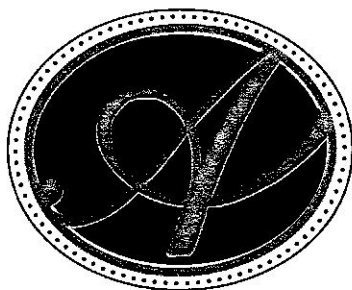


THE MAIZE TRUST
(Registration number IT8214/98)
Annual financial statements
for the year ended June 30, 2008



ASHTON

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

General Information

Type of trust	Non-trading trust
Trustees	Mr CK Ferreira Mr JDM Minnaar Ms L Thahane Mr WM Ngxekana Mr JK Peele Mr JF de Villiers
Business address	1187 Cobham Drive Queenswood Pretoria 0186
Bankers	ABSA
Auditors	The Ashton CA (SA) Group Chartered Accountants (S.A.)
Trust registration number	IT8214/98

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Index

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

Index	Page
Report of the Independent Auditors	3
Trustees' Responsibilities and Approval	4
Trustees' Report	5
Balance Sheet	6
Income Statement	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Accounting Policies	10
Notes to the Annual Financial Statements	11 - 16
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income statement	17



ASHTON GROUP

REGISTERED ACCOUNTANTS
AND AUDITORS

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Ashlea Gardens, 0181

PO Box 1620, Groenkloof, 0027

Tel: +27 (012) 460 3050

Fax: +27 (012) 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 trustees' report, the balance sheet as at June 30, 2008, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 16.

Trustees' Responsibility for the Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act of South Africa, 1973. 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 trustees, 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 June 30, 2008, 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, and in the manner required by the Companies Act of South Africa, 1973.

Supplementary Information

We draw your attention to the fact that the supplementary information set out on page 17 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

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

Assisted by: C.J.M. Theron B.Com (Hons) Professional Accountant (SA)

Practice no: 902161

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with South African Statements of Generally Accepted Accounting Practice. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

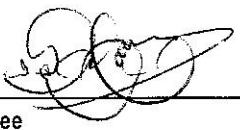
The trustees have reviewed the trust's cash flow forecast for the year to June 30, 2009 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

Although the board are primarily responsible for the financial affairs of the trust, they are supported by the trust's external auditors.

The external auditors are responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 3.

The annual financial statements set out on pages 5 to 17, which have been prepared on the going concern basis, were approved by the board on August 6, 2008 and were signed on its behalf by:

Trustee 

Trustee 

Pretoria

Wednesday, August 06, 2008

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Trustees' Report

The trustees submit their report for the year ended June 30, 2008.

1. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2. Post balance sheet events

The trustees are not aware of any matter or circumstance arising since the end of the financial year.

3. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Name

Mr CK Ferreira

Mr JDM Minnaar

Ms L Thahane

Mr WM Ngxekana

Mr JK Peele

Mr JF de Villiers

4. Auditors

The Ashton CA (SA) Group will continue in office for the next financial period.

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Balance Sheet

Figures in Rand	Note(s)	2008	2007
Assets			
Non-Current Assets			
Investments	3	806,519,727	842,919,534
Current Assets			
Cash and cash equivalents		8,383,280	18,816,382
Total Assets		814,903,007	861,735,916
Equity and Liabilities			
Equity			
Donations	5	289,128,772	289,128,772
Accumulated surplus		478,413,518	525,737,549
		767,542,290	814,866,321
Liabilities			
Current Liabilities			
Trade and other payables		40,100	63,358
Provisions	8	47,320,617	46,806,237
		47,360,717	46,869,595
Total Equity and Liabilities		814,903,007	861,735,916

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Income Statement

Figures in Rand	Note(s)	2008	2007
Income		88,846,655	58,930,955
Operating expenses		(2,016,447)	(1,516,282)
		86,830,208	57,414,673
Investment revenue		29,550,101	520,806
Fair value adjustments		(116,553,297)	162,533,004
Allocations to beneficiaries		(42,255,754)	(66,333,330)
Asset management fees		(4,895,289)	-
(Deficit) surplus for the year		(47,324,031)	154,135,153

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Statement of Changes in Equity

Figures in Rand	Trust capital	Accumulated surplus	Total equity
Balance at July 1, 2006	289,128,772	371,602,396	660,731,168
Changes in equity	-	154,135,153	154,135,153
Surplus for the year	-	154,135,153	154,135,153
Total changes	-	154,135,153	154,135,153
Balance at July 1, 2007	289,128,772	525,737,549	814,866,321
Changes in equity	-	(47,324,031)	(47,324,031)
Deficit for the year	-	(47,324,031)	(47,324,031)
Total changes	-	(47,324,031)	(47,324,031)
Balance at June 30, 2008	289,128,772	478,413,518	767,542,290

Note(s)

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Cash Flow Statement

Figures in Rand	Note(s)	2008	2007
Cash flows from operating activities			
Cash generated from operations	10	87,321,330	79,539,819
Interest income		15,075,239	520,806
Dividends received		14,474,862	-
Asset management fees paid		(4,895,289)	-
Net cash from operating activities		111,976,142	80,060,625
Cash flows from investing activities			
Fair value adjustments		(116,553,297)	-
Movement in investments		36,399,807	-
Allocations to beneficiaries		(42,255,754)	(66,333,330)
Net cash from investing activities		(122,409,244)	(66,333,330)
Total cash movement for the year		(10,433,102)	13,727,295
Cash at the beginning of the year		18,816,382	5,089,087
Total cash at end of the year		8,383,280	18,816,382

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy

1.1 Financial instruments

Initial recognition

The trust classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the trust establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.

Investments are measured initially and subsequently at fair value, gains and losses arising from changes in fair value are included in profit or loss for the period.

1.2 Provisions and contingencies

Provisions are recognised when:

- the trust has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

1.3 Revenue

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the trust's right to receive payment has been established.

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Notes to the Annual Financial Statements

Figures in Rand	2008	2007
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2. Changes in accounting policy

The annual financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

- IAS39 Financial Instruments: Recognition and Measurement

Financial assets

During the year, the trust changed its accounting policy with respect to the treatment of profits and losses incurred in the trading of financial instruments, investment revenue recognition for financial instruments as well as fair value adjustments of financial instruments.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended June 30, 2008 is as follows:

Income statement

Dividends received		
Previously stated	-	-
Adjustment	14,474,862	-
	14,474,862	-
Interest received		
Previously stated	1,023,374	-
Adjustment	14,051,865	-
	15,075,239	-
Profit on sale of investments		
Previously stated	-	-
Adjustment	88,183,732	-
	88,183,732	-
Fair value adjustments		
Previously stated	(26,399,806)	-
Adjustment	(90,153,491)	-
	(116,553,297)	-
Profits withdrawn from investments		
Previously stated	31,500,000	-
Adjustment	(31,500,000)	-
	-	-
Asset Management fees paid		
Previously stated	-	-
Adjustment	4,895,289	-
	4,895,289	-

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Notes to the Annual Financial Statements

Figures in Rand	2008	2007
3. Investments		
Unlisted shares at cost - SAGIS	1	1
Oasis Asset Management Ltd	182,878,067	197,137,682
Book value - R 113 506 266. (2007: R 107 502 104)		
Allan Gray Ltd	413,931,189	425,680,723
Book value - R 331 137 717. (2007: R 273 019 054)		
Foord Asset Management	209,710,470	220,101,128
Book value - R 124 601 746. (2007: R 108 571 081)		
	806,519,727	842,919,534
Non-current assets		
At fair value through profit or loss	806,519,727	842,919,534
Asset management fees paid		
Allan Gray Ltd	2,679,691	2,297,275
Foord Asset Management (Pty) Ltd	1,097,462	1,723,099
Oasis Asset Management Ltd	1,118,136	1,479,671
	4,895,289	5,500,045
4. Funding recovered from beneficiaries		
Grain SA	-	867,728
No-Till Club	10,917	-
University of Free State	-	11,227
Agricultural Research Council	55,000	52,000
Pilot Project	597,006	-
	662,923	930,955
5. Donations		
Donations consist of advances received from the Maize Board.		
- Received 2000	244,128,772	244,128,772
- Received 2000	15,000,000	15,000,000
- Received 2001	5,000,000	5,000,000
- Received 2006	25,000,000	25,000,000
	289,128,772	289,128,772

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Notes to the Annual Financial Statements

Figures in Rand	2008	2007
6. Actual payments to beneficiaries		
SAGAS	-	6,600
SAGIS	5,127,245	4,239,589
Grain SA	11,878,942	11,336,200
Agricultural Research Council	7,149,748	9,451,008
SA Grain Laboratory	2,164,488	1,669,832
Limpast	873,200	359,547
CSIR	372,400	372,400
University of Pretoria	160,000	74,923
University of Cape Town	614,832	579,241
University of Free State	122,026	-
Medical Research Council	-	8,000
Buhle Farmers Academy	500,609	298,152
Generic Marketing Campaign	4,551,219	7,203,549
Dr WJ van der Walt	12,000	49,000
Bursary Scheme	442,806	129,274
No-Till Club	670,828	552,069
University of Stellenbosch	383,868	-
NAFU SA	-	492,800
Pilot Project	3,315,807	-
SIQ (Pty) Ltd	472,882	7,338,924
WTO Dispute Project	431,075	49,248
Emerging Farmers Assistance	2,497,399	-
	41,741,374	44,210,356

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Notes to the Annual Financial Statements

Figures in Rand	2008	2007
7. Allocations approved during the year by the trustees		
Agricultural Research Council	720,538	10,308,591
Grain South Africa	14,063,104	14,408,768
- Approved	16,226,339	14,408,768
- Recalculation of allocations	(2,163,235)	-
SAGIS	11,439,145	4,548,340
- Approved	11,517,487	-
- Recalculation of allocations	(78,342)	-
SA Grain Laboratory	2,277,711	1,701,367
University of Pretoria	160,000	22,922
CSIR	-	931,000
Limpast	-	911,726
Bursary Scheme	983,297	258,547
- Approved	983,976	258,547
- Recalculation of allocations	(679)	-
Buhle Farmers Academy	807,782	426,088
Dr WJ van der Walt	24,000	49,000
Generic Marketing Campaign	1,000,000	25,764,435
University of Cape Town	5,571	25,200
SAGAS	-	13,200
University of Stellenbosch	515,980	-
- Approved	518,521	-
- Recalculation of allocations	(2,541)	-
No-Till Club	678,310	642,181
SIQ (Pty) Ltd	2,335,526	6,272,717
Pilot Project	3,315,807	-
- Approved	5,000,000	-
- Recalculation of allocations	(1,684,193)	-
WTO Dispute Project	1,431,584	49,248
Emerging Farmers Assistance	2,497,399	-
	42,255,754	66,333,330

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 (as above)	41,255,754	66,333,330
Unpaid allocations at end of previous year (as per note 8)	46,806,237	24,683,263
	88,061,991	91,016,593
Allocations paid during the year (as per note 6)	(41,741,374)	(44,210,356)
Unpaid allocations at end of year (as per note 8)	46,320,617	46,806,237

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Notes to the Annual Financial Statements

Figures in Rand	2008	2007
8. Provisions		
The following allocations were approved by the Trustees but have not been paid at the end of the period and is made up as follows:		
SA Grain Laboratory	1,000,508	887,285
SAGAS	6,600	6,600
University of Cape Town	124,101	733,362
Agricultural Research Council	335,070	6,764,281
Grain SA	17,034,652	14,850,492
University of Free State	-	122,025
Generic Marketing Campaign	15,009,667	18,560,885
Bursary Scheme	669,765	129,275
SAGIS	8,563,701	2,251,799
Buhle Farmers Academy	1,017,797	710,623
Limpast	218,300	1,091,500
Dr WJ van der Walt	12,000	-
WTO Dispute Project	1,000,509	-
No-Till Club	135,662	128,180
University of Stellenbosch	143,442	11,330
CSIR	186,200	558,600
SIQ (Pty) Ltd	1,862,643	-
	47,320,617	46,806,237

9. 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.

10. Cash generated from operations

(Deficit) surplus before taxation	(47,324,031)	154,135,153
Adjustments for:		
Allocations to beneficiaries	42,255,754	66,333,330
Asset management fees	4,895,289	-
Dividends received	(14,474,862)	-
Interest received	(15,075,239)	(520,806)
Fair value adjustments	116,553,297	(162,533,004)
Movements in provisions	514,380	22,122,976
Changes in working capital:		
Trade and other payables	(23,258)	2,170
	87,321,330	79,539,819

11. Contingencies

A resolution has been taken to enter into a contract with Elmado Property Projects (Pty) Ltd to acquire Erven 1367 and 1368 in The Willows Extension 82, for purposes of erecting a building thereon for use and rent by grain services organisations. This acquisition will be done by a private company, wholly owned by The Maize Trust. An amount of R 100 million is budgeted for this project.

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Notes to the Annual Financial Statements

Figures in Rand

2008

2007

12. Risk management

The trust's investment activities expose it to a variety of financial risks.

Interest rate risk

As the trust has significant interest-bearing assets, the trust's income and operating cash flows are substantially dependent of changes in market interest rates.

Market performance and currency risk

The trust is exposed to equity securities risk, as well as foreign currency risk because of investments held by the trust and classified on the balance sheet as at fair value through profit or loss. To manage its risk arising from investments in equity securities, the trust diversifies its portfolio into local and foreign currency. Funds available for investment have been distributed between three reputable asset manager companies. The trust also has an investments advisor.

The Maize Trust

(Registration number IT8214/98)

Annual Financial Statements for the year ended June 30, 2008

Detailed Income statement

Figures in Rand	Note(s)	2008	2007
Income			
Profits withdrawn from investments		-	58,000,000
Profit on sale of investments		88,183,732	-
Funding recovered from beneficiaries		662,923	930,955
Dividend revenue		14,474,862	-
Interest received		15,075,239	520,806
Fair value adjustments		-	162,533,004
		118,396,756	221,984,765
Operating expenses			
Advertising		(39,449)	(14,548)
Auditors remuneration		(72,675)	(63,555)
Bank charges		(85,748)	(1,914)
Computer expenses		(5,485)	-
Administrators fees		(842,266)	(755,781)
Remuneration - Investment advisor		(155,100)	(161,166)
Trustees emoluments		(344,754)	(286,155)
Conference costs		(52,663)	(59,209)
Maize Forum Costs		(175,993)	(24,083)
Insurance		(60,401)	(60,401)
Legal expenses		(172,713)	(80,547)
Communication strategy expenses		(9,200)	(8,923)
		(2,016,447)	(1,516,282)
Operating surplus before fees, adjustments and allocations		116,380,309	220,468,483
Fair value adjustments		(116,553,297)	-
Allocations to beneficiaries (as per note 7)		(42,255,754)	(66,333,330)
Asset Management fees (as per note 3)		(4,895,289)	-
		(163,704,340)	(66,333,330)
Net surplus after allocations to beneficiaries		(47,324,031)	154,135,153