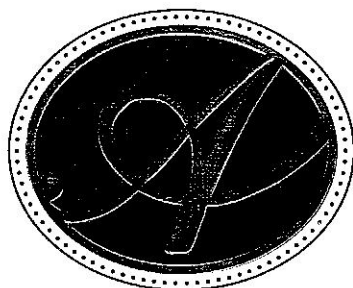


THE MAIZE TRUST
(Registration number IT8214/98)
FINANCIAL STATEMENTS
for the year ended 30 June 2006



ASHTON

THE MAIZE TRUST
FINANCIAL STATEMENTS
for the year ended 30 June 2006

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

THE MAIZE TRUST
FINANCIAL STATEMENTS
for the year ended 30 June 2006

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

The following supplementary schedules do not form part of the financial statements, and are unaudited.


Detailed income statement	15
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Approval

The financial statements which appear on pages 4 to 15 were approved by the trustees on 08 August 2006 and signed on their behalf.



Trustee



Trustee

Pretoria

08 August 2006



ASHTON

CHARTERED ACCOUNTANTS INC

Ashton House, 51 Lebombo St,
Ashlea Gardens, 0181
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REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE MAIZE TRUST

We have audited the interim financial statements of The Maize Trust set out on pages 4 to 14 for the year ended 30 June 2006. 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 International Standards on Auditing. 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 2006 and the results of its operations and cash flows for the year ended therein in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

Supplementary information

The supplementary schedules set out on page 15 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

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

Pretoria
08 August 2006

THE MAIZE TRUST
REPORT OF THE TRUSTEES
for the year ended 30 June 2006

The trustees present their report for the year ended 30 June 2006. 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 at the date of this report were as follows:

Dr. RP Mohlahlane
Mr CK Ferreira
Mr JDM Minnaar
Mr WM Ngxekana
Mr JK Peele
Mr JF de Villiers

During the financial year, Mr HJ Botma and Mr LA Makenete were replaced by Mr JDM Minnaar and Mr WM Ngxekana.

THE MAIZE TRUST
BALANCE SHEET
30 June 2006

	Notes	2006 R	2005 R
Assets			
Non-current assets			
Investments	3	680,386,529	472,214,925
Current assets			
Debtors		5,089,087	31,789,908
Cash and cash equivalents		-	2,308,455
		5,089,087	29,481,453
Total assets		<u>685,475,616</u>	<u>504,004,833</u>
Equity and liabilities			
Capital and reserves			
Donations	6	660,731,170	498,308,486
Distributable reserve		289,128,772	264,128,772
		371,602,398	234,179,714
Current liabilities			
Trade and other payables		24,744,446	5,696,347
Provisions	8	61,183	205,766
		24,683,263	5,490,581
Total equity and liabilities		<u>685,475,616</u>	<u>504,004,833</u>

THE MAIZE TRUST
INCOME STATEMENT
for the year ended 30 June 2006

	Notes	2006 R	2005 R
Income		187,932,847	112,111,422
Operating costs		<u>1,482,393</u>	<u>1,526,152</u>
Operating income		186,450,454	110,585,270
Investment income		3,609,765	19,411,116
Finance costs		<u>-</u>	<u>(310)</u>
Income		<u><u>190,060,219</u></u>	<u><u>129,996,076</u></u>

THE MAIZE TRUST
 CASH FLOW STATEMENT
 for the year ended 30 June 2006

	Notes	2006 R	2005 R
Cash flows from operating activities		183,779,238	108,053,775
Cash receipts from customers		13,520,720	19,462,004
Cash paid to suppliers and employees		219,286,288	78,212,989
Cash generated by operating activities	12.1	232,807,008	97,674,993
Interest received		2,402,975	9,029,367
Interest paid		-	(310)
Dividends received		1,206,790	10,381,749
Allocations to beneficiary		(52,637,535)	(9,032,024)
Cash flows from investing activities			
Investments		(208,171,604)	(112,057,571)
Decrease in cash and cash equivalents		(24,392,366)	(4,003,796)
Cash and cash equivalents at beginning of the year	12.2	29,481,453	33,485,249
Cash and cash equivalents at end of the year	12.2	5,089,087	29,481,453

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

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 only when payments are received from the fund managers.

1.2 Investments

Investments are reflected at market value, after making provision for any anticipated losses. Investments are classified as held-for-trading financial assets, with changes in market values accounted for in profit or loss.

Unlisted investments are stated at Trustees valuation.

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.

THE MAIZE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2006

	2006 R	2005 R
2. Changes in accounting policy		
<i>2.1 Allocations to beneficiaries</i>		
Approved allocations to beneficiaries were previously only disclosed as a contingent liability. A decision was made to show all approved allocations as a provision. This treatments is in accordance with IAS 37, as the approved allocations meet the definition of a liability.		
Increase in provisions	24,683,263	5,490,581
	<u>24,683,263</u>	<u>5,490,581</u>
<i>2.2 Financial Instruments: IAS 39</i>		
Changes in fair values of portfolio investments were previously recognised in a non-distributable reserve. This accounting treatment is not in accordance with IAS 39, which states that changes in fair values of held-for-trading financial assets should be accounted for in profit or loss. The investments held in the trust are classified as held-for-trading, as they form part of a managed portfolio with evidence of actual patterns of short-term profit-taking.		
<i>2.3 Retained profits at beginning of year</i>		
The comparative amounts have been appropriately restated. The effect of the change in accounting policy referred to in 2.1 and 2.2 on retained profits has been as follows:		
Retained profits as previously reported	-	34,085,669
Adjustment for years prior to 2005	-	79,129,991
Restated balance	<u>-</u>	<u>113,215,660</u>
The increase in surplus for the year due to the changes in accounting policy is R 158 833 984. (2005: R 123 839 412)		

THE MAIZE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2006

	2006 R	2005 R
3. Investments		
Unlisted shares at cost- SAGIS Allan Gray Limited (Book value - R234 936 329)	1 342,614,588	1 232,173,643
Foord Asset Management (Book value - R103 071 440)	177,570,310	122,402,899
Oasis Asset Management Ltd (Book value - R104 312 638)	<u>160,201,630</u>	<u>117,638,382</u>
	<u>680,386,529</u>	<u>472,214,925</u>
Market value of listed shares	680,386,528	472,214,924
Trustees' valuation of unlisted shares	<u>1</u>	<u>1</u>
	<u><u>680,386,529</u></u>	<u><u>472,214,925</u></u>
The original cost of the investment managed by the Asset Managers was an amount of R240 000 000.		
Asset Management Fees paid		
Allan Gray Ltd	921,862	1,337,001
Foord Asset Management (Pty) Ltd	408,344	896,620
Oasis Asset Management Ltd	<u>656,958</u>	<u>854,367</u>
	<u><u>1,987,164</u></u>	<u><u>3,087,988</u></u>
4. Trust Funds		
Surplus before allocations to beneficiaries	190,060,129	129,996,076
- Less: Fair value adjustments of investments	<u>(178,026,666)</u>	<u>(112,060,534)</u>
Net trading result before allocation to beneficiaries	<u><u>12,033,463</u></u>	<u><u>17,935,542</u></u>
5. Funding recovered from beneficiaries		
Grain SA	9,613,610	-
SA Poultry Association	260,868	-
Buhle Farmers Academy	<u>31,703</u>	<u>-</u>
	<u><u>9,906,181</u></u>	<u><u>-</u></u>
6. 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	5,000,000	5,000,000
- Received 2006	<u>25,000,000</u>	<u>-</u>
	<u><u>289,128,772</u></u>	<u><u>264,128,772</u></u>

THE MAIZE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2006

7. Actual payments to beneficiaries

	2006 R	2005 R
SAGAS	120,000	-
SAGIS	3,462,397	3,060,070
Grain SA	7,754,665	10,810,456
Agricultural Research Council	13,482,550	3,726,445
SA Grain Laboratory	1,239,476	517,982
Limpast	887,967	352,281
CSIR	303,331	797,825
University of Pretoria	208,000	180,000
University of Cape Town	464,513	-
University of Free State	275,579	311,654
Medical Research Council	32,000	-
Buhle Farmers Academy	226,788	896,789
SACOTA	-	30,000
Dr WJ van der Walt	12,600	8,400
AMT (Pty) Ltd	-	119,000
No-Till Club	152,270	-
University of Stellenbosch	45,320	-
NAFU SA	492,800	-
New Farmer and African Entrepreneur	19,759	-
Spatialintel (Pty) Ltd	4,264,830	-
	<u>33,444,853</u>	<u>20,810,902</u>

THE MAIZE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2006

	2006 R	2005 R
8. Allocations approved during the period by the trustees		
Agricultural Research Council	19,389,248	(1,268,907)
- Approved	19,501,321	-
- Recalculation of allocations	(112,073)	(1,268,907)
Nu Farmer and African Entrepreneur	19,760	-
- Approved	290,424	378,816
- Recalculation of allocations	(270,664)	(378,816)
SAGIS	3,960,922	4,504,597
University of The Free State	(9,975)	719,235
- Approved	-	719,235
- Recalculation of allocations	(9,975)	-
SA Grain Laboratory	1,155,590	1,239,125
- Approved	1,184,662	1,239,125
- Recalculation of allocations	(29,072)	-
University of Pretoria	260,000	180,000
Grain South Africa	19,532,589	-
Limpast	898,868	880,702
CSIR	(25,000)	-
- Recalculation of allocations	(25,000)	-
Buhle Farmers Academy	469,293	1,236,972
- Approved	550,984	1,236,972
- Recalculation of allocations	(81,691)	-
Dr WJ van der Walt	-	21,000
SACOTA	-	30,000
University of Cape Town	262,616	1,489,300
SAGAS	120,000	-
NAFU SA	985,600	-
- Approved	1,000,000	-
- Recalculation of allocations	(14,400)	-
Medical Research Council	40,000	-
No-Till Club	190,338	-
Spatialintel (Pty) Ltd	5,331,036	-
University of Stellenbosch	56,650	-
	<u>52,637,535</u>	<u>9,032,024</u>

The payment of the allocations as approved by the Board of Trustees during the period are subject to certain terms and conditions as set out in the Trust Deed and the Norms and Procedures Document of the Trust.
 Reconciliation of approved payments and amounts outstanding is as follows:

Approved during the year ended 30 June 2006	52,637,535	9,032,024
Unpaid allocations up to 30 June 2005	5,490,581	17,269,459
	58,128,116	26,301,483
Allocations paid during the year ended 30 June 2006	(33,444,853)	(20,810,902)
Unpaid allocations up to 30 June 2006	<u>24,683,263</u>	<u>5,490,581</u>

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2006

The following allocations were approved by the Trustees in the past and have not been paid on 30 June 2006 and is made up as follows:

	2006	2005
	R	R
SA Grain Laboratory	855,751	939,637
Nu Farmer and African Entrepreneur	-	-
University of Cape Town	1,287,402	1,489,300
Agricultural Research Council	5,906,698	-
Grain SA	11,777,924	-
University of Free State	122,026	407,581
Dr WJ van der Walt	-	12,600
SAGIS	1,943,051	1,444,528
Buhle Farmers Academy	582,687	340,183
Limpast	539,321	528,421
NAFU SA	492,800	-
Medical Research Council	8,000	-
No-Till Club	38,068	-
University of Pretoria	52,000	-
University of Stellenbosch	11,330	-
Spatialintel (Pty) Ltd	1,066,207	-
CSIR	-	328,331
	<u>24,683,263</u>	<u>5,490,581</u>

9. Taxation

No provision for taxation has been made for 2006 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 reapplied to qualify for the exemption. The application is currently under consideration.

10. 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.

11. Fair values

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

THE MAIZE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2006

12. Notes to the cash flow statement

	2006 R	2005 R
<i>12.1 Cash generated by operating activities</i>		
Net profit	190,060,219	129,996,076
Adjustments for:		
Investment income	(3,609,765)	(19,411,116)
Finance costs	-	310
Movement in provisions	19,192,682	(11,778,878)
Profit on realisation of investment	25,000,000	-
	<u>230,643,136</u>	<u>98,806,392</u>
Movements in working capital		
Decrease/(increase) in accounts receivable	2,308,455	(1,258,081)
(Decrease)/increase in accounts payable	(144,583)	126,682
	<u>232,807,008</u>	<u>97,674,993</u>
<i>12.2 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>5,089,087</u>	<u>29,481,453</u>

THE MAIZE TRUST
DETAILED INCOME STATEMENT
for the year ended 30 June 2006

	Notes	2006 R	2005 R
Income		191,542,612	131,522,538
Dividends received		1,206,790	10,381,749
Fair value adjustments		178,026,666	112,060,534
Interest received		2,402,975	9,029,367
Over provision of ex maize board archives		-	50,888
Funding recovered from beneficiaries	5	9,906,181	-
Total income		191,542,612	131,522,538
Expenditure		1,482,393	1,526,462
Administrators fees		656,718	626,122
Advertising		-	29,298
Audit fees- Under provision previous years		10,646	6,108
Auditors' remuneration		28,500	48,334
Bank charges		1,976	4,761
Conference costs		69,275	66,968
Forensic Auditors Remuneration		38,327	337,044
Communication strategy expenses		56,000	-
Insurance		55,215	12,351
Interest (SARS prior years)		-	310
Legal expenses		9,701	2,752
Maize Forum Costs		41,220	35,844
RSC - levies		671	500
Remuneration- Investment advisor		188,147	140,505
Trustees emoluments		325,997	215,565
Net surplus before allocations to beneficiaries		190,060,219	129,996,076
Allocations to beneficiaries	8	(52,637,535)	(9,032,024)
Net (shortage)/surplus after allocations to beneficiaries for year		137,422,684	120,964,052
Retained surplus at beginning of year		234,179,714	113,215,662
(Accumulated shortage)/Retained surplus at end of year		<u>371,602,398</u>	<u>234,179,714</u>