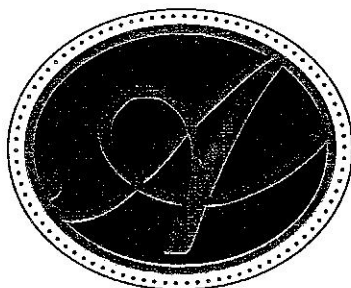


THE MAIZE TRUST
(Registration number IT8214/98)
FINANCIAL STATEMENTS
for the 6 months ended 31 December 2005



ASHTON

**THE MAIZE TRUST
FINANCIAL STATEMENTS
for the 6 months ended 31 December 2005**

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 6 months ended 31 December 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 - 13

Approval

The financial statements which appear on pages 4 to 13 were approved by the trustees on 31 January 2006 and signed on their behalf.



Trustee



Trustee

Pretoria

31 January 2006



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 interim financial statements of The Maize Trust set out on pages 4 to 13 for the year ended 31 December 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 31 December 2005 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 2006

**THE MAIZE TRUST
REPORT OF THE TRUSTEES
for the 6 months ended 31 December 2005**

The trustees present their report for the 6 months ended 31 December 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 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 at the date of this report were as follows:

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

During the six months ending 31 December 2005, Mr HJ Botma and Mr LA Makenete were replaced by Mr JDM Minnaar and Mr WM Ngxekana.

**THE MAIZE TRUST
BALANCE SHEET
31 December 2005**

	Notes	31 December 2005 R	30 June 2005 R
Assets			
Non-current assets			
Investments	2	606,275,479	472,214,925
Current assets			
Debtors		30,933,349	31,789,908
Cash and cash equivalents		-	2,308,455
		30,933,349	29,481,453
Total assets		<u>637,208,828</u>	<u>504,004,833</u>
Equity and liabilities			
Capital and reserves			
Donations	5	637,207,658	503,799,067
Non-distributable reserve	4	289,128,772	264,128,772
Distributable reserve		312,375,600	208,459,985
		35,703,286	31,210,310
Current liabilities			
Trade and other payables		1,170	205,766
Total equity and liabilities		<u>637,208,828</u>	<u>504,004,833</u>

THE MAIZE TRUST
INCOME STATEMENT
for the 6 months ended 31 December 2005

	31 December 2005 R	30 June 2005 R
Income	11,972,251	19,462,004
Dividends received	1,206,790	10,381,749
Interest received	1,535,036	9,029,367
Over provision of ex maize board archives	-	50,888
Funding recovered from beneficiaries	9,230,425	-
Total income	11,972,251	19,462,004
Expenditure	719,200	1,526,462
Administrators fees	323,680	626,122
Advertising	-	29,298
Audit fees- Under provision previous years	10,646	6,108
Auditors' remuneration	-	48,334
Bank charges	919	4,761
Conference costs	28,681	66,968
Forensic Auditors Remuneration	-	337,044
Insurance	51,850	12,351
Interest (SARS prior years)	-	310
Legal expenses	9,701	2,752
Maize Forum Costs	-	35,844
RSC - levies	671	500
Remuneration- Investment advisor	109,190	140,505
Trustees emoluments	183,862	215,565
Net surplus before payments to beneficiaries	11,253,051	17,935,542
Payments to beneficiaries	6 (6,760,075)	(20,810,902)
Net (shortage)/surplus after payments to beneficiaries for 6 months	4,492,976	(2,875,360)
Retained surplus at beginning of 6 months	31,210,310	34,085,670
(Accumulated shortage)/Retained surplus at end of 6 months	35,703,286	31,210,310

THE MAIZE TRUST
CASH FLOW STATEMENT
for the 6 months ended 31 December 2005

	Notes	31 December 2005 R	30 June 2005 R
Cash flows from operating activities		135,512,450	108,053,775
Cash receipts from customers		13,520,720	19,462,004
Cash paid to suppliers and employees		126,009,979	89,991,867
Cash generated by operating activities	10.1	139,530,699	109,453,871
Interest received		1,535,036	9,029,367
Interest paid		-	(310)
Dividends received		1,206,790	10,381,749
Allocations to beneficiary		(6,760,075)	(20,810,902)
Cash flows from investing activities			
Investments		(134,060,554)	(112,057,571)
Increase/(decrease) in cash and cash equivalents		1,451,896	(4,003,796)
Cash and cash equivalents at beginning of the period	10.2	29,481,453	33,485,249
Cash and cash equivalents at end of the period	10.2	30,933,349	29,481,453

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended 31 December 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 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.

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 31 December 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.

	2005 R	2005 R
2. Investments		
Unlisted shares at cost- SAGIS	1	1
Allan Gray Limited (Cost - R143 564 420)	304,697,184	232,173,643
Foord Asset Management (Cost - R102 942 454)	156,649,485	122,402,899
Oasis Asset Management Ltd (Cost - R103 000 379)	144,928,809	117,638,382
	<u>606,275,479</u>	<u>472,214,925</u>
Market value of listed shares	606,275,478	472,214,924
Trustees' valuation of unlisted shares	1	1
	<u>606,275,479</u>	<u>472,214,925</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	832,597	1,337,001
Foord Asset Management (Pty) Ltd	323,017	896,620
Oasis Asset Management Ltd	531,085	854,367
	<u>1,686,699</u>	<u>3,087,988</u>

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended 31 December 2005

3. Contingent liabilities

A contingent liability exist for allocations that were approved subject to certain conditions. The liability as at 31 December 2005 amounts to R 4 086 304, (30 June 2005 - R 5 490 581) as set out in note 7 hereto.

4. Non-distributable reserve

	2005 R	2005 R
Balance at beginning of year	208,459,985	96,399,451
Movement during year:		
- Revaluation of Investment Surplus	103,915,615	112,060,534
Balance at end of year	<u>312,375,600</u>	<u>208,459,985</u>

5. 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 2005	25,000,000	-
	<u>289,128,772</u>	<u>264,128,772</u>

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended 31 December 2005

6. Actual payments to beneficiaries

	2005 R	2005 R
SAGAS -	48,000	
SAGIS	1,444,527	3,060,070
Grain SA	3,375,072	10,810,456
Agricultural Research Council	50,856	3,726,445
SA Grain Laboratory	520,497	517,982
Limpast	352,280	352,281
CSIR	303,331	797,825
University of Pretoria	104,000	180,000
University of Cape Town	180,000	-
University of Free State	31,525	311,654
Medical Research Council	16,000	-
Buhle Farmers Academy	226,788	896,789
SACOTA	-	30,000
Dr WJ van der Walt	8,400	8,400
AMT (Pty) Ltd	-	119,000
No-Till Club	76,135	-
University of Stellenbosch	22,660	-
	<u>6,760,075</u>	<u>20,810,902</u>

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended 31 December 2005

	2005 R	2005 R
7. Allocations approved during the period by the trustees		
Agricultural Research Council	50,856	-
Nu Farmer and African Entrepreneur	290,424	378,816
SAGIS	-	4,504,597
University of The Free State	-	719,235
SA Grain Laboratory	7,432	1,239,125
University of Pretoria	260,000	180,000
Grain South Africa	3,375,072	-
Limpast	-	880,702
Buhle Farmers Academy	-	1,236,972
Dr WJ van der Walt	-	21,000
SACOTA	-	30,000
University of Cape Town	-	1,489,300
SAGAS	120,000	-
NAFU SA	1,000,000	-
Medical Research Council	40,000	-
No-Till Club	190,338	-
University of Stellenbosch	56,650	-
	<u>5,390,772</u>	<u>10,679,747</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 period ending 31 December 2005	5,390,772
Unpaid allocations up to 30 June 2005	<u>5,490,580</u>
	10,881,352
Allocations paid during the six months ending 31 December 2005	(6,760,075)
Recalculation of allocations	<u>34,973</u>
Unpaid allocations up to 31 December 2005	<u>4,086,304</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 2005 and is made up as follows:

SA Grain Laboratory	426,572	939,637
Nu Farmer and African Entrepreneur	290,424	-
University of Cape Town	1,309,300	1,489,300
University of Free State	366,080	407,581
Dr WJ van der Walt	4,200	12,600
SAGIS	-	1,444,528
Buhle Farmers Academy	113,394	340,183
Limpast	176,140	528,421
NAFU SA	1,000,000	
Medical Research Council	24,000	
No-Till Club	114,202	
University of Pretoria	156,000	
University of Stellenbosch	33,990	
SAGAS	72,000	
CSIR	-	328,331
	<u>4,086,304</u>	<u>5,490,581</u>

THE MAIZE TRUST
NOTES TO THE FINANCIAL STATEMENTS
for the 6 months ended 31 December 2005

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.

9. Fair values

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

10. Notes to the cash flow statement

	2005 R	2005 R
<i>10.1 Cash generated by operating activities</i>		
Net profit	11,253,051	17,935,542
Adjustments for:		
Investment income	(2,741,826)	(19,411,116)
Finance costs	-	310
Revaluation surplus on Investments	103,915,615	112,060,534
Profit on realisation of investment	25,000,000	-
	<u>137,426,840</u>	<u>110,585,270</u>
Movements in working capital		
Decrease/(increase) in accounts receivable	2,308,455	(1,258,081)
(Decrease)/increase in accounts payable	(204,596)	126,682
	<u>139,530,699</u>	<u>109,453,871</u>
<i>10.2 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>30,933,349</u>	<u>29,481,453</u>