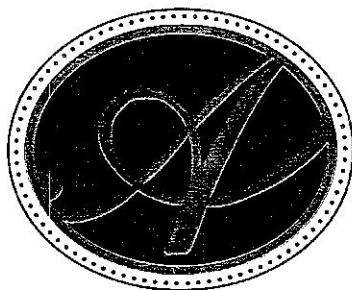


**THE MAIZE TRUST**  
(Registration number IT8214/98)  
**FINANCIAL STATEMENTS**  
for the year ended 30 June 2007



**ASHTON**

**THE MAIZE TRUST  
FINANCIAL STATEMENTS  
for the year ended 30 June 2007**

<b>Country of incorporation</b>	South Africa
<b>Type of trust</b>	Non-trading trust
<b>Trustees</b>	Mr JDM Minnaar Mr CK Ferreira Dr. RP Mohlahlane (To be replaced by Me. L Thahane) Mr WM Ngxekana Mr JK Peele Mr JF de Villiers
<b>Business address</b>	1187 Cobham Drive Queenswood Pretoria 0186
<b>Bankers</b>	ABSA
<b>Auditors</b>	The Ashton CA (SA) Group Chartered Accountants (S.A.) Registered Accountants and Auditors
<b>Registration</b>	IT8214/98

**THE MAIZE TRUST  
FINANCIAL STATEMENTS  
for the year ended 30 June 2007**

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

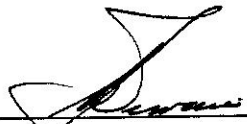
Index	Page
Report of the independent auditors	3
Report of the trustees	4
Balance sheet	5
Income statement	6
Cash flow statement	7
Notes to the financial statements	8 - 12


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

Detailed income statement	13
---------------------------	----

**Approval**

The financial statements which appear on pages 4 to 13 were approved by the trustees on 08 August 2007 and signed on their behalf.

  
Trustee

  
Trustee

**Pretoria**

**08 August 2007**



# ASHTON GROUP

REGISTERED ACCOUNTANTS  
AND AUDITORS

Ashton House, 51 Lebombo St,  
Ashlea Gardens, 0181  
PO Box 1620, Groenkloof, 0027  
Tel: +27 (0)12 460 3050  
Fax: +27 (0)12 460 1263  
E-mail: karin@ashtongroup.co.za

## Report of the Independent Auditors

---

To the trustees of The Maize Trust

We have audited the accompanying annual financial statements of The Maize Trust, which comprise the balance sheet as at 30 June 2007, the income statement and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 13.

### Trustee's Responsibility for the Financial Statements

The trust's trustee is responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of the trust as of 30 June 2007, and of its financial performance and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

### Supplementary Information

We draw your attention to the fact that with the supplementary information set out on page 13 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

The Ashton CA(SA) Group  
Registered Auditors

---

Partners: A Robberts B.Compt (Hons) CA (SA) RAA, H J Windell B.Com (Hons) CA (SA) RAA,

Assisted by: W. Delpont B.Compt (Hons) CA (SA)

Practice no: 002161

**THE MAIZE TRUST  
REPORT OF THE TRUSTEES  
for the year ended 30 June 2007**

The trustees present their report for the year ended 30 June 2007. 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.

**THE MAIZE TRUST  
BALANCE SHEET  
30 June 2007**

	Notes	2007 R	2006 R
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	2	842,919,534	680,386,530
<b>Current assets</b>			
Cash and cash equivalents		18,816,382	5,089,087
<b>Total assets</b>		<u>861,735,916</u>	<u>685,475,617</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Donations	4	289,128,772	289,128,772
Distributable reserve		525,737,549	371,602,396
<b>Current liabilities</b>			
Trade and other payables		63,358	61,186
Provisions	6	46,806,237	24,683,263
<b>Total equity and liabilities</b>		<u>861,735,916</u>	<u>685,475,617</u>

THE MAIZE TRUST  
INCOME STATEMENT  
for the year ended 30 June 2007

	Notes	2007 R	2006 R
Income		221,463,959	187,932,847
Operating costs		<u>1,516,282</u>	<u>1,482,393</u>
Operating income		219,947,677	186,450,454
Investment income		<u>520,806</u>	<u>3,609,765</u>
Income		<u><u>220,468,483</u></u>	<u><u>190,060,219</u></u>

**THE MAIZE TRUST**  
**CASH FLOW STATEMENT**  
for the year ended 30 June 2007

	2007	2006
Notes	R	R
<b>Cash flows from operating activities</b>	87,677,970	183,779,238
Cash generated by operating activities	153,490,494	232,807,008
Interest received	520,806	2,402,975
Dividends received	-	1,206,790
Allocations to beneficiary	(66,333,330)	(52,637,535)
<b>Cash flows from investing activities</b>		
Investments	(73,950,675)	(208,171,604)
Increase/(decrease) in cash and cash equivalents	13,727,295	(24,392,366)
Cash and cash equivalents at beginning of the year	5,089,087	29,481,453
Cash and cash equivalents at end of the year	18,816,382	5,089,087

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2007**

## **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 2007

	2007 R	2006 R
<b>2. Investments</b>		
Unlisted shares at cost- SAGIS	1	1
Allan Gray Limited (Book value - R 273 019 054)	425,680,723	342,614,588
Foord Asset Management (Book value - R 108 571 081)	220,101,127	177,570,311
Oasis Asset Management Ltd (Book value - R 107 502 104)	<u>197,137,682</u>	<u>160,201,630</u>
	842,919,533	680,386,530
Market value of listed shares	842,919,533	680,386,529
Trustees' valuation of unlisted shares	1	1
	<u>842,919,534</u>	<u>680,386,530</u>
During the period under review investment withdrawals to the value of R 58 000 000 were made.		
<b>Asset Management Fees paid</b>		
Allan Gray Ltd	2,297,275	1,754,459
Foord Asset Management (Pty) Ltd	946,927	731,361
Oasis Asset Management Ltd	<u>1,479,671</u>	<u>1,188,044</u>
	<u>4,723,873</u>	<u>3,673,864</u>
<b>3. Funding recovered from beneficiaries</b>		
Grain SA	867,728	9,613,610
SA Poultry Association	-	260,868
Buhle Farmers Academy	-	31,703
University of Free State	11,227	-
Agricultural Research Council	<u>52,000</u>	<u>-</u>
	<u>930,955</u>	<u>9,906,181</u>
<b>4. 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
- Received 2006	<u>25,000,000</u>	<u>25,000,000</u>
	<u>289,128,772</u>	<u>289,128,772</u>

THE MAIZE TRUST  
 NOTES TO THE FINANCIAL STATEMENTS  
 for the year ended 30 June 2007

5. Actual payments to beneficiaries

	2007 R	2006 R
SAGAS	6,600	120,000
SAGIS	4,239,589	3,462,397
Grain SA	11,336,200	7,754,665
Agricultural Research Council	9,451,008	13,482,550
SA Grain Laboratory	1,669,832	1,239,476
Limpast	359,547	887,967
CSIR	372,400	303,331
University of Pretoria	74,923	208,000
University of Cape Town	579,241	464,513
University of Free State	-	275,579
Medical Research Council	8,000	32,000
Buhle Farmers Academy	298,152	226,788
Generic Marketing Campaign	7,203,549	-
Dr WJ van der Walt	49,000	12,600
Bursary Scheme	129,274	-
No-Till Club	552,068	152,270
University of Stellenbosch	-	45,320
NAFU SA	492,800	492,800
New Farmer and African Entrepreneur	-	19,759
SIQ (Pty) Ltd	7,338,924	4,264,830
WTO Dispute Project	49,248	-
	<u>44,210,356</u>	<u>33,444,853</u>

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2007

	2007 R	2006 R
<b>6. Allocations approved during the period by the trustees</b>		
Agricultural Research Council	10,308,591	19,389,248
- Approved	10,308,591	19,501,321
- Recalculation of allocations	-	(112,073)
Nu Farmer and African Entrepreneur	-	19,760
- Approved	-	290,424
- Recalculation of allocations	-	(270,664)
SAGIS	4,548,340	3,960,922
University of The Free State	-	(9,975)
- Recalculation of allocations	-	(9,975)
SA Grain Laboratory	1,701,367	1,155,590
- Approved	1,701,367	1,184,662
- Recalculation of allocations	-	(29,072)
University of Pretoria	22,922	260,000
Grain South Africa	14,408,768	19,532,589
Limpast	911,726	898,868
CSIR	931,000	(25,000)
- Approved	931,000	-
- Recalculation of allocations	-	(25,000)
Buhle Farmers Academy	426,088	469,293
- Approved	426,088	550,984
- Recalculation of allocations	-	(81,691)
Dr WJ van der Walt	49,000	-
Generic Marketing Campaign	25,764,435	-
University of Cape Town	25,200	262,616
SAGAS	13,200	120,000
NAFU SA	-	985,600
- Approved	-	1,000,000
- Recalculation of allocations	-	(14,400)
Medical Research Council	-	40,000
No-Till Club	642,181	190,338
SIQ (Pty) Ltd	6,272,717	5,331,036
University of Stellenbosch	-	56,650
Bursary Scheme	258,547	-
WTO Dispute Project	49,248	-
	<b>66,333,330</b>	<b>52,637,535</b>

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 2007	66,333,330	52,637,535
Unpaid allocations up to 30 June 2006	24,683,263	5,490,581
	91,016,593	58,128,116
Allocations paid during the year ended 30 June 2007	(44,210,356)	(33,444,853)
Unpaid allocations up to 30 June 2007	46,806,237	24,683,263

**THE MAIZE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2007

The following allocations were approved by the Trustees in the past but have not been paid at the end of the period and is made up as follows:

	<b>2007</b>	<b>2006</b>
	<b>R</b>	<b>R</b>
SA Grain Laboratory	887,284	855,751
SAGAS	6,600	-
University of Cape Town	733,361	1,287,402
Agricultural Research Council	6,764,281	5,906,698
Grain SA	14,850,491	11,777,924
University of Free State	122,025	122,026
Generic Marketing Campaign	18,560,884	-
Bursary Scheme	129,274	-
SAGIS	2,251,799	1,943,051
Buhle Farmers Academy	710,622	582,687
Limpast	1,091,500	539,321
NAFU SA	-	492,800
Medical Research Council	-	8,000
No-Till Club	128,180	38,068
University of Pretoria	-	52,000
University of Stellenbosch	11,330	11,330
SIQ (Pty) Ltd	-	1,066,207
CSIR	558,600	-
	<u>46,806,237</u>	<u>24,683,263</u>

## 7. Taxation

No provision for taxation has been made for 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.

## 8. 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.

**THE MAIZE TRUST**  
**DETAILED INCOME STATEMENT**  
for the year ended 30 June 2007

	Notes	2007 R	2006 R
<b>Income</b>		221,984,765	191,542,612
Dividends received		-	1,206,790
Fair value adjustments		220,533,004	178,026,666
Interest received		520,806	2,402,975
Funding recovered from beneficiaries	3	930,955	9,906,181
<b>Total income</b>		221,984,765	191,542,612
<b>Expenditure</b>		1,516,282	1,482,393
Administrators fees		755,781	656,718
Advertising		14,548	-
Audit fees- Under provision previous years		31,350	10,646
Auditors' remuneration		32,205	28,500
Bank charges		1,914	1,976
Conference costs		59,209	69,275
Forensic Auditors Remuneration		-	38,327
Communication strategy expenses		8,923	56,000
Insurance		60,401	55,215
Legal expenses		80,547	9,701
Maize Forum Costs		24,083	41,220
RSC - levies		-	671
Remuneration- Investment advisor		161,166	188,147
Trustees emoluments		286,155	325,997
Net surplus before allocations to beneficiaries		220,468,483	190,060,219
Allocations to beneficiaries	6	(66,333,330)	(52,637,535)
Net surplus after allocations to beneficiaries for year		154,135,153	137,422,684
Retained surplus at beginning of year		371,602,396	234,179,712
Retained surplus at end of year		<u>525,737,549</u>	<u>371,602,396</u>