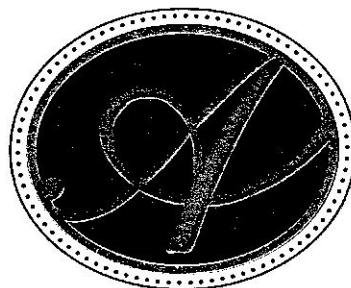


THE MAIZE TRUST
(Registration number IT8214/98)
FINANCIAL STATEMENTS
for the 6 months ended 31 December 2004



ASHTON

THE MAIZE TRUST
FINANCIAL STATEMENTS
for the 6 months ended December 2004

Country of incorporation	South Africa
Type of trust	Non-trading trust
Trustees	Mr HJ Botma Mr CK Ferreira Dr. RP Mohlalane Mr LA Makanete 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 6 months ended December 2004

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


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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 31 January 2005 and signed on their behalf.



Trustee



Trustee



ASHTON

CHARTERED ACCOUNTANTS INC

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Ashlea Gardens, 0181
PO Box 35555, Menlo Park, 0102
Tel: +27 (012) 460 3050
Tel: +27 (012) 460 0367
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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 31 December 2004. 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 31 December 2004 and the results of its operations and cash flows for the 6 months 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 January 2005

**THE MAIZE TRUST
REPORT OF THE TRUSTEES
for the 6 months ended December 2004**

The trustees present their report for the 6 months ended 31 December 2004. 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 6 months 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 Mohlahiane
Mr CK Ferreira
Mr HJ Botma
Mr LA Mkanete
Mr JK Peele
Mr JF de Villiers

Pretoria

31 January 2005

THE MAIZE TRUST
BALANCE SHEET
at 31 December 2004

	Notes	31 December 2004 R	30 June 2004 R
Assets			
Non-current assets			
Investments	3	428,797,653	360,157,354
Current assets			
Debtors	7	28,909,929	34,535,623
Short term Investments		933,827	1,050,374
Cash and cash equivalents		20,000,000	-
		7,976,102	33,485,249
Total assets		<u>457,707,582</u>	<u>394,692,977</u>
Equity and liabilities			
Capital and reserves			
Donations	9	457,630,073	394,613,892
Non-distributable reserve	5	264,128,772	264,128,772
Distributable reserve		165,041,271	96,399,451
		28,460,030	34,085,669
Current liabilities			
Trade and other payables	8	77,509	79,085
Total equity and liabilities		<u>457,707,582</u>	<u>394,692,977</u>

THE MAIZE TRUST
INCOME STATEMENT
for the 6 months ended December 2004

	Note	31 December 2004 R	30 June 2004 R
Income		8,467,272	55,733,846
Dividends received		4,580,175	9,421,494
Interest received		3,887,097	8,812,352
Profit on disposal of investments		-	37,500,000
Total income		<u>8,467,272</u>	<u>55,733,846</u>
Expenditure		546,736	1,060,252
Administrators fees		300,960	601,920
Audit fees- Under provision previous years		3,028	7,140
Auditors' remuneration		22,000	40,740
Bank charges		2,411	5,022
Conference costs		37,491	71,479
Insurance		5,972	5,940
Interest (SARS prior years)		-	9,179
Legal expenses		-	15,094
Maize Forum Costs		-	21,588
Remuneration- Investment advisor		75,393	95,547
Trustees emoluments		99,481	186,603
Net surplus before payments to beneficiaries		<u>7,920,536</u>	<u>54,673,594</u>
Payments to beneficiaries	10	<u>(13,546,175)</u>	<u>(22,980,421)</u>
Net (shortage)/surplus after payments to beneficiaries for 6 months		(5,625,639)	31,693,173
Retained surplus at beginning of 6 months		<u>34,085,669</u>	<u>2,392,496</u>
(Accumulated shortage)/Retained surplus at end of 6 months		<u><u>28,460,030</u></u>	<u><u>34,085,669</u></u>

THE MAIZE TRUST
CASH FLOW STATEMENT
for the 6 months ended December 2004

	Notes	31 December 2004 R	30 June 2004 R
Cash flows from operating activities		43,131,152	3,642,215
Cash generated by operating activities	15.1	48,210,055	8,397,969
Interest received		3,887,097	8,812,352
Interest paid		-	(9,179)
Dividends received		4,580,175	9,421,494
Allocations to beneficiary		(13,546,175)	(22,980,421)
Cash flows from investing activities		(68,640,299)	28,555,372
<i>Expenditure to maintain operating capacity</i>			
Proceeds of disposals of investments		-	37,500,000
Investments		(68,640,299)	(8,944,628)
(Decrease)/increase in cash and cash equivalents		(25,509,147)	32,197,587
Cash and cash equivalents at beginning of the period	15.2	33,485,249	1,287,662
Cash and cash equivalents at end of the period	15.2	7,976,102	33,485,249

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended December 2004

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 6 months ended December 2004

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 6 months ended December 2004

	31 December	30 June
	2004	2004
	R	R
3. Investments		
Unlisted shares at cost- SAGIS	1	1
Allan Gray Limited		
(Cost - R143 564 420)	209,674,347	178,305,320
Prudential Asset Managers		
Foord Asset Management	108,903,142	90,544,908
(Cost - R102 942 454)		
Oasis Asset Management Ltd	110,220,163	91,307,125
(Cost - R103 000 379)	<u>428,797,653</u>	<u>360,157,354</u>
Market value of listed shares	360,157,353	351,212,725
Trustees' valuation of unlisted shares	1	1
	<u>360,157,354</u>	<u>351,212,726</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	602,362	1,228,223
Foord Asset Management (Pty) Ltd	241,998	541,225
Oasis Asset Management Ltd	406,748	767,377
Prudential Asset Managers	-	71,071
	<u>1,251,108</u>	<u>2,607,896</u>
4. Contingent liabilities		
A contingent liability exist for allocations that were approved subject to certain conditions. The liability as at 31 December 2004 amounts to R6,445,419 (30 June 2004-R17,269,459). Refer to note 11.		
5. Non-distributable reserve		
Balance at beginning of year	96,399,451	87,574,260
Movement during year:		
- Revaluation of Investment Surplus	68,641,820	8,825,191
Balance at end of year	<u>165,041,271</u>	<u>96,399,451</u>

THE MAIZE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the 6 months ended December 2004

	31 December	30 June
	2004 R	2004 R
6. Investment income		
Interest income		
- Interest received	3,887,097	8,812,352
Dividend income		
- Dividends received from listed companies	4,580,175	9,421,494
	<u>8,467,272</u>	<u>18,233,846</u>
7. Debtors		
Allan Gray Asset Managers	556,152	394,173
Foord Asset Managers	34,357	207,495
Oasis Asset Managers	343,318	448,704
	<u>933,827</u>	<u>1,050,372</u>
8. Creditors		
Ashton Chartered Accountants Inc.	22,000	20,000
SARS- PAYE	1,664	1,664
Legal fees	-	3,574
MGX Outsourcing- Scanning	53,844	53,844
	<u>77,508</u>	<u>79,082</u>
9. 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
	<u>264,128,772</u>	<u>264,128,772</u>

THE MAIZE TRUST
 NOTES TO THE FINANCIAL STATEMENTS
 for the 6 months ended December 2004

10. Actual payments to beneficiaries

	31 December 2004 R	30 June 2004 R
Nu Farmer and African Entrepreneur	-	378,816
SAGIS	1,358,079	2,931,247
Grain SA	10,810,456	6,709,713
Agricultural Research Council	-	9,193,944
SA Grain Laboratory	26,140	884,670
Limpast	-	873,000
CSIR	382,500	350,000
University of Pretoria	180,000	200,000
University of Cape Town	-	622,000
University of Free State	-	200,000
Medical Research Council	-	637,032
Buhle Farmers Academy	670,000	-
AMT (Pty) Ltd	119,000	-
	<u>13,546,175</u>	<u>22,980,422</u>

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended December 2004

	31 December	30 June
	2004	2004
	R	R
11. Allocations approved during the year by the trustees		
Agricultural Research Council	-	9,353,508
Nu Farmer and African Entrepreneur	378,816	378,816
SAGIS	1,358,079	3,152,820
University of The Free State	109,100	200,000
SA Grain Laboratory	26,140	1,103,165
University of Pretoria	180,000	200,000
Grain South Africa	-	12,702,404
Limpast	-	873,000
CSIR	-	894,156
Buhle Farmers Academy	670,000	670,000
AMT (Pty) Ltd	-	119,000
	<u>2,722,135</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 period ended 31 December 2004	2,722,135
Unpaid allocations up to 30 June 2004	<u>17,269,459</u>
	19,991,594
Allocations paid during the year ended 31 December 2004	<u>(13,546,175)</u>
	<u>6,445,419</u>

As referred to in note 3 the following allocations were approved by the Trustees in the past and have not been paid on 31 December 2004 and is made up as follows:

SA Grain Laboratory	218,495	218,495
Nu Farmer and African Entrepreneur	378,816	-
Agricultural Research Council	4,995,352	4,995,352
Grain SA	-	10,810,456
University of Free State	109,100	-
AMT (Pty) Ltd	-	119,000
CSIR	<u>743,656</u>	<u>1,126,156</u>
	<u>6,445,419</u>	<u>17,269,459</u>

12. Taxation

No provision for taxation has been made for 2004 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.

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended December 2004

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

	31 December	30 June
	2004	2004
	R	R
<i>15.1 Cash generated by operating activities</i>		
Net profit	7,920,536	54,673,594
Adjustments for:		
Investment income	(8,467,272)	(18,233,846)
Finance costs	-	9,179
Profit on disposals of investments	-	(37,500,000)
Revaluation surplus on Investments	68,641,820	8,825,191
	<u>68,095,084</u>	<u>7,774,118</u>
Movements in working capital		
(Increase)/decrease in accounts receivable	(19,883,453)	624,957
Decrease in accounts payable	(1,576)	(1,106)
	<u>48,210,055</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>7,976,102</u>	<u>33,485,249</u>