market rate of interest for similar borrowings.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments.

Trade and other payables

Trade and other liabilities originated by the group are stated at amortised cost.

Financial Assets

Loans originated by the enterprise are measured at amortised cost. Any change in the carrying amount of these financial assets is taken into account in determining operating profit.

Financial Liabilities

Other liabilities are measured at amortised cost. Any change in the carrying amount of these financial liabilities is taken into account determining operating profit.

**2. Changes in accounting policy**

*2.1 Non-distributable reserve*

In previous years the asset management fees on the marketable securities were recognised in the income statement causing a overstatement of the non-distributable reserve.

During the year the trust changed its accounting policy retrospectively. Investment costs are not seen as a decrease in economic benefits and are therefore not recognised in the income statement, resulting in a more appropriate presentation of the non-distributable reserve.

*2.2 Retained profits at beginning of year*

The comparative amounts have been appropriately restated. The effect of the change in accounting policy referred to in 2.1 on retained profits has been as follows:

	R	R
Retained profits as previously reported	-	(3,354,162)
Prior year adjustment relating to years before 2004	-	3,957,509
Restatement of 2004 results	-	1,789,147
	<u>-</u>	<u>2,392,494</u>

THE MAIZE TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended June 2005

	2005 R	2004 R
<b>3. Investments</b>		
Unlisted shares at cost- SAGIS	1	1
Allan Gray Limited (Cost - R143 564 420)	232,173,643	178,305,320
Foord Asset Management (Cost - R102 942 454)	122,402,899	90,544,908
Oasis Asset Management Ltd (Cost - R103 000 379)	<u>117,638,382</u>	<u>91,307,125</u>
	<u>472,214,925</u>	<u>360,157,354</u>
Market value of listed shares	472,214,924	360,157,353
Trustees' valuation of unlisted shares	1	1
	<u>472,214,925</u>	<u>360,157,354</u>
The original cost of the investment managed by the Asset Managers was an amount of R240 000 000.		
<b>Asset Management Fees paid</b>		
Allan Gray Ltd	1,337,001	1,228,223
Foord Asset Management (Pty) Ltd	896,620	541,225
Oasis Asset Management Ltd	854,367	767,377
Prudential Asset Managers	-	71,071
	<u>3,087,988</u>	<u>2,607,896</u>
<b>4. Contingent liabilities</b>		
A contingent liability exist for allocations that were approved subject to certain conditions. The liability as at 30 June 2005 amounts to R5,490,581 (30 June 2004-R17,269,459). Refer to note 11.		
<b>5. Non-distributable reserve</b>		
Balance at beginning of year	96,399,451	87,574,260
Movement during year:		
- Revaluation of Investment Surplus	112,060,534	8,825,191
Balance at end of year	<u>208,459,985</u>	<u>96,399,451</u>

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended June 2005

	2005 R	2004 R
<b>6. Investment income</b>		
Interest income		
- Interest received	9,029,367	8,812,352
Dividend income		
- Dividends received from listed companies	10,381,749	9,421,494
	<u>19,411,116</u>	<u>18,233,846</u>
<b>7. Debtors</b>		
Allan Gray Asset Managers	550,585	394,173
Foord Asset Managers	824,130	207,495
Oasis Asset Managers	933,740	448,704
	<u>2,308,455</u>	<u>1,050,372</u>
<b>8. Creditors</b>		
Ashton Chartered Accountants Inc.	26,220	20,000
SARS- PAYE	5,811	1,664
Forensic Audit Fees	173,234	-
RSC Levies	500	-
Legal fees	-	3,574
MGX Outsourcing- Scanning	-	53,844
	<u>205,765</u>	<u>79,082</u>
<b>9. Donations</b>		
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	5,000,000	5,000,000
	<u>264,128,772</u>	<u>264,128,772</u>

THE MAIZE TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended June 2005

10. Actual payments to beneficiaries

	2005 R	2004 R
Nu Farmer and African Entrepreneur	-	378,816
SAGIS	3,060,070	2,931,247
Grain SA	10,810,456	6,709,713
Agricultural Research Council	3,726,445	9,193,944
SA Grain Laboratory	517,982	884,670
Limpast	352,281	873,000
CSIR	797,825	350,000
University of Pretoria	180,000	200,000
University of Cape Town	-	622,000
University of Free State	311,654	-
Medical Research Council	-	637,032
Buhle Farmers Academy	896,789	-
SACOTA	30,000	-
Dr WJ van der Walt	8,400	-
AMT (Pty) Ltd	119,000	-
	<u>20,810,902</u>	<u>22,780,422</u>

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended June 2005

	2005 R	2004 R
<b>11. Allocations approved during the year by the trustees</b>		
Agricultural Research Council	-	9,353,508
Nu Farmer and African Entrepreneur	378,816	378,816
SAGIS	4,504,597	3,152,820
University of The Free State	719,235	200,000
SA Grain Laboratory	1,239,125	1,103,165
University of Pretoria	180,000	200,000
Grain South Africa	-	12,702,404
Limpast	880,702	873,000
CSIR	-	894,156
Buhle Farmers Academy	1,236,972	1,236,972
Dr WJ van der Walt	21,000	-
SACOTA	30,000	-
University of Cape Town	1,489,300	-
AMT (Pty) Ltd	-	119,000
	<u>10,679,747</u>	<u>28,976,869</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.  
Reconciliation of approved payments and amounts outstanding is as follows:

Approved during the year ended 30 June 2005	10,679,747
Unpaid allocations up to 30 June 2004	<u>17,269,459</u>
	27,949,206
Allocations paid during the year ended 30 June 2005	(20,810,902)
Recalculation of allocations	<u>(1,647,723)</u>
Unpaid allocations up to 30 June 2005	<u>5,490,581</u>

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 2005 and is made up as follows:

SA Grain Laboratory	939,637	218,495
Nu Farmer and African Entrepreneur	-	-
University of Cape Town	1,489,300	-
Agricultural Research Council	-	4,995,352
Grain SA	-	10,810,456
University of Free State	407,581	-
AMT (Pty) Ltd	-	119,000
Dr WJ van der Walt	12,600	-
SAGIS	1,444,528	-
Buhle Farmers Academy	340,183	-
Limpast	528,421	-
CSIR	<u>328,331</u>	<u>1,126,156</u>
	<u>5,490,581</u>	<u>17,269,459</u>

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended June 2005

**12. Taxation**

No provision for taxation has been made for 2005 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 under consideration.

**13. Risk management**

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

- Funds available for investment have been distributed between three reputable asset manager companies;
- An investment adviser to the Trust has been appointed.

**14. Fair values**

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

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

	2005 R	2004 R
<i>15.1 Cash generated by operating activities</i>		
Net profit	17,935,542	54,673,594
Adjustments for:		
Investment income	(19,411,116)	(18,233,846)
Finance costs	310	9,179
Profit on disposals of investments	-	(37,500,000)
Revaluation surplus on Investments	112,060,534	8,825,191
	<u>110,585,270</u>	<u>7,774,118</u>
Movements in working capital		
(Increase)/decrease in accounts receivable	(1,258,081)	624,957
Increase/(decrease) in accounts payable	126,682	(1,106)
	<u>109,453,871</u>	<u>8,397,969</u>
<i>15.2 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>29,481,453</u>	<u>33,485,249</u>