

## UITNODIGING

U word hartlik uitgenooi na die Algemene Jaarvergadering van SSK te Swellendam op Vrydag 24 Junie 2005 om 10h30 in die Gemeenskapsaal. Ligte verversings sal vanaf 10h00 bedien word. U word genooi om na afloop van die vergadering saam met ons middagete te nuttig.

## INVITATION

You are cordially invited to the Annual General Meeting of SSK at Swellendam to be held on Friday 24 June 2005 at 10h30 in the Community Hall. Light refreshments will be served from 10h00. You are invited to join us for lunch after the meeting.

## INHOUDSOPGAWE / CONTENTS

Bladsy/Page

Kennisgewing: Algemene Jaarvergadering en Sakelys .....	2
Notice: Annual General Meeting and Agenda.....	2
Koöperasiebesonderhede.....	3
Details of the Co-operative.....	3
Korporatiewe Bestuursverslag.....	4
Corporate Management Report.....	5
Verklaring van verantwoordelikhede deur die Raad van Direkteure .....	6
Statement of Responsibilities by the Board of Directors .....	7
Verslag van die onafhanklike ouditeure.....	8
Report of the Independent Auditors .....	9
Korporatiewe Direkteursverslag .....	10 - 11
Corporate Directors' Report .....	12 - 13
Balansstaat .....	14
Balance Sheet.....	15
Inkomstestaat .....	16
Income Statement .....	17
Staat van veranderinge in ekwiteit - Groep.....	18
Statement of Changes in Equity - Group .....	19
Staat van veranderinge in ekwiteit - Koöperasie.....	20
Statement of Changes in Equity - Co-Operative .....	21
Kontantvloeistaat .....	22
Cash Flow Statement .....	23
Aantekeninge tot die finansiële jaarstate .....	24 - 46
Notes to the Annual Financial Statements.....	47 - 55
Spesiale Besluit/Special Resolution.....	56



# ALGEMENE JAARVERGADERING- KENNISGEWING AAN LEDE ANNUAL GENERAL MEETING NOTICE TO MEMBERS

Kennis geskied hiermee dat die Algemene Jaarvergadering van SSK op Vrydag 24 Junie 2005 om 10h30 in die Gemeenskapsaal, Swellendam gehou word.

Notice is hereby given that the Annual General Meeting of SSK will be held on Friday 24 June 2005 in the Community Hall, Swellendam.

## SAKELYS / AGENDA

- 1 Opening
- 2 Verwelkoming deur Voorsitter / Welcome by Chairperson
- 3 Konstituering / Constitution
- 4 Roubeklag / Motion of Condolence
- 5 Goedkeuring van Notules van die Algemene Jaarvergadering 2004  
Approval of the Minutes of the Annual General Meeting 2004
- 6 Behandeling en goedkeuring van Finansiële State  
Consideration and adoption of Financial Statements
- 7 Aanstelling van Ouditeure / Appointment of Auditors
- 8 Verkiesing van Direkteure / Election of Directors
- 9 Bespreking van Algemene Sake / Discussion of General Matters
- 10 Spesiale Besluit / Special Resolution
  - 10.1 Statuutwysiging / Amendment to statute
  - 10.2 SSK 1997



D F JORDAAN  
Sekretaris / Secretary

## KOÖPERASIEBESONDERHEDE / DETAILS OF THE CO-OPERATIVE

**Raad van direkteure / Board of directors** N Loubser - Voorsitter / Chairperson  
J A Baard - Ondervoorsitter / Vice Chairperson  
J N de Kock  
M C Dippenaar  
W P Jacobs  
P Z Lourens  
H J Steyn  
P S Uys  
S L Uys  
A du T Streicher  
D H van Papendorp

### **Hoofbestuur / Management**

E J Pelsler - Hoofbestuurder en Hoof Uitvoerende Beampte  
- General Manager and Chief Executive Officer  
D F Jordaan - Hoofbestuurder - Administrasie en Finansies  
- General Manager - Administration and Finance  
J J Uys - Hoofbestuurder - Handel en Versekering  
- General Manager - Trade and Insurance  
W A Brand - Hoofbestuurder - Meganisasie  
- General Manager - Mechanization  
C H de Beer - Hoofbestuurder - Produkte en Landboudienste  
- General Manager - Products and Agricultural Services

### **Sekretaris / Secretary**

D F Jordaan

### **Geregistreerde adres / Registered Address**

Voortrekstraat 34 / 34 Voortrek Street  
Swellendam  
6740

### **Posadres / Postal Address**

Posbus 12 / P.O. Box 12  
Swellendam  
6740

### **Ouditeure / Auditors**

PricewaterhouseCoopers Ing/Inc  
Posbus 62 / P.O. Box 62  
Worcester  
6849

### **Bankiers / Bankers**

Eerste Nasionale Bank / First National Bank  
Voortrekstraat 33 / 33 Voortrek Street  
Swellendam  
6740

## SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale DIREKTEURSVERSLAG vir die jaar geëindig 28 Februarie 2005

Die groep is verbind tot die beginsels van goeie korporatiewe bestuur en onderskryf die hoogste standaard van integriteit en etiek.

Die groep onderskryf die belangrikste beginsels van korporatiewe bestuur soos vervat in die voorstelle in die King II verslag en voldoen in alle wesenlike opsigte daaraan. Waar die koöperasie nog nie aan enkele vereistes in die opgedateerde King II verslag voldoen nie, word oorweging gegee aan maatreëls ter implementering daarvan.

### **Die Direksie en sy komitees**

Die direksie bestaan uit elf direkteure wat almal nie-uitvoerende direkteure is en as wesenlik onafhanklik beskou kan word. Die volle direksie vergader minstens nege keer per jaar. Die rolle van die Voorsitter en die Hoof Uitvoerende Beampte word nie deur dieselfde persoon vervul nie. Die direkteure dien op verskeie direksiekomitees en direksies van filiale wat tot soveel as vier keer per jaar vergader en aan die volle direksie verslag doen.

Daar is sewe komitees ten opsigte van die sake-aktiwiteite van die koöperasie te wete die saadkomitee, swart ekonomiese bemagtigingskomitee, dagbestuurkomitee, ouditkomitee, boukomitee, veevoerkomitee, bewaringsboerdery- en meganisasiekomitee. Vier direkteure dien op elk van hierdie komitees. Herbenewens is daar 'n kredietkomitee waarop bestuurslede dien wat toesien tot die uitvoering van die kredietbeleid. In besonder is hulle verantwoordelik vir die beoordeling van die invorderbaarheid van skulde en besluite oor die toepaslike optrede waar invorderbaarheid bevestig word.

Gedurende die jaar is 'n ouditkomitee gestig. Die eksterne ouditeure het onbepaalde toegang tot die komitee se bedrywighede wat verseker dat hulle onafhanklik sal skakel. Vergaderings sal ten minste twee keer per jaar gehou word en bygewoon word deur die eksterne ouditeure en toepaslike lede van die senior bestuur, met inbegrip van dié wat by risikobestuur, beheer om finansies betrokke is. Die komitee oorweeg die finansiële state en die rekeningkundige beleid, die effektiwiteit van bestuursinligting, die stelsel van interne beheer en risikobestuur en bespreek die bevindinge en aanbevelings van die eksterne ouditeure.

Geen direkteur dien op meer as twee komitees nie, sodat werk eweredig tussen hulle verdeel is.

### **Interne beheer**

Ten einde verantwoordelikheid vir die finansiële state te aanvaar, maak die direksie staat op stelsels van interne beheer en rekeningkundige en inligtingstelsels wat daarop gemik is om redelike versekering te bied dat bates veilig bewaar word en dat die risiko van foute, bedrog of verliese op 'n effektiewe wyse tot die minimum beperk word. Hierdie beheermaatreëls, wat in skriftelike beleidsdokumente en prosedures vervat is, sluit in die delegering van verantwoordelikhede en bevoegdhede binne 'n duidelike omskrewe raamwerk, doeltreffende rekeningkundige prosedures, skeiding van pligte en monitering deur 'n opgeleide interne audit- en risikobestuurafdeling.

### **Bestuursverslagdoening en etiek**

Die groep handhaaf 'n omvattende beplanning-, koste- en bestuursrekeningkundige stelsel. Dit sluit begrotings, 'n kwartaallike oorsig daarvan, sowel as maandelikse afwykingsverslae in. Bedryfskapitaal word gereeld gekontroleer. Direkteure en personeel handhaaf etiese standaarde wat sal verseker dat sakebeginsels onder alle redelike omstandighede onberispelik toegepas word.

### **Gelyke indiensneming**

Die groep is verbind om 'n omgewing te skep en te handhaaf wat gelyke geleentehede aan alle werknemers bied. Dit impliseer dat gelyke geleentehede bewerkstellig word in die werkplek en om onbillike diskriminasie in enige indiensnemingsbeleid of -praktyk uit te skakel. Inisiatiewe om die vaardighede en ontwikkeling van aangewese werknemers te bevorder, word deurlopend gedoen.

## SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries DIRECTORS' REPORT for the year ended 28 February 2005

The group consequently subscribes to the most important principles of corporate governance as subscribed by the King II Report, and the board is of the opinion that the recommendations of the Report are complied with in all material respects. Where the co-operative does not comply to individual aspects of the Report, consideration is currently given to the implementing of steps to comply fully.

### **The board of directors and its committees**

The board of directors consists of eleven non-executive directors that are essentially considered as independent. The full board meets at least nine times a year. The roles of the chairman and chief executive officer are not fulfilled by the same person. The directors serve on various board committees and boards of affiliates, that meet up to four times per annum and report back to the full board.

There are seven committees in respect of the business activities of the Co-operative, namely the seeds committee, black economic empowerment committee, daily management committee, audit committee, building committee, forage committee, conservation farming- and mechanisation committee. Four directors serve in each of these committees. In addition, there is a credit committee in which management members serve and see that the credit policy is adhered to. They are, in particular, responsible for the assessment of the recoverability of debts and decisions regarding the relevant action where there is doubt about recoverability. During the course of the year an audit committee was established. The external auditors enjoy unrestricted access to the committee's activities, thus ensuring that they liaise independently. Meetings will be held at least twice a year and will be attended by the external auditors and appropriate members of senior management including those concerned with risk management and financial control. The committee considers financial statements and the accounting policy, the efficacy of management information, the systems of internal control and risk management systems as well as the discussion of the findings and recommendations of the external auditors.

In order to spread work evenly, no director serves on more than two committees.

### **Internal Control**

In order to accept responsibility for the financial statements, the board relies on the system of internal controls and accounting and information system, which are aimed at reasonable assurance that the assets are guarded safely and that the risk of mistakes, fraud and losses are effectively minimized. These control measures, which are included in written form as policy documents and procedures, includes the delegation of responsibilities and competencies within a clear defined framework, effective accounting procedures, division of duties and monitoring by a trained internal audit and risk management section.

### **Management reporting and ethics**

The group maintains a comprehensive planning, cost and management accounting system. This includes budgets, a quarterly overview thereof, as well as monthly deviation reports. Operating capital is regularly reviewed. Directors and staff maintain ethical standards that will ensure that business principles are rigidly applied under all reasonable circumstances.

### **Employment equity**

The group is committed to create and sustain an environment that offers employment equity to all employees. This implies that equal opportunities are created in the work place and that unfair discrimination in any employment policy or practice is eliminated. Initiatives to promote the skills and development of relevant employees are continually implemented.

## SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale VERKLARING VAN VERANTWOORDELIKHEDE DEUR DIE RAAD VAN DIREKTEURE

Die direkteure is verantwoordelik vir die instandhouding van toereikende rekeningkundige rekords en die voorbereiding, integriteit en redelike aanbieding van die finansiële state van Sentraal-Suid Koöperasie Beperk. Die finansiële state is opgestel in ooreenstemming met Suid-Afrikaanse Standpunte van Algemeen Aanvaarde Rekeningkundige Praktyk en op die wyse soos vereis deur die Koöperasiewet en sluit bedrae in wat op die oordeel en ramings van bestuur gegrond is. Die finansiële state is gegrond op toepaslike rekeningkundige beleid wat in ooreenstemming met dié van die vorige jaar is, tensy anders gemeld.

Die direkteure is ook verantwoordelik vir die koöperasie se stelsel van interne finansiële beheer. Hierdie kontroles is ontwerp om redelike, maar nie absolute gerusstelling te bied oor die betroubaarheid van die finansiële state, die toereikende beskerming en verantwoording van bates, en om verliese te voorkom en op te spoor. Geen aangeleenthede het onder die aandag van die direkteure gekom wat 'n wesentlike ineenstorting in die funksionering van hierdie kontroles, prosedures en stelsels gedurende die jaar onder oorsig, aandui nie.

Die lopende-saak grondslag is met die opstel van die finansiële state gevolg. Die direkteure het geen rede om te glo dat die koöperasie nie in die afsienbare toekoms 'n lopende saak sal wees nie, gegrond op vooruitskattings en beskikbare kontant- en finansieringsbronne.

Die finansiële state is geouditeer deur die onafhanklike ouditeure, PricewaterhouseCoopers Ingelyf, wat onbeperkte toegang gegee is tot alle finansiële rekords en verwante data, met inbegrip van notules van alle lede-, direksie- en direksiekomiteevergaderings. Die direkteure meen dat alle verklarings wat gedurende hul oudit aan die onafhanklike ouditeure gemaak is, geldig en toepaslik was.

PricewaterhouseCoopers Ing se ouditeursverslag word aangebied op bladsy 8.

Die finansiële state soos uiteengesit op bladsye 10 tot 22 is deur die direkteure goedgekeur:



Vorsitter

Ondervorsitter



12 Mei 2005

## SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries STATEMENT OF RESPONSIBILITIES BY THE BOARD OF DIRECTORS

The Directors are responsible for the maintenance of sufficient accounting records and the preparation, integrity and fair presentation of the financial statements of Sentraal-Suid Co-operative Limited. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Co-Operatives Act and include amounts that are based on management's judgement and estimates. The financial statements are based on appropriate accounting policy in accordance with those of the previous year, unless otherwise specified.

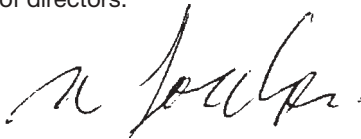
The board of directors is also accountable for the Co-Operative's system of internal financial control. These controls are designed to give reasonable, but not absolute reassurance regarding the reliability of the financial statements, adequate protection and accountability for assets, as well as to prevent and detect losses. No matters came to the attention of the directors to indicate a significant collapse in the functioning of these controls, procedures and systems during the year under review.

The going concern basis has been adopted in the preparing the financial statements. Based on forecasting and available cash- and financing sources, the directors have no reason to believe that the Co-Operative will not be a going concern in the foreseeable future.

The financial statements have been audited by the independent auditors, PricewaterhouseCoopers Incorporated, who was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board and board committees of the board. The directors believe all representations made to the independent auditors during the audit are valid and appropriate.

The audit report of PricewaterhouseCoopers Incorporated is presented on page 4.

The financial statements as presented on pages 10 to 23 have been approved by the board of directors:



Chairperson



Vice Chairperson

12 May 2005

## VERSLAG VAN DIE ONAFHANKLIKE OUDITEURE AAN DIE LEDE VAN SENTRAAL-SUID KOÖPERASIE BEPERK

Ons het die finansiële state van Sentraal-Suid Koöperasie Beperk en die groep vir die jaar geëindig 28 Februarie 2005, soos uiteengesit op bladsye 10 tot 22, geouditeer. Hierdie finansiële state is die verantwoordelikheid van die Koöperasie se direkteure. Dit is ons verantwoordelikheid om op grond van ons oudit 'n mening oor hierdie finansiële state uit te spreek.

### Omvang

Ons het ons oudit ooreenkomstig standpunte van Suid-Afrikaanse Ouditstandaarde, uitgevoer. Hierdie standaarde vereis dat ons die oudit beplan en uitvoer om redelike gerusstelling te verkry dat daar geen wesentliche wanvoorstelling in die finansiële state is nie. 'n Oudit behels:

- 'n ondersoek, op 'n toetsgrondslag, van bewyse wat die bedrae en openbaarmakings in die finansiële state steun;
- beoordeling van die rekeningkundige beginsels wat gebruik is en beduidende ramings wat deur bestuur gemaak is; asook
- 'n oorweging van die geskiktheid van die algehele aanbieding van die finansiële state.

Ons is van mening dat ons oudit 'n redelike grondslag vir ons mening bied.

### Ouditmening

Sonder om ons mening te kwalifiseer, vestig ons die aandag op die verklaring in die direkteursverslag, dat hierdie finansiële state nie noodwendig alle openbaarmakings bevat wat nodig is om aan algemeen aanvaarde rekeningkundige praktyk te voldoen nie.

Na ons mening verstrek hierdie finansiële state, in alle wesentliche opsigte, 'n redelike weergawe van die finansiële stand van die Koöperasie en van die groep op 28 Februarie 2005 en van die resultate van hulle bedrywighede en kontantvloei vir die jaar wat op daardie datum geëindig het, in ooreenstemming met Suid-Afrikaanse Standpunte van Algemeen Aanvaarde Rekeningkundige Praktyk en op die wyse deur die Koöperasiewet vereis.

Na ons beste wete is daar aan die bepalinge van subartikel 153(1) van die Koöperasiewet voldoen.



**PricewaterhouseCoopers Ing**  
**Geoktrooieerde Rekenmeesters (SA)**  
**Geregistreerde Rekenmeesters en Ouditeure**

**Worcester**  
**12 Mei 2005**



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SENTRAAL-SUID CO-OPERATIVE LIMITED

We have audited the financial statements of Sentraal-Suid Co-operative Limited and its subsidiaries as set out on pages 10 to 23 for the year ended 28 February 2005. These financial statements are the responsibility of the directors of the Co-operative. It is our responsibility to express an opinion regarding these financial statements based on our audit.

### Scope

We have conducted our audit in accordance with South African Audit Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements contain no material misrepresentations. An audit includes:

- examining, on a test basis, evidence to support the financial amounts and disclosures;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statements presentation.

We hold the view that our audit provides a reasonable basis for our opinion.

### Audit opinion

Without qualifying our opinion, we point out that these financial statements do not necessarily contain all disclosures required to comply with generally accepted accounting practice.

In our opinion the financial statements fairly present, in all material respects, the financial position of the Co-operative and the group at 28 February 2005, and the results of their operations and cash flows for the year ended in accordance with South African Statements of Generally Accepted Accounting Practices and in the manner required by the Co-operative Act.

To the best of our knowledge the provisions of Sub-section 153(1) of the Co-operative Act have been complied with.



**PricewaterhouseCoopers Inc**  
**Chartered Accountants (SA)**  
**Registered Accountants and Auditors**

**Worcester**  
**12 May 2005**

# SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale

## KORPORATIEWE DIREKTEURSVERSLAG vir die jaar geëindig 28 Februarie 2005

### 1 Aard van besigheid

Die koöperasie doen besigheid te Swellendam en Heidelberg. Die hoofdoelstellings en aktiwiteite van die koöperasie het gedurende die jaar onder oorsig onveranderd gebly, naamlik die:

- verskaffing van boerderybenodigdhede, meganisasie en dienste aan sy lede en ander klante;
- verwerking van graansaad;
- hantering, opberging en bemarking van produsente se graanprodukte deur silo's;
- verskaffing van versekeringsmakelaarsdienste;
- lewering van dienste soos kredietverskaffing en landboubestuursdienste.

Daarbenewens is die koöperasie betrokke by landbouverwante filiale, soos uiteengesit in 5 hierna.

### 2 Lede

Nege lede het ons aan die dood ontval. Innige meegevoel word aan hul naasbestaandes betuig.

Die ledetal het as volg gewissel:

Ledetal aan begin van jaar		738
Min Afgestorwe lede	9	
Lede wat boerdery gestaak het	15	24
		<hr/>
		714
Plus Toetredings		38
		<hr/>
		752

### 3 Finansiële resultate

Die volledige verslag van die groep se finansiële resultate word in die finansiële state, aantekeninge tot die finansiële state en 'n afsonderlike finansiële bestuursoorsig behandel.

### 4 Aanwending van surplus

Dit is steeds die koöperasie se beleid om bonusse toe te deel ooreenkomstig 'n distribusieskema ingevolge Artikel 92 van die Statuut. Volledige inligting rakende die aanwending van die surplus word in die aantekeninge tot die finansiële state saam met die inkomstestaat per doelwit weergegee.

### 5 Filiaalmaatskappye

Die koöperasie het tans beleggings in vier filiaalmaatskappye, naamlik:

Filiaal	Belang	Hoofdoelstelling
(a) Southern Oil Beperk (SOILL)	68%	Ekstraksie van olie uit canolasaad, en raffinering.
(b) SSK Vervaardigers (Eiendoms) Beperk	100%	Vervaardiging van veevoer.
(c) Technifarm (Proprietary) Limited	70%	Presisie boerdery dienste en verskaffing van toerusting.
(d) Langeberg Kunsmis (Eiendoms) Beperk	100%	Bemarking van kunsmis.

Sien asseblief die aantekeninge tot die finansiële state vir meer inligting rakende beleggings in die filiale.

### 6 Aandelekapitaal

152 000 Aandele is vanjaar uitgereik, terwyl 96 400 aandele ingetrek is, waarvan sommige deels opbetaalde aandele bedra.



**7 Direkteure**

Besonderhede van die koöperasie se direkteure, sekretaris en geregistreerde kantoor verskyn by die koöperasiebesonderhede.

**8 Eiendom, aanleg en toerusting**

Daar was geen wesenlike verandering in die aard van die vaste bates van die koöperasie en sy filiale gedurende die rekenpligtige periode of enige verandering in die beleid rakende die gebruik van vaste bates nie.

**9 Beleggings**

Beleggings het toegeneem met R15 048 273 (2004 - R5 266 121) weens die herwaardasie van beleggings ingevolge die rekeningkundige standpunt RE 133. Die surplus is direk in die staat van verandering in ekwiteit verantwoord, netto van uitgestelde belasting.

**10 Wesenlike gebeurde na jaareinde**

Daar is na die beste wete van die direkteure geen wesenlike fout, omstandigheid, gebeurtenis of aangeleentheid wat in die rekenpligtige tydperk of in die tydperk tussen die rekenpligtige datum en die datum van hierdie verslag ontstaan of plaasgevind het wat die beoordeling van die groep se finansiële state behoort te beïnvloed nie.

**11 Waardering en dank**

Die Raad van Direkteure wens sy waardering uit te spreek teenoor lede wat die koöperasie lojaal ondersteun het. Sonder hul ondersteuning sou die sukses wat behaal is nie moontlik wees nie. Die volgende persone en instansies verdien die Raad se innige dank.

- Die Land- en Landboubank van S A.
- Agri SA; Agri Wes-Kaap; Graan Suid-Afrika.
- Landboubesighede met wie besigheid gedoen is.
- Landboubesigheidskamer.
- Die Registrateur van Koöperasies.
- Die ouditeure, PricewaterhouseCoopers Ing, vir die uitvoering van hul ouditpligte, asook vir raadgewende dienste gelewer.
- Eerste Nasionale Bank en alle verskaffers met wie besigheid gedoen is.
- Die bestuur en personeel vir hul aandeel in suksesse wat behaal is.
- Lof en eer aan ons Hemelse Vader wat ons op verskeie terreine onverdienstelik seën.

**12 Ouditeure**

PricewaterhouseCoopers Ing sal voortgaan om as ouditeure op te tree ooreenkomstig artikel 145 van die Koöperasiewet.

Hierdie verkorte weergawe van die finansiële state soos uiteengesit op bladsye 10 tot 22 bevat nie noodwendig alle openbaarmakings wat nodig is om aan algemeen aanvaarde rekeningkundige praktyk te voldoen nie.

Afskrifte van die volledige finansiële jaarstate sal vir veertien dae voor die algemene jaarvergadering beskikbaar wees vir insae by die Hoofkantoor te Swellendam, asook by die takkantoor te Heidelberg.



Voorsitter



Vise-Voorsitter

12 Mei 2005

# SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE DIRECTORS REPORT for the year ended 28 February 2005

## 1 Nature of business

The Co-operative conducts business at Swellendam and Heidelberg. The objectives and activities of the Co-operative have not changed during the year, namely:

- the provision of farming requisites, mechanisation and services to its members and other clients;
- processing of wheat germ;
- the handling, storage and marketing of agricultural produce of producers in silos;
- supplying of insurance broker services;
- rendering of services like the provision of credit and agricultural management services.

The Co-operative is also involved with agricultural related subsidiaries as set out in 5 below.

## 2 Members

Nine members have passed away. Our sincere condolences are expressed towards their next of kin.

The number of members changed as follows:

Number of members at the beginning of year		738
Less deceased members	9	
Members who abandoned farming	15	24
		<u>714</u>
Plus new members		38
		<u>752</u>

## 3 Financial results

The complete report of the group's financial results is dealt with in the financial statements, notes to the financial statements and a separate financial management review.

## 4 Application of surplus

It is still the policy of the Co-operative to apportion bonuses in accordance with a distribution scheme (under section 92 of the statutes). Full details of the apportionment of the surplus are provided in the notes to the financial statements in conjunction with the income statement per objective.

## 5 Subsidiary companies

The Co-operative currently has investments in four subsidiaries:

Subsidiary	Interest	Main objective
(a) Southern Oil Limited (SOILL)	68%	Extraction of oil from canola seeds and refinement.
(b) SSK Vervaardigers (Proprietary) Limited	100%	Manufacturing of animal feeds.
(c) Technifarm (Proprietary) Limited	70%	Precision farming services and provision of equipment.
(d) Langeberg Kunsmis (Proprietary) Limited	100%	Marketing of fertiliser.

Please refer to the notes to the financial statements for further information regarding investments in the Co-operative's subsidiaries.



**6 Share capital**

152 000 shares were issued during the year, while 96 400 shares were bought back, of which some were partly paid up shares.

**7 Directors**

Details of the Co-operatives' directors, secretary and registered office are to be found under the section "Details of the Co-operative."

**8 Property, plant and equipment**

There were no material changes in the nature of the assets in the Co-operative and its subsidiaries during the accounting period, nor were there any changes in the policy regarding the use of fixed assets.

**9 Investments**

Investments have increased by R15 048 273 (2004 - R5 266 121) due to the revaluation of investments as per the accounting statement RE 133. The surplus was directly shown in the statement of changes in equity, net of deferred taxation.

**10 Material events after year-end**

To the best of the knowledge of the Directors no material error, circumstance, occurrence or matter arose or occurred during the accounting period or during the period between the accounting date and the date of this report which could affect the consideration of the financial statements of the group.

**11 Appreciation and acknowledgement**

The Board of Directors wish to express their appreciation towards members who loyally supported the Co-operative. Without their support the success that was achieved would not have been possible. The following persons and institutions deserve the Board's sincere thanks.

- The Land and Agricultural Bank of SA.
- Agri SA; Agri Western-Cape; Grain South Africa
- Agricultural businesses with whom business was conducted.
- Agricultural Chamber of Commerce.
- The Registrar of Co-operatives.
- The auditors, PricewaterhouseCoopers Inc, for performing their auditing duties, as well as for consultation services rendered.
- First National Bank and all suppliers with whom business was conducted.
- Management and staff for their share in the successes achieved.
- Praise and glory to our Heavenly Father who blesses us without merit in various undertakings.

**12 Auditors**

PricewaterhouseCoopers Incorporated will continue acting as auditors in terms of Section 145 of the Co-operatives Act.

CHAIRPERSON

VICE-CHAIRPERSON

12 May 2005

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale**  
**BALANSSTAAT** soos op 28 Februarie 2005

		Groep		Koöperasie	
	AANTEKENING	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>BATES</b>					
<b>Nie-bedryfsbates</b>					
Eiendom, aanleg en toerusting	2	40 711	30 237	16 042	14 617
Ontasbare bate	3	100	100		
Beleggings in filiaalmaatskappye	4			9 180	14 206
Beleggings beskikbaar vir verkoop	5	31 605	16 556	31 605	16 556
		<u>72 416</u>	<u>46 893</u>	<u>56 827</u>	<u>45 379</u>
<b>Bedryfsbates</b>					
Voorraad	6	85 682	84 700	31 695	27 858
Produksielenings en ander debiteure	7	154 008	122 114	143 785	113 059
Korttermynlenings - filiale	8			55 362	52 058
Kontant en kontantekwivalente	9	5 568	796	4 291	7
		<u>245 258</u>	<u>207 610</u>	<u>235 133</u>	<u>192 982</u>
<b>Totale bates</b>		<u>317 674</u>	<u>254 503</u>	<u>291 960</u>	<u>238 361</u>
<b>EKWITEIT EN AANSPREEKLIKHEDE</b>					
<b>Kapitaal en reserwes</b>					
Aandelekapitaal	10	1 962	543	1 974	546
Reserwes		70 485	49 028	63 125	46 519
Ledebelang		72 447	49 571	65 099	47 065
Minderheidsbelang		5 406	3 794		
Totale ekwiteit		77 853	53 365	65 099	47 065
Ledefondse	11	50 231	50 975	50 302	50 981
		<u>128 084</u>	<u>104 340</u>	<u>115 401</u>	<u>98 046</u>
<b>Nie-bedryfslaste</b>					
Langtermynlenings	12	10 680	4 996	2 961	3 980
Uitgestelde belastingaanspreeklikheid	13	4 096	2 136	3 139	1 243
Na-aftrede mediese voordele	14	3 721	4 108	3 544	4 108
		<u>18 497</u>	<u>11 240</u>	<u>9 644</u>	<u>9 331</u>
<b>Bedryfslaste</b>					
Handels- en ander krediteure	15	25 165	30 927	21 786	24 436
Korttermynlenings	16	141 335	105 304	141 400	105 315
Voorsienings	17	2 593	-	2 593	-
Bankoortrekking	18	263	791	-	783
Inkomstebelasting		1 737	1 901	1 136	450
		<u>171 093</u>	<u>138 923</u>	<u>166 915</u>	<u>130 984</u>
<b>Totale ekwiteit en aanspreeklikhede</b>		<u>317 674</u>	<u>254 503</u>	<u>291 960</u>	<u>238 361</u>

**SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries**  
**BALANCE SHEET as at 28 February 2005**

	NOTES	Group		Co-operative	
		2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	40 711	30 237	16 042	14 617
Intangible asset	3	100	100		
Investment in subsidiaries	4			9 180	14 206
Investments available for sale	5	31 605	16 556	31 605	16 556
		<u>72 416</u>	<u>46 893</u>	<u>56 827</u>	<u>45 379</u>
<b>Current assets</b>					
Inventory	6	85 682	84 700	31 695	27 858
Production loans and other debtors	7	154 008	122 114	143 785	113 059
Short term loans - subsidiaries	8			55 362	52 058
Cash and cash equivalents	9	5 568	796	4 291	7
		<u>245 258</u>	<u>207 610</u>	<u>235 133</u>	<u>192 982</u>
<b>Total assets</b>		<u>317 674</u>	<u>254 503</u>	<u>291 960</u>	<u>238 361</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	10	1 962	543	1 974	546
Reserves		70 485	49 028	63 125	46 519
Members' interest		72 447	49 571	65 099	47 065
Minority interest		5 406	3 794		
Total equity		77 853	53 365	65 099	47 065
Members' funds	11	50 231	50 975	50 302	50 981
		<u>128 084</u>	<u>104 340</u>	<u>115 401</u>	<u>98 046</u>
<b>Non-current liabilities</b>					
Long-term loans	12	10 680	4 996	2 961	3 980
Deferred taxation	13	4 096	2 136	3 139	1 243
Post-retirement medical benefits liability	14	3 721	4 108	3 544	4 108
		<u>18 497</u>	<u>11 240</u>	<u>9 644</u>	<u>9 331</u>
<b>Current liabilities</b>					
Trade and other creditors	15	25 165	30 927	21 786	24 436
Short-term loans	16	141 335	105 304	141 400	105 315
Provisions	17	2 593	-	2 593	-
Bank overdraft	18	263	791	-	783
Taxation payable		1 737	1 901	1 136	450
		<u>171 093</u>	<u>138 923</u>	<u>166 915</u>	<u>130 984</u>
<b>Total equity and liabilities</b>		<u>317 674</u>	<u>254 503</u>	<u>291 960</u>	<u>238 361</u>

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale**  
**INKOMSTESTAAT** vir die jaar geëindig 28 Februarie 2005

	AANTEKE- NING	Groep		Koöperasie	
		2005 R'000	2004 R'000	2005 R'000	2004 R'000
Inkomste		386 266	358 749	293 944	276 715
Koste van verkope		(323 676)	(294 354)	(252 937)	(231 699)
Bruto wins		62 590	64 395	41 007	45 016
Ander bedryfsinkomste		5 396	2 582	4 324	2 005
Administratiewe uitgawes		(15 703)	(13 774)	(10 286)	(9 562)
Ander bedryfsuitgawes		(32 222)	(28 676)	(29 192)	(25 479)
Bedryfswins	19	20 061	24 527	5 853	11 980
Netto finansierings- inkomste/(-koste)	21	343	(508)	5 974	5 285
Wins voor belasting		20 404	24 019	11 827	17 265
Belasting	22	(3 748)	(2 634)	(1 634)	(570)
Wins vir die jaar		16 656	21 385	10 193	16 695
Toeskryfbaar aan:					
Toeskryfbaar aan lede		15 044	20 085	10 193	16 695
Minderheidsbelang		1 612	1 300	-	-
		16 656	21 385	10 193	16 695



**SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries**  
**INCOME STATEMENT** for the year ended 28 February 2005

		Group		Co-operative	
	NOTES	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Income		386 266	358 749	293 944	276 715
Cost of Sales		(323 676)	(294 354)	(252 937)	(231 699)
Gross profit		62 590	64 395	41 007	45 016
Other operating income		5 396	2 582	4 324	2 005
Administrative expenditure		(15 703)	(13 774)	(10 286)	(9 562)
Other operating expenditure		(32 222)	(28 676)	(29 192)	(25 479)
Operating profit	19	20 061	24 527	5 853	11 980
Net finance income/(cost)	21	343	(508)	5 974	5 285
Profit before taxation		20 404	24 019	11 827	17 265
Taxation	22	(3 748)	(2 634)	(1 634)	(570)
Profit for the year		16 656	21 385	10 193	16 695
Attributable to:					
Attributable to members		15 044	20 085	10 193	16 695
Minority interest		1 612	1 300	-	-
		16 656	21 385	10 193	16 695

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale  
STAAT VAN VERANDERINGE IN EKWITEIT – GROEP**  
vir die jaar geëindig 28 Februarie 2005

	Aandelekapitaal			Reserwes			Minderheids- belang		Totaal R'000
	R'000	Algemene reserwe R'000	Gebeurlik- heidsreserwe R'000	Reserwe vir toekomstige onderhoud R'000	Reserwe vir krediet- verskaffing R'000	Billike waarde reserwe R'000	Opgehoopte winste/ (verlies) R'000	R'000	
Saldo op 1 Maart 2003	461	6,325	24,283	505	600	9,114	(1,668)	2,494	42,114
Aandele uitgereik gedurende die jaar	90	-	-	-	-	-	-	-	90
Aandele afgetels	(7)	-	-	-	-	-	-	-	(7)
Toename in aandele gehou deur filiale	(1)	-	-	-	-	-	-	-	(1)
Aandelebelegging afgeskryf	-	(8)	-	-	-	-	-	-	(8)
Surplus met hermeting na billike waarde van beleggings beskikbaar vir verkoop	-	-	-	-	-	5,266	-	-	5,266
Aanpassing teen uitgestelde belasting	-	-	-	-	-	26	-	-	26
Netto wins vir die jaar	-	-	-	-	-	-	20,085	1,300	21,385
Bonusse verklaar	-	-	-	-	-	-	(13,175)	-	(13,175)
Uitgestel	-	-	-	-	-	-	(2,325)	-	(2,325)
Kontant	-	-	-	-	-	-	(1,883)	-	(1,883)
Oordrag (vanaf opgehoopte winste)/na reserwes	-	-	1,195	88	600	-	-	-	-
Saldo op 1 Maart 2004	543	6,317	25,478	593	1,200	14,406	1,034	3,794	53,365
Aandele uitgereik/opgeroep gedurende die jaar 1,469	(41)	-	-	-	-	-	-	-	1,469
Aandele afgetels	(9)	-	-	-	-	-	-	-	(9)
Toename in aandele gehou deur filiale	-	-	-	-	-	-	-	-	-
Verbeurdverklaring van ledebelangfondse	-	9	-	-	-	-	-	-	9
Surplus met hermeting na billike waarde van beleggings beskikbaar vir verkoop-	-	-	-	-	-	15,048	-	-	15,048
Aanpassing teen uitgestelde belasting	-	-	-	-	-	(2,240)	-	-	(2,240)
Netto wins vir die jaar	-	-	-	-	-	-	15,044	1,612	16,656
Bonusse verklaar	-	-	-	-	-	-	(4,483)	-	(4,483)
Uitgestel	-	-	-	-	-	-	(1,921)	-	(1,921)
Kontant	-	-	-	-	-	-	(1,921)	-	(1,921)
Oordrag (vanaf opgehoopte winste)/na reserwes	-	-	3,789	-	-	-	(3,789)	-	-
Saldo op 28 Februarie 2005	1,962	6,326	29,267	593	1,200	27,214	5,885	5,406	77,853

**SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries**  
**STATEMENT OF CHANGES IN EQUITY – GROUP**  
for the year ended 28 February 2005

	Share Capital			Reserves			Minority interest	Total	
	R'000	General reserve R'000	Contingency reserve R'000	Reserve for future maintenance R'000	Reserve for provision of credit R'000	Fair value reserve R'000			Accumulated profits/(losses) R'000
Balance 1 March 2003	461	6,325	24,283	505	600	9,114	(1,668)	2,494	42,114
Shares issued throughout the year	90	-	-	-	-	-	-	-	90
Shares redeemed	(7)	-	-	-	-	-	-	-	(7)
Increase in shares held by subsidiaries	(1)	-	-	-	-	-	-	-	(1)
Share investment written off	-	(8)	-	-	-	-	-	-	(8)
Surplus with re-valuation in fair value of investments available for sale	-	-	-	-	-	5,266	-	-	5,266
Adjustment against deferred taxation	-	-	-	-	-	26	-	-	26
Net profit for the year	-	-	-	-	-	-	20,085	1,300	21,385
Bonuses declared	-	-	-	-	-	-	(13,175)	-	(13,175)
Deferred	-	-	-	-	-	-	(2,325)	-	(2,325)
Cash	-	-	-	-	-	-	(1,883)	-	-
Transfer (from accumulated profits)/to reserves	-	-	1,195	88	600	-	-	-	-
Balance 1 Maart 2004	543	6,317	25,478	593	1,200	14,406	1,034	3,794	53,365
Shares issued/called up throughout the year	1,469	-	-	-	-	-	-	-	1,469
Shares redeemed	(41)	-	-	-	-	-	-	-	(41)
Increase in shares held by subsidiaries	(9)	-	-	-	-	-	-	-	(9)
Forfeiture of member interest funds	-	9	-	-	-	-	-	-	9
Surplus with re-valuation in fair value of investments available for sale	-	-	-	-	-	15,048	-	-	15,048
Adjustment against deferred taxation	-	-	-	-	-	(2,240)	-	-	(2,240)
Net profit for the year	-	-	-	-	-	-	15,044	1,612	16,656
Bonuses declared	-	-	-	-	-	-	(4,483)	-	(4,483)
Deferred	-	-	-	-	-	-	(1,921)	-	(1,921)
Cash	-	-	-	-	-	-	(1,921)	-	(1,921)
Transfer (from accumulated profits)/to reserves	-	-	3,789	-	-	-	(3,789)	-	-
Balance on 28 February 2005	1,962	6,326	29,267	593	1,200	27,214	5,885	5,406	77,853

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale  
STAAT VAN VERANDERINGE IN EKWITEIT – KOÖPERASIE  
vir die jaar geëindig 28 Februarie 2005**

	Aandelekapitaal		Reserwes			Opgehoopte winste R'000	Totaal R'000
	R'000	Algemene reserwe R'000	Gebuurlikheidsreserwe R'000	Bilike waarde reserwe R'000	R'000		
Saldo op 1 Maart 2003	463	6,325	24,601	9,114	-	40,503	
Aandele uitgereik gedurende die jaar	90	-	-	-	-	90	
Aandele afgeelos	(7)	-	-	-	-	(7)	
Aandelebelegging afgeskryf	-	(8)	-	-	-	(8)	
Surplus met hermeting na bilike waarde van beleggings beskikbaar vir verkoop	-	-	-	5,266	-	5,266	
Aanpassing teen uitgestelde belasting	-	-	-	26	-	26	
Netto wins vir die jaar	-	-	-	-	16,695	16,695	
Bonusse verklaar	-	-	-	-	-	-	
Uitgestel	-	-	-	-	(13,175)	(13,175)	
Kontant	-	-	-	-	(2,325)	(2,325)	
Oordrag (vanaf opgehoopte winste) /na gebuurlikheidsreserwes	-	-	1,195	-	(1,195)	-	
Saldo op 1 Maart 2004	546	6,317	25,796	14,406	-	47,065	
Aandele uitgereik/opgeroep gedurende die jaar	1,469	-	-	-	-	1,469	
Aandele afgeelos	(41)	-	-	-	-	(41)	
Verbeurderklaring van ledebelangfondse	-	9	-	-	-	9	
Surplus met hermeting na bilike waarde van beleggings beskikbaar vir verkoop	-	-	-	15,048	-	15,048	
Aanpassing teen uitgestelde belasting	-	-	-	(2,240)	-	(2,240)	
Netto wins vir die jaar	-	-	-	-	10,193	10,193	
Bonusse verklaar	-	-	-	-	-	-	
Uitgestel	-	-	-	-	(4,483)	(4,483)	
Kontant	-	-	-	-	(1,921)	(1,921)	
Oordrag (vanaf opgehoopte winste)/na gebuurlikheidsreserwe	-	-	3,789	-	(3,789)	-	
Saldo op 28 Februarie 2005	1,974	6,326	29,585	27,214	-	65,099	

Ingevolge Artikel 86(3) van die Koöperasiewet kan die Algemene Reserwe slegs aangewend word om kapitaalverliese te vergoed.

**SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries**  
**STATEMENT OF CHANGES IN EQUITY – CO-OPERATIVE**  
for the year ended 28 February 2005

	Share capital		Reserves			Accumulated winnings R'000	Total R'000
	R'000	General reserve R'000	Contingency reserve R'000	Fair value reserve R'000			
Balance 1 March 2003	463	6,325	24,601	9,114	-	40,503	
Shares issued throughout the year	90	-	-	-	-	90	
Shares redeemed	(7)	-	-	-	-	(7)	
Share investment written off	-	(8)	-	-	-	(8)	
Surplus with re-valuation in fair value of investments available for sale	-	-	-	5,266	-	5,266	
Adjustment against deferred taxation	-	-	-	26	-	26	
Net profit for the year	-	-	-	-	16,695	16,695	
Bonuses declared	-	-	-	-	(13,175)	(13,175)	
Deferred	-	-	-	-	(2,325)	(2,325)	
Cash	-	-	-	-	(1,195)	(1,195)	
Transfer (from accumulated profits)/to contingency reserve	-	-	1,195	-	-	-	
Balance 1 March 2004	546	6,317	25,796	14,406	-	47,065	
Shares issued/recalled throughout the year	1,469	-	-	-	-	1,469	
Shares redeemed	(41)	-	-	-	-	(41)	
Forfeiture of member interest funds	-	9	-	-	-	9	
Surplus with re-valuation in fair value of investments available for sale	-	-	-	15,048	-	15,048	
Adjustment against deferred taxation	-	-	-	(2,240)	-	(2,240)	
Net profit for the year	-	-	-	-	10,193	10,193	
Bonuses declared	-	-	-	-	(4,483)	(4,483)	
Deferred	-	-	-	-	(1,921)	(1,921)	
Cash	-	-	-	-	(1,921)	(1,921)	
Transfer (from accumulated profits)/ to contingency reserve	-	-	3,789	-	(3,789)	-	
Balance 28 February 2005	1,974	6,326	29,585	27,214	-	65,099	

In accordance with Article 86(3) of the Co-operative Act, the General reserve may only be applied to compensate for capital losses.

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale**  
**KONTANTVLOEISTAAT vir die jaar geëindig 28 Februarie 2005**

	AANTEKENING	Groep		Koöperasie	
		2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>Kontantvloei uit bedryfs-aktiwiteite</b>					
Kontantontvangste vanaf kliente		354 458	346 231	263 463	260 022
Kontant betaal aan verskaffers en werknemers		366 519	(337 223)	(293 734)	(261 016)
Kontant deur bedrywighede voortgebring/(benut)	23	(12 061)	9 008	(30 271)	(994)
Rente ontvang	21	12 470	13 573	17 700	19 101
Rente betaal	21	(12 127)	(14 081)	(11 726)	(13 816)
Dividende ontvang		1 463	1 142	1 463	1 142
Belasting betaal	24	(4 193)	(843)	(1 292)	(788)
<b>Netto kontant uit/(aangewend in) bedrywighede</b>		<b>(14 448)</b>	<b>8 799</b>	<b>(24 126)</b>	<b>4 645</b>
<b>Ledetransaksies</b>					
Aandele uitgereik en ingetrek - netto		1 419	82	1 428	83
Ledebelangfonds terugbetaal	25	(5 162)	(871)	(5 162)	(871)
Ledeheffingsfonds terugbetaal		-	(1 588)	-	(1 588)
Vergoeding aan lede	26	(2 325)	(1 110)	(2 325)	(1 110)
<b>Netto kontant aangewend in ledetransaksies</b>		<b>(6 068)</b>	<b>(3 487)</b>	<b>(6 059)</b>	<b>(3 486)</b>
Toevoeging tot eiendom, aanleg en toerusting		(16 942)	(6 900)	(4 070)	(1 726)
Opbrengs met verkoop van eiendom, aanleg en toerusting		1,044	142	337	25
Verkryging van filiaal		-	-	-	-
Lenings aan filiale terugbetaal/ (toegestaan)		-	-	3 919	(2 000)
Afname in beleggings		-	33	-	33
Toevoegings tot beleggings		-	(4)	-	(4)
<b>Netto kontant aangewend in beleggingsaktiwiteite</b>		<b>(15 898)</b>	<b>(6 729)</b>	<b>186</b>	<b>(3 672)</b>
Langtermynlenings aangeaan		8,999	-	-	-
Langtermynlenings terugbetaal		(3 315)	(2 928)	(1 019)	(1 070)
Korttermynlenings aangeaan		36 030	5 052	36 085	4 904
<b>Netto kontant uit finansierings-aktiwiteite</b>		<b>41 714</b>	<b>2 124</b>	<b>35 066</b>	<b>3 834</b>
Toename in kontant en kontant-ekwivalente		5 300	707	5 067	1 321
Kontant en kontantekwivalente aan begin van jaar	9	5	(702)	(776)	(2 097)
Kontant en kontantekwivalente aan einde van jaar	9	5 305	5	4 291	(776)

**SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries**  
**CASH FLOW STATEMENT for the year ended 28 February 2005**

	NOTES	Group		Co-operative	
		2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>Cash from operating activities</b>					
Cash received from clients		354 458	346 231	263 463	260 022
Cash paid to employees and suppliers		366 519	(337 223)	(293 734)	(261 016)
Cash generated through operating activities/(utilised)	23	(12 061)	9 008	(30 271)	(994)
Interest received	21	12 470	13 573	17 700	19 101
Interest paid	21	(12 127)	(14 081)	(11 726)	(13 816)
Dividends received		1 463	1 142	1 463	1 142
Tax paid	24	(4 193)	(843)	(1 292)	(788)
<b>Net cash from/(applied in) operations</b>		<u>(14 448)</u>	<u>8 799</u>	<u>(24 126)</u>	<u>4 645</u>
<b>Member transactions</b>					
Shares issued and recalled - net		1 419	82	1 428	83
Members' interest fund repaid	25	(5 162)	(871)	(5 162)	(871)
Members' levy fund repaid		-	(1 588)	-	(1 588)
Remuneration of members	26	(2 325)	(1 110)	(2 325)	(1 110)
<b>Net cash utilised in member transactions</b>		<u>(6 068)</u>	<u>(3 487)</u>	<u>(6 059)</u>	<u>(3 486)</u>
Additions to property, plant and equipment		(16 942)	(6 900)	(4 070)	(1 726)
Yield with sale of property plant and equipment		1,044	142	337	25
Purchase of subsidiary		-	-	-	-
Loans to subsidiary repaid (incurred)		-	-	3 919	(2 000)
Decrease in investments		-	33	-	33
Additions to investments		-	(4)	-	(4)
<b>Net cash applied in investment activities</b>		<u>(15 898)</u>	<u>(6 729)</u>	<u>186</u>	<u>(3 672)</u>
Long term loans incurred		8,999	-	-	-
Long term loans repaid		(3 315)	(2 928)	(1 019)	(1 070)
Short term loans incurred		36 030	5 052	36 085	4 904
<b>Net cash from financing activities</b>		<u>41 714</u>	<u>2 124</u>	<u>35 066</u>	<u>3 834</u>
Increase/(decrease) in cash and cash equivalents		5 300	707	5 067	1 321
Cash and cash equivalents at the beginning of the year	9	5	(702)	(776)	(2 097)
Cash and cash equivalents at the end of the year	9	<u>5 305</u>	<u>5</u>	<u>4 291</u>	<u>(776)</u>

# SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale AANTEKENINGE TOT DIE FINANSIËLE JAARSTATE vir die jaar geëindig 28 Februarie 2005

## 1 Rekeningkundige beleid

Die belangrikste rekeningkundige beleid, wat in die opstelling van hierdie finansiële state geïnkorporeer is en wat in alle wesenlike aspekte ooreenstem met die van dié vorige jaar, word hierna uiteengesit:

### 1.1 Basis van opstelling

Die finansiële state, met die uitsondering van beleggings wat herwaardeer is, is opgestel volgens die historiese koste-grondslag in ooreenstemming met Suid-Afrikaanse Standpunte van Algemeen Aanvaarde Rekeningkundige Praktyk.

### 1.2 Konsolidasiegrondslag

#### Konsolidasie

Filiale, wat daardie entiteit is waarin die groep 'n belang van meer as die helfte van die stemreg het, of andersins oor die mag beskik om die finansiële state en bedryfsbeleid te beheer, word gekonsolideer. Filiale word gekonsolideer vanaf die datum waarop beheer na die groep oorgedra word en word nie meer gekonsolideer vanaf die datum waarop beheer ophou nie.

Die aankoopmetode van rekeningkunde word gebruik om die verkryging van filiale te verantwoord. Die koste van 'n verkryging word gemeet teen die billike waarde van die gegewe bates, aandele uitgereik en laste wat op die datum van verkryging aanvaar word, plus koste wat regstreeks aan die verkryging toegeskryf kan word. Die oormaat van die koste van verkryging bo die billike waarde van die netto bates van die filiaal wat verkry is, word as klandisiewaarde te boek gestel.

Intergroep transaksies, -saldo's en ongerealiseerde winste op transaksies word uitgeskakel. Ongerealiseerde verliese word ook uitgeskakel, tensy koste nie verhaal kan word nie. Indien nodig, is die rekeningkundige beleid van filiale verander om ooreenstemming te verseker met die beleid wat deur die groep aanvaar is.

#### Klandisiewaarde

Op elke balansstaatdatum oordeel die groep of daar enige aanduiding van verswakking is. Indien sodanige aanduidings bestaan, word 'n ontleding uitgevoer om te oordeel of die drabedrag van klandisiewaarde ten volle verhaalbaar is. 'n Afskrywing word gemaak indien die drabedrag die verhaalbare bedrag oorskry.

Klandisiewaarde verteenwoordig die surplus van die koste van 'n verkryging bo die billike waarde van die koöperasie se deel van die netto identifiseerbare bates van die verkrygte filiaal soos op die datum van verkryging. Klandisiewaarde word getoon as 'n ontasbare bate.

### 1.3 Eiendom, aanleg en toerusting

Eiendom, aanleg en toerusting word met verkryging teen kosprys te boek gestel. Koste sluit in alle koste wat direk daaraan toeskryfbaar is om die bate in 'n werkende toestand te bring vir sy bedoelde gebruik. Alhoewel die direkteure van mening is dat die markwaarde daarvan die kosprys wesenlik oorskry, word vaste eiendom nie herwaardeer nie.

Waardevermindering op eiendom, aanleg en toerusting word bereken om die kosprys op die reguitlynggrondslag af te skryf na hul residuele waarde oor hul verwagte nutsduur. Geen voorsiening is vir waardevermindering op grond gemaak nie aangesien dit geag word 'n onbeperkte lewensduur te hê. Die periodes waaroor





die onderskeie bates afgeskryf word, is soos volg:

Graansilomasjinerie	: 10 jaar	Fabrieksgebou	: 20 jaar
Masjinerie en gereedskap	: 5 - 8 jaar	Ander geboue	: 20 jaar
Voertuie	: 4 - 8 jaar	Laboratoriumtoerusting	: 6 jaar
Kantoortoerusting	: 3 - 8 jaar		

Waar die verwagte toekomstige ekonomiese bruikbare waarde of lewensduur van 'n item weens veranderinge in bedryfsbenutting afneem, word addisionele waardevermindering voorsien.

Uitgawes ten opsigte van toevoegings en verbeterings van eiendom, aanleg en toerusting word gekapitaliseer soos uitgawes aangegaan word.

Winste en verliese op vervreemdings word bepaal deur die opbrengs met die drabedrag te vergelyk, en dit word in bedryfswins ingesluit.

Herstel en instandhouding word gedurende die finansiële tydperk waarin dit aangegaan word teen die inkomstestaat gedebiteer. Die koste van groot opknappings word by die drabedrag van die bate ingesluit, wanneer dit waarskynlik is dat toekomstige ekonomiese voordele, wat meer is as die oorspronklik geëvalueerde standaard van prestasie van die bestaande bate na die groep sal vloei. Groot opknappings word afgeskryf oor die oorblywende nuttige gebruiksduur van die bate waarop dit betrekking het.

Surplus eiendom, wat hoofsaaklik bestaan uit stoorgeriewe, word verhuur wanneer dit nie self benut word nie. Dit word derhalwe nie geag beleggingseiendomme te wees nie en word soos ander geboue gehanteer soos hierbo uiteengesit.

#### 1.4 Beleggings

Beleggings in filiale word erken teen koste minus 'n voorsiening vir waardedalings-verliese. Die groep klassifiseer sy beleggings in skuld en ekwiteit sekuriteite, wat vir 'n onbepaalde tydperk gehou word, as beleggings beskikbaar vir verkoop en word onder nie-bedryfsbates getoon. Die klassifikasie berus op die doel waarvoor die belegging verkry is.

Aankope en verkope van beleggings word erken op die transaksiedatum, wat die datum is waarop die onderneming hom verbind tot die koop of verkoop van die bate. Die aankoopskoste sluit die transaksiekoste in. Beleggings gehou-vir-verkoop word na aanvanklike erkenning teen billike waarde gemeet waarvan alle veranderinge in billike waarde direk na die staat van verandering in ekwiteit geneem word.

Beleggings wat in 'n aktiewe mark verhandel se billike waarde word bepaal met verwysing na die mark se gekwoteerde aanbodspryse. Vir aandelebeleggings in koöperatiewe entiteite word die billike waarde geag gelyk te wees aan die opbetaalde waarde daarvan. Vir ander beleggings word billike waarde beraam met verwysing na die beskikbare handelingswaarde of waar dit nie gereedlik beskikbaar is nie, word billike waarde gelyk geag aan die historiese drawaarde, min waardedaling. Ongerealiseerde winste/(verliese) met hermeting na billike waarde wat voorheen in die staat van veranderinge in ekwiteit erken is, word direk in die inkomstestaat gerealiseer wanneer die belegging verkoop word.



### **1.5 Uitgestelde belasting**

Uitgestelde belasting word voorsien volgens die aanspreeklikheidsmetode vir alle tydelike verskille wat ontstaan tussen die belastingbasis van bates en laste en hul drawaardes. Uitgestelde belastingbates ten opsigte van onbenutte belastingverliese word slegs erken in die mate wat dit waarskynlik is dat daar genoegsame toekomstige belasbare inkomste sal wees waarteen die onbenutte belastingverlies aangewend kan word. Huidige aangekondigde belastingkoerse word gebruik om uitgestelde belasting te bereken.

Die vernaamste tydelike verskille ontstaan as gevolg van waardevermindering op eiendom, aanleg en toerusting, onbenutte belastingverliese, na-aftrede mediese voordele, opgehoopte verlot, bonusse aan personeel en ander voorsienings.

### **1.6 Voorraad**

Boerderybenodigde, werkswinkelvoorraad, handelsvoorraad, verbruiksmateriaal en grondstowwe word waardeur teen die laagste van kosprys, bereken op die gemiddelde-kostebasis, of netto realiseerbare waarde, met inagneming van veroudering en verkoopbaarheid. Implementevoorraad word waardeur teen die spesifieke kosprys of netto realiseerbare waarde, welke ookal die laagste is. Klarprodukte word waardeur teen die laagste van kosprys, insluitende grondstof- en direkte koste en verwante produksieboekoste, op die gemiddelde kostebasis, of netto realiseerbare waarde.

Netto realiseerbare waarde is die beraamde verkoopprijs in die gewone loop van sake min die koste van voltooiing en verkoopskoste.

### **1.7 Produksielenings en debiteure**

Handelsdebiteure word erken teen gefaktureerde waarde minus 'n voorsiening vir slegte skulde. 'n Raming van slegte skulde word op jaareinde gemaak deur 'n oorsig van uitstaande balanse. 'n Voorsiening vir verswakking van handelsdebiteure word geskep indien daar objektiewe bewyse is dat die groep nie in staat sal wees om alle verskuldigde bedrae volgens die oorspronklike bepalings van die debiteure in te vorder nie. Die bedrag van die voorsiening is die verskil tussen die drabedrag en die verhaalbare bedrag, wat die huidige waarde van verwagte kontantvloei is, teen die markrentekoers vir soortgelyke leners verdiskonteer. Slegte skulde word gedurende die jaar afgeskryf soos dit voorkom.

### **1.8 Kontant en kontantekwivalente**

Vir die doeleindes van die kontantvloeistaat bestaan kontant en kontantekwivalente uit kontant voorhande, daggeld- en lopende rekeninge met banke, netto van bankoortrekkings. Bankoortrekking word op die balansstaat onder bedryfslaste ingesluit.

### **1.9 Lenings en handelskrediteure**

Lenings en handelskrediteure word erken teen die kosprys van goedere ontvang netto van transaksiekoste. Lenings en handelskrediteure word gemeet teen geamortiseerde koste deur gebruik te maak van die effektiewe rentekoersmetode. Verskille tussen die opbrengs en afloswaarde word direk in die inkomstestaat geneem.



### **1.10 Voorsienings**

Voorsienings word erken wanneer die groep 'n huidige wetlike of afgeleide verpligting het as gevolg van gebeure in die verlede, dit waarskynlik is dat 'n uitvloeï van hulpbronne wat die ekonomiese voordele omvat vereis sal word om die verpligting te vereffen, en 'n betroubare beraming van die bedrag van die verpligting gemaak kan word.

### **1.11 Winsdeling en bonusplanne**

'n Aanspreeklikheid vir werknemersvoordele in die vorm van winsdeling en bonusplanne word onder krediteure erken, indien daar geen realistiese alternatief is as om die las te vereffen nie, en daar aan minstens een van die volgende voorwaardes voldoen is:

- daar 'n formele plan is, en die bedrae wat betaal moet word, word bepaal voor die tydstip waarop die finansiële state uitgereik word; of
- vorige praktyk het 'n geldige verwagting by werknemers geskep dat hulle 'n bonus of winsdeling sal ontvang en die bedrag voor die tydstip waarop die finansiële state uitgereik word, bepaal word.

Daar word verwag dat die aanspreeklikheid binne twaalf maande vereffen sal word.

### **1.12 Na-aftrede mediese voordele**

Afgetrede personeel behoort aan die mediese skema van die koöperasie. Maandelikse bydraes van hierdie afgetrede lede word gesubsidieer. Ten einde hierdie omskrewede voordeelverpligting te befonds, word die mediese koste bereken met gebruikmaking van die geprojekteerde eenheid kredietmetode. Waardasies van die verpligting word gereeld gedoen deur onafhanklike gekwalifiseerde aktuarisse. Onder hierdie metode word die koste om voorsiening te maak vir na-aftrede mediese voordele in die inkomstestaat afgeskryf om die koste oor die lewensverwachting van afgetrede werknemers te versprei op grond van advies van 'n gekwalifiseerde aktuaris wat gereelde waardasies van die plan uitvoer. Die toekomstige verpligting word elke drie jaar aktuarieël waardeer. Die jongste aktuariële waardasie is op 28 Februarie 2005 gedoen. Enige aktuariële winste of verliese word in die inkomstestaat erken.

### **1.13 Pensioenskema reëlings**

Die groep bedryf 'n pensioenfonds wat bestaan uit 'n omskrewedebydraeplan. 'n Omskrewedebydraeplan is 'n pensioenplan waarvolgens die groep vaste bydraes in 'n afsonderlike entiteit ('n fonds) inbetaal en geen wetlike of afgeleide verpligting sal hê om verdere bydraes te betaal, indien die fonds nie oor toereikende bates beskik om alle werknemersvoordele met betrekking tot werknemersdiens in die huidige en vorige tydperke te betaal nie. Die bydraes vorm deel van die werknemers se totale koste van indiensname en word as sodanig by personeelkoste ingesluit.

### **1.14 Finansiële instrumente**

Die finansiële instrumente getoon op die balansstaat sluit beleggings, kontant en kontantekwivalente, produksielenings en ander debiteure, korttermynlenings, langtermynlenings en handels- en ander krediteure in. Die spesifieke erkenningsmetodes toegepas is in die individuele aantekeninge, soos van toepassing, geopenbaar.



Finansiële bates en laste word slegs erken wanneer die groep 'n party raak tot die kontraktuele voorsienings van 'n instrument.

Finansiële bates of gedeelte van finansiële bates word slegs onderken wanneer die groep beheer verloor oor die kontraktuele regte wat gepaard gaan met die finansiële bates.

Die aanvanklike erkenning van finansiële bates en laste word getoon teen kosprys, ingesluit enige transaksieskoste.

Na aanvanklike erkenning word finansiële bates soos volg gemeet:

Debiteure gegeneer deur die groep

- geamortiseerde koste deur gebruikmaking van die effektiewe rentekoers metode.

Beleggings beskikbaar vir verkoop

- billike waarde, sonder aftrekking van koste verbonde aan die vervreemding van die beleggings.

Na aanvanklike erkenning word finansiële laste as volg gemeet:

Krediteure en korttermynlenings gegeneer deur die groep

- geamortiseerde koste deur gebruikmaking van die effektiewe rentekoers metode.

Winsten en verliese op finansiële bates en laste, uitgesluit beleggings beskikbaar vir verkoop, weens jaarlikse herstatering word opgeneem deur 'n debiet of krediet na die inkomstestaat. Winsten en verliese op beleggings beskikbaar vir verkoop weens jaarlikse herstatering word opgeneem deur 'n debiet of krediet na ekwiteit tot en met die vervreemding van die beleggings, waarna die geakkumuleerde winste of verliese opgeneem word deur 'n debiet of krediet na die inkomstestaat.

### **1.15 Tesourie-aandele**

Aandele in die koöperasie wat deur Technifarm (Proprietary) Limited, SSK Vervaardigers (Eiendoms) Beperk en Southern Oil Beperk gehou word, word as tesourie-aandele geklassifiseer. Hierdie aandele word as 'n aftrekking teen die opbetaalde aandele hanteer. Die kosprys van die aandele word teen die groep se ekwiteit verreken.

### **1.16 Ledefondse**

Die koöperasie verklaar jaarliks bonusse aan sy lede op 'n grondslag wat vir die koöperasie en sy lede belangtig is. Die uitgestelde bonusse voortvloeiend hieruit word geag 'n bron van finansiering te wees en word as sulks nie as 'n langtermynlas geklassifiseer nie.

### **1.17 Hure**

Hure, waar 'n beduidende gedeelte van die risiko's en belonings van eienaarskap deur die verhuurder behou word, word as bedryfshure geklassifiseer. Betalings wat ooreenkomstig bedryfshure gemaak word, word op 'n reguitlynggrondslag oor die tydperk van die huur teen die inkomstestaat gedebiteer.

### **1.18 Inkomste-erkenning**

Verkope van goedere en dienste verteenwoordig die netto gefaktureerde waarde van verkope ten opsigte van vervaardiging, handelsbedrywighede en ander dienste, uitgesluit belasting op toegevoegde waarde en word erken met lewering van produkte en dienste. Direkte omset word as inkomste erken.



Die invordering van silokoste geskied gedeeltelik by inname van graan of die uitreik van verhandelbare silosertifikate, met die saldo by onttrekking van graan of aanbied van silosertifikate. Die presiese verhoudings waarin kostes verhaal word wissel van geval tot geval.

Ander inkomste wat deur die koöperasie verdien word, word op die volgende basisse erken:

- Rente-inkomste - soos dit ooploop tensy invorderbaarheid twyfelagtig is.
- Dividende-inkomste - wanneer die aandeelhouer se reg om die dividend te ontvang gevestig word.

### 1.19 Rekenaarprogrammatuur

Koste wat met die ontwikkeling of instandhouding van rekenaarprogrammatuur verband hou, word as 'n uitgawe erken wanneer dit aangegaan word.

### 1.20 Verswakking van bates

Daar word oorsig gedoen van eiendom, aanleg en toerusting, asook van ander nie-bedryfsbates, met die oog op verswakkingsverliese wanneer ook al gebeure of veranderinge in omstandighede daarop dui dat die drabedrag moontlik nie verhaalbaar kan wees nie. 'n Verswakkingsverlies word erken vir die bedrag waarmee die drabedrag van die bate die verhaalbare bedrag oorskry, met ander woorde, 'n bate se netto verkoopsprys of waarde in gebruik, wat ook al die hoogste is. Vir die doel van die evaluering van verswakking word bates gegroepeer op die laagste vlak waarop daar afsonderlik identifiseerbare kontantvloei is.

	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>2 Eiendom, aanleg en toerusting</b>				
<b>2.1 Samestelling</b>				
Grond, geboue en graansilo's	11 664	10 370	9 059	7 706
Kosprys	13 789	11 882	10 295	8 495
Opgelope waardevermindering	(2 125)	(1 512)	(1 236)	(789)
Graansilomasjinerie	2 772	2 941	2 772	2 941
Kosprys	27 891	27 429	27 891	27 429
Opgelope waardevermindering	(25 119)	(24 488)	(25 119)	(24 488)
Masjinerie en gereedskap	19 069	10 758	1 445	1 715
Kosprys	31 289	20 560	6 088	5 886
Opgelope waardevermindering	(12 220)	(9 802)	(4 643)	(4 171)
Voertuie	5 266	4 090	1 224	634
Kosprys	9 137	6 961	2 712	1 983
Opgelope waardevermindering	(3 871)	(2 871)	(1 488)	(1 349)
Laboratoriumtoerusting	88	93	-	-
Kosprys	140	125	-	-
Opgelope waardevermindering	(52)	(32)	-	-
Kantoortoerusting	1 852	1 985	1 542	1 621
Kosprys	6 366	5 720	5 621	5 061
Opgelope waardevermindering	(4 514)	(3 735)	(4 079)	(3 440)
<b>Totale vaste bates teen boekwaarde</b>	<b>40 711</b>	<b>30 237</b>	<b>16 042</b>	<b>14 617</b>



**2.2** Besonderhede van die koöperasie en sy filiale se vaste eiendomme is vir lede ter insae beskikbaar by die koöperasie se hoofkantoor.

	<b>2005 R'000</b>	<b>2004 R'000</b>
<b>3 Beleggings in filiaalmaatskappye</b>		
<b>3.1 Southern Oil Beperk</b>	5 686	10 606
Gewone aandele teen kosprys	5 686	5 686
Lening	-	4 920
<b>3.2 SSK Vervaardigers (Eiendoms) Beperk</b>		
Gewone aandele teen kosprys	1 500	1 500
<b>3.3 Technifarm (Eiendoms) Beperk</b>	1 994	2 100
Gewone aandele teen kosprys	100	100
Lening	3 000	2 000
Min: Voorsiening vir verliese van filiaal	(1 106)	-
<b>3.4 Langeberg Kunsmis (Eiendoms) Beperk</b>		
Gewone aandele teen kosprys	-	-
	<u>9 180</u>	<u>14 206</u>

Die lening aan Technifarm (Proprietary) Limited dra rente teen 9.50% per jaar en daar bestaan geen terugbetalingsvoorwaardes nie.

Die lening aan Technifarm (Proprietary) Limited is tot 'n bedrag van R1 105 820 ondergeskik gestel aan die eise van ander krediteure van die maatskappy. Die totale aandeelhouerstekort van die filiaal bedra R1 231 355 (2004 - R210 303).

	<b>2005 R'000</b>	<b>2004 R'000</b>
<b>3.5 Totale belegging in filiale</b>		
Aandele	7 286	7 286
Lenings	1 894	6 920
Debiteure	1 778	1 205
Korttermynlenings	55 362	52 058
Huurkope	2 209	2 858
Krediteure	(2 022)	(2 089)
Ledeleninge	(66)	(10)
Ledebelangefonds	(71)	(6)
	<u>66 370</u>	<u>68 222</u>
<b>3.6 Belang in nabelaste winste/(verliese) van filiale</b>		
Southern Oil Beperk (SOILL)	4 078	3 018
SSK Vervaardigers (Eiendoms) Beperk	380	655
Technifarm (Eiendoms) Beperk	(715)	(280)
Langeberg Kunsmis (Eiendoms) Beperk	2	(3)
	<u>3 745</u>	<u>3 390</u>



#### 4 Beleggings beskikbaar vir verkoop

##### Groep en Koöperasie

##### Rekonsiliasie

	2005 R'000	2004 R'000
Saldo begin van jaar	16 556	11 294
Afskrywing van belegging	-	(8)
Nuwe belegging gemaak	-	4
Waardasie van beleggings beskikbaar vir verkoop ingevolge RE 133	15 049	5 266
Saldo einde van jaar	<u>31 605</u>	<u>16 556</u>
Die beleggings bestaan uit die volgende:		
Gewone aandele in 'n koöperasie	-	-
Gewone genoteerde aandele in maatskappye	6	4
Gewone ongenoteerde aandele in maatskappye	31 599	16 552
	<u>31 605</u>	<u>16 556</u>

5 Voorraad	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Boerderybenodigdhede	18 972	16 487	18 972	16 487
Canola saad	46 473	48 941	-	-
Saadgraan	7 027	9 619	5 499	9 248
Implemente	6 857	1 994	6 857	1 994
Verbruiksmateriaal	392	405	121	129
Produkte	246	-	246	-
Grondstowwe	2 153	4 501	-	-
Klaarprodukte	3 562	2 753	-	-
	<u>85 682</u>	<u>84 700</u>	<u>31 695</u>	<u>27 858</u>

Die voorraad is aan Landbank verpand as sekuriteit vir lenings toegestaan, soos per aantekeninge 12 en 16.

#### 6 Produksielenings en ander debiteure

Lede	132 355	100 731	132 355	100 731
Lopende produksiekrediet	90 788	75 665	90 788	75 665
Oordragkuld	41 567	25 066	41 567	25 066
Produksie	36 084	23 702	36 084	23 702
Huurkope	5 483	1 364	5 483	1 364
Huurkoop - Filiaal			2 209	2 858
Filiale			1 778	1 205
Nie-lede	16 156	15 972	2 967	4 683
Diverse	5 497	5 411	4 476	3 582
	<u>154 008</u>	<u>122 114</u>	<u>143 785</u>	<u>113 059</u>

Alle bedrae ontvangbaar is aan Landbank gesedeer om te dien as sekuriteit vir lenings toegestaan, soos per aantekeninge 12 en 16.



	2005 R'000	2004 R'000
<b>7 Korttermynlenings - filiale</b>		
Voorraadfinansiering	55,362	52,058

Die lenings dra rente teen 9.50%.

	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>8 Kontant en kontantekwivalente</b>				
Kontantvoorskotte	6	6	6	6
Kleinkas	7	7	1	1
Banksaldo's	5 555	783	4 284	-
	<u>5 568</u>	<u>796</u>	<u>4 291</u>	<u>7</u>
Vir die doeleindes van die kontantvloeistaat is kontant- en kontant ekwivalente as volg:				
<b>Samestelling van kontant en kontantekwivalente</b>				
Kontantvoorskotte en kleinkas	13	13	7	7
Banksaldo's	5 292	(8)	4 284	(783)
	<u>5 305</u>	<u>5</u>	<u>4 291</u>	<u>(776)</u>
<b>9 Aandelekapitaal</b>				
Groep				
<b>9.1 Opbetaalde aandele</b>				
Bruto	1 974	546	1 974	546
Min Tesourie-aandele gehou deur filiale	(12)	(3)		
	<u>1 962</u>	<u>543</u>	<u>1 974</u>	<u>546</u>
Koöperasie				
<b>9.2 Uitgereikte aandele van R1 elk</b>	<u>2 997</u>	<u>2 950</u>	<u>3 009</u>	<u>2 953</u>

**9.3** Die onopbetaalde aandelekapitaal en alle verdere aandele wat uitgereik mag word, dien as sekuriteit vir lenings wat van tyd tot tyd aangegaan word by Landbank, soos per aantekeninge 12 en 16.





<b>10 Ledefondse</b>	<b>2005 R'000</b>	<b>2004 R'000</b>
<b>Groep</b>		
<b>10.1.1 Ledebelangefonds</b>	50 231	50 975
Saldo aan die begin van die jaar	50 975	38 677
Beweging gedurende die jaar		
Toevoegings uit surplusse	4 483	13 175
Terugbetalings	(5 162)	(871)
Belang gehou deur filiale	(65)	(6)
<b>10.1.2 Ledeheffingsfonds</b>	-	-
Saldo aan die begin van die jaar	-	1 587
Beweging gedurende die jaar		
Terugbetalings	-	(1 587)
	<b>50 231</b>	<b>50 975</b>
<b>Koöperasie</b>		
<b>10.2.1 Ledebelangefonds</b>	50 302	50 981
Saldo aan die begin van die jaar	50 981	38 677
Beweging gedurende die jaar		
Toevoegings uit surplusse	4 483	13 175
Terugbetalings	(5 162)	(871)
<b>10.2.2 Ledeheffingsfonds</b>	-	-
Saldo aan die begin van die jaar	-	1 587
Beweging gedurende die jaar		
Terugbetalings	-	(1 587)
	<b>50 302</b>	<b>50 981</b>

### 10.3 Ledebelangefonds

Hierdie fonds bestaan uit die oordragte van surplusse voortvloeiend uit die werksaamhede van die koöperasie.

### 10.4 Uitbetalings van fondse geskied onder die volgende voorwaardes, mits die koöperasie volgens die oordeel van die Raad finansieel in staat is om dit te doen:

- (a) Wanneer die finansiële struktuur van die koöperasie dit regverdig om terugbetalings op 'n rotasiebasis te doen.
- (b) By afsterwe van 'n lid.
- (c) By ontbinding van 'n maatskappy wat 'n lid is.
- (d) By beëindiging van boerdery.
- (e) By beëindiging van lidmaatskap op enige ander wyse.



## 11 Langtermynlenings

### Groep

#### 11.1 Versekerde lenings

Landbank

Totale bedrag uitstaande

Min Betaalbaar binne een jaar

Die lenings se rente wissel tussen 9.10% - 10% per jaar. Die lenings is aanvanklik aangegaan vir termynne van 8 tot 36 jaar.

Hierdie lenings is verseker deur:

#### Koöperasie

- Sessie van onbetaalde aandelekapitaal, alle bedrae wat aan die koöperasie verskuldig is en assurancesies, verwys aantekeninge 7 en 10.
- Verband oor die vaste eiendomme van die koöperasie, verwys aantekening 2.
- Notariële kollaterale verband oor die koöperasie se roerende eiendom, verwys aantekeninge 6 en 7.

#### Filiaal - Southern Oil Beperk

- Sessie ten opsigte van alle bedrae wat aan die maatskappy verskuldig is.
- Verband oor vaste eiendom van die maatskappy.
- Notariële kollaterale verband oor die maatskappy se roerende eiendom.
- Borgakke verskaf deur Sentraal-Suid Koöperasie Beperk.
- Landbank se belange is ook genoteer op die maatskappy se versekerings-polis.

#### 11.2 Ander lenings

Buite-aandeehouers

Rentevry

Nywerheids Ontwikkelings Korporasie

Tuinroete Agri Bpk

Ander

Min Betaalbaar binne een jaar

Rentedraend

Die rentedraende aandeehouerslening dra rente teen 9.50% per jaar en daar bestaan geen terugbetalingsvoorwaardes nie.

#### Totaal

	2005 R'000	2004 R'000
Landbank	10 555	4 880
Totale bedrag uitstaande	12 914	6 059
Min Betaalbaar binne een jaar	(2 359)	(1 179)
Buite-aandeehouers	125	116
Rentevry	-	-
Nywerheids Ontwikkelings Korporasie	-	1 582
Tuinroete Agri Bpk	-	61
Ander	-	75
Min Betaalbaar binne een jaar	-	(1 718)
Rentedraend	125	116
<b>Totaal</b>	<b>10,680</b>	<b>4,996</b>



<b>Koöperasie</b>		<b>2005</b> <b>R'000</b>	<b>2004</b> <b>R'000</b>
<b>11.3 Versekerde lenings</b>			
Landbank		2 961	3 980
Totale bedrag uitstaande		3 915	4 916
Min Betaalbaar binne een jaar		(954)	(936)

Die lenings dra rente teen 10% per jaar. Die lenings is aanvanklik aangegaan vir termynne van 10 tot 36 jaar.

Hierdie lenings is verseker soos vermeld in aantekening 11.1

	<b>Groep</b>		<b>Koöperasie</b>	
	<b>2005</b> <b>R'000</b>	<b>2004</b> <b>R'000</b>	<b>2005</b> <b>R'000</b>	<b>2004</b> <b>R'000</b>
<b>12 Handels- en ander krediteure</b>				
Handelskrediteure	18 647	18 881	15 469	15,839
Filiale			2 022	2 089
Kontantbonus	1 921	2 325	1 921	2 325
Ander krediteure	2 238	6 824	1 420	3 247
Langtermynlenings binne een jaar betaalbaar	2 359	2 897	954	936
	<u>25 165</u>	<u>30 927</u>	<u>21,786</u>	<u>24 436</u>
<b>13 Korttermynlenings</b>				
Ledelenings	65 359	77 916	65 424	77 927
Landbank	75 976	27 388	75 976	27 388
Lopende produksievoorraad	14 501	13 354	14 501	13 354
Ledeskuld	50 244	14 034	50 244	14 034
WGOL Produkte	11 231	-	11 231	-
	<u>141 335</u>	<u>105 304</u>	<u>141 400</u>	<u>105 315</u>

Die lenings van Landbank dra rente teen 8.50% en is terugbetaalbaar 15 Julie 2005.

Die lenings van Landbank is verseker deur:

- Sessie van onbetaalde aandele-kapitaal, alle bedrae wat aan die koöperasie verskuldig is en assuransies, verwys aantekeninge 7 en 10.
- Pandreg op voorraad, verwys aantekening 6.
- Borgakte verskaf deur Southern Oil Beperk wat beperk is tot die finansiering wat via die koöperasie na Southern Oil gekanaliseer is.
- Sessies verskaf deur Southern Oil Beperk ten opsigte van alle bedrae wat aan die maatskappy verskuldig is as sekuriteit vir finansiering wat via die koöperasie na Southern Oil Beperk gekanaliseer is en assuransies.

## 14 Bedryfswins

Bedryfswins is bereken na inagneming van die volgende items.

	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>Inkomste</b>				
Dividende ontvang				
Ongenoteerde beleggings	1 462	1 142	1 462	1 142
Kapitale wins met verkoop van vaste bates	92	31	87	9
Waardevermindering verhaal	228	21	74	17
Huur ontvang	164	88	225	178
Terugskrywing van voorsiening teen lening aan Afrigrain	1 396	-	1 396	-
<b>Uitgawes</b>				
Besoldiging - Nie-uitvoerende direkteure			347	303
Dienste as direkteur				
- Fooie			246	205
- Toelaes			101	98
<b>Bedryfshuurbetalings</b>				
Eiendom	407	260	308	260
Toerusting	6	-	-	-
Ouditeursvergoeding	318	321	238	218
Huidige jaar	283	278	219	205
Ondervoorsien vorige jaar	5	3	-	-
Uitgawes	19	22	19	13
Ander dienste	11	18	-	-
Slegte skulde afgeskryf	-	3	-	3
Verhoging/(verlaging) in voorsiening van na-aftrede mediese voordele	(387)	286	(564)	286
Verhoging in voorsiening vir twyfelagtige skulde	9	-	-	-
Voorsiening vir verlies van filiaal			1 106	-
Waardevermindering	5 745	4 837	2 468	2 179
Grond, geboue en graansilo's	615	524	449	396
Graansilomasjinerie	631	642	631	642
Masjinerie en gereedskap	2,418	2,060	472	473
Voertuie	1,266	931	262	95
Kantoortoerusting	796	672	654	573
Laboratoriumtoerusting	19	8	-	-
Personeele koste (verwys aantekening 20)	29 136	25 312	23 301	21 017
Fooie aan nie-werknemers				
Bestuursdienste	51	102	30	71
Regsdiens	2 163	1 345	2 129	1 345



	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>15 Personeelkoste</b>				
Totale koste van indiensname	26 920	23 656	21 262	19 361
Lone	895	859	895	859
Na-aftrede mediese koste	(387)	286	(564)	286
Aansporingsbonusse	1 708	511	1 708	511
	<u>29 136</u>	<u>25 312</u>	<u>23 301</u>	<u>21 017</u>
<b>16 Netto finansierings- inkomste/(-koste)</b>				
Rente betaal				
Rentedraende lenings				
Landbank	6 285	7 406	5 939	7 252
Ledeleninge	5 677	6 409	5 677	6 409
Banklenings en oortrekkings	90	112	75	106
Ander	75	154	35	49
	<u>12 127</u>	<u>14 081</u>	<u>11 726</u>	<u>13 816</u>
Rente ontvang	12 470	13 573	17 700	19 101
Bank	22	146	16	109
Debiteure en lede	12 359	13 427	12 098	13 267
Filiale			5 497	5 725
Ander	89	-	89	-
Netto finansieringsinkomste/(koste)	<u>343</u>	<u>(508)</u>	<u>5 974</u>	<u>5 285</u>
<b>17 Kontant deur bedrywighede voortgebring/(benut)</b>				
Netto inkomste voor belasting	20 404	24 019	11 827	17 265
Aansuiwerings vir:				
Items wat nie kontantvloei verteenwoordig:				
Waardevermindering	5 745	4 837	2 468	2 178
Waardevermindering verhaal	(228)	(21)	(74)	(17)
Wins met verkoop van bates	(92)	(31)	(87)	(9)
Verhoging/(verlaging) in voorsiening vir na-aftrede mediese voordele	(387)	286	(564)	286
Ledebelangefonds verbeur	9	-	9	-
Bonusse verklaar aan filiale	(65)	-	-	-



	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Voorsiening vir verlies in filiaal			1 106	-
Items wat elders in die kontant- vloeistaat opgeneem word:				
Rente betaal	12 127	14 081	11 726	13 816
Rente ontvang	(12 470)	(13 573)	(17 700)	(19 101)
Dividende ontvang	(1 462)	(1 142)	(1 462)	(1 142)
	23 581	28 456	7 249	13 276
Veranderinge in bedryfskapitaal	(35 642)	(19 448)	(37 520)	(14 270)
Toename in voorraad	(982)	(12,903)	(3,837)	(843)
Toename in produksielenings, ander debiteure en korttermyn- lenings	(31 894)	(12 518)	(34 030)	(16 692)
Toename/(afname) in handels- en ander krediteure en voor- sienings	(2 766)	5 973	347	3 265
Netto kontant uit/(aangewend in) bedrywighede	(12 061)	9 008	(30 271)	(994)
<b>18 Belasting betaal</b>				
Saldo aan die begin van die jaar	1 902	480	450	394
Gedebiteer in inkomstestaat	4 028	2 264	1 978	844
Saldo aan die einde van die jaar	(1 737)	(1 901)	(1 136)	(450)
	4 193	843	1 292	788
<b>19 Ledebelangefonds terugbetaal</b>				
Saldo aan die begin van die jaar	50 974	38 677	50 981	38 677
Bonus verklaar	4 418	13 168	4 483	13 175
Saldo aan die einde van die jaar	(50 230)	(50 974)	(50 302)	(50 981)
	5 162	871	5 162	871
<b>20 Vergoeding aan lede</b>				
Ledekrediteure aan die begin van die jaar	2 325	1 110	2 325	1 110
Voorgestel vanjaar				
Kontantbonus	1 921	2 325	1 921	2 325
	4 246	3 435	4 246	3 435
Min Verskuldig aan die einde van die jaar	1 921	2 325	1 921	2 325



	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Betalings gedurende die jaar	2 325	1 110	2 325	1 110
Kontantbonus	2 325	913	2 325	913
Rente op ledeheffingsfonds	-	197	-	197
<b>21 Kapitaaluitgawes goedgekeur</b>				
Kapitaaluitgawes goedgekeur				
Nie gekontrakteer	8 014	17 722	2 213	2 722

Hierdie verpligtinge is goedgekeur deur die onderskeie direksies. Die verpligtinge sal gefinansier word uit eie fondse, behalwe in die geval van 'n filiaal waar R1 001 095 deur vreemde fondse gefinansier sal word.

## 22 Pensioenskema reëlings

Werknemers van die koöperasie dra by tot onderskeidelik die Sentraal-Suid Koöperasie Aftreefonds en Staal - en Nywerheid Pensioenfonds. Die Sentraal-Suid Aftreefonds word deur ABSA Konsultante en Aktuarisse geadminestrer, en beheer deur die bepalings van die Wet op Pensioen-fondse, 1956.

Alle werknemers is lede van die omskrewe bydrae planne. Lidmaatskap van genoemde fondse is vir alle werknemers van die koöperasie beskikbaar, onderhewig aan die bepalings van onderskeie reglemente.

## 23 Voorwaardelike aanspreeklikhede

**23.1** Voorwaardelike aanspreeklikheid weens 'n beperkte waarborgstelling ten opsigte van die filiaal

Technifarm (Eiendoms) Beperk ten bedrae van

Die uitstaande verpligting het op 28 Februarie

2005 R262 527 bedra.

**23.2** 'n Borgakte aan Landbank ten opsigte van 'n lening aan die filiaal, Southern Oil Beperk ten bedrae van

Die uitstaande verpligting het op 28 Februarie 2005

R8 998 905 bedra.

**23.3** Besendingsvoorraad

**23.4** Die koöperasie is tans in 'n regseding betrokke weens die swigting van silo's. 'n Voorsiening van R1 838 464 is reeds geskep.

2005 R'000	2004 R'000
600	600
10 000	-
487	511

# SENTRAAL-SUID CO-OPERATIVE and its affiliates

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2005

### 1 Accounting policy

The principal accounting policy, incorporated in the compilation of these financial statements and agreeing in all material respects with that of the previous year, has been set out below:

#### 1.1 Basis of compilation

The financial statements, with the exception of investments that have been revalued, have been compiled according to the historical cost basis in agreement with South African Statements of Generally Accepted Accounting Practice.

#### 1.2 Basis of consolidation

##### Consolidation

Subsidiaries, being those entities in which the group has an interest of more than half the voting rights, or over which the group has the power otherwise to control its financial statements and operational policy, have been consolidated. Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date on which control ceases.

The buying method of accounting is used to account for the acquisition of subsidiaries.

The cost of an acquisition is measured against the fair value of the given assets, shares issued and liabilities accepted on the date of acquisition, plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired are brought to book as goodwill.

Intergroup transactions, balances, and unrealised profits on transactions have been eliminated. Unrealised losses have also been eliminated, unless costs cannot be recovered. Where necessary, the accounting policy of subsidiaries has been changed to ensure agreement with the policy adopted by the group.

##### Goodwill

At each balance sheet date the group considers whether there is any indication of impairment. If such indications exist, an analysis is performed to judge whether the carrying amount of goodwill is fully recoverable. A write-off is made if the carrying amount exceeds the recoverable amount.

Goodwill represents the surplus of the cost of an acquisition over the fair value of the co-operative's part of the net identifiable assets of the acquired subsidiary as at date of acquisition. Goodwill is indicated as an intangible asset.

#### 1.3 Property, plant and equipment

Property, plant and equipment are recorded at cost upon acquisition. Costs include all costs directly attributable to bringing the asset to a workable condition for its intended use. Although the directors believe that the market value thereof materially exceeds the cost price, fixed property is not revalued.

Depreciation on property, plant and equipment is calculated to write off the cost price on the straight-line basis to its residual value over its expected useful life. No provision was made for depreciation on land as it is deemed to have an unlimited life. The periods over which the various assets are written off are as follows:





Granary machinery	: 10 years
Machinery and tools	: 5 - 8 years
Vehicles	: 4 - 8 years
Office equipment	: 3 - 8 years
Factory building	: 20 years
Other buildings	: 20 years
Laboratory equipment	: 6 years

Where the expected future economic useful value or life of an item decreases due to changes in operational utilisation, additional depreciation is provided.

Expenses in respect of additions and improvements to property, plant and equipment are capitalised as they are incurred.

Profits and losses on disposals are determined by comparing the return with the carrying amount, and this is included in operating profit.

Repairs and maintenance are expensed against the income statement during the financial period in which they are incurred. The cost of substantial renovations is included with the carrying amount of the asset when it is probable that the future economic benefits, being more than the original evaluated standard of performance of the existing asset, will flow to the group. Substantial renovations are written off over the residual useful life of the asset to which they relate.

Surplus property, consisting mainly of storage facilities, is rented out when not utilised. It is thus not deemed to be investment property and is treated like other buildings as set out above

#### **1.4 Investments**

Investments in subsidiaries are recognised at cost minus a provision for losses due to depreciation. The group classifies its investments in debt and equity securities, that are held for an unspecified period, as investments available for sale and these are stated under non-current assets. The classification is based on the purpose which the investment was acquired for.

Purchases and sales of investments are recognised at the transaction date, which is the date on which the undertaking commits itself to the buying or selling of the asset. The cost of acquisition includes the transaction costs. Investments held for sale are measured against fair value after initial recognition with all changes in fair value being taken directly to the statement of changes in equity.

The fair value of investments traded in an active market is determined with reference to the quoted offer price of the market. For share investments in co-operative entities the fair value is deemed to equal the paid-up value thereof. For other investments the fair value is estimated with reference to the available trading value or, where this is not readily available, the fair value is deemed to be equal to the historical carrying value, less depreciation. Unrealised profits/(losses) upon remeasurement to fair value recognised previously in the statement of changes in equity are realised directly in the income statement upon disposal of the investment.



### **1.5 Deferred taxation**

Deferred taxation is provided according to the liability method for all temporary differences arising between the taxation basis of assets and liabilities and their carrying values. Deferred taxation assets in respect of unutilised taxation losses are only recognised to the extent that it is probable that there will be sufficient future taxable income against which the unused taxation loss can be applied. Current proclaimed taxation rates are used to calculate deferred taxation.

The principal temporary differences arise due to a decrease in the value of property, plant and equipment, unutilised taxation losses, post-retirement medical benefits, accumulated leave, bonuses to staff and other provisions.

### **1.6 Inventory**

Farming requisites, workshop inventory, trading inventory, consumable stock and raw materials are valued at the lower of cost, determined on the average-cost basis, or net realisable value, taking into consideration ageing and saleability. Implement inventory is valued at the lower of specific cost price or net realisable value. Finished products are valued at the lower of cost, including raw material and direct costs and related production overheads, on the average-cost basis, or net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the cost of completion and selling costs.

### **1.7 Production loans and debtors**

Trade debtors are recognised at invoiced value minus a provision for bad debts. An estimate of bad debts is made at year-end by reviewing outstanding balances.

A provision for deterioration of trade debtors is created if there is objective proof that the group will not be able to collect all due amounts under the original terms of the debtors. The amount of the provision is the difference between the carrying amount and the recoverable amount, which is the current value of expected cash-flow, discounted against the market interest rate for similar borrowers. Bad debts are written off during the year as they occur.

### **1.8 Cash and cash equivalents**

For the purposes of the cash-flow statement, cash and cash equivalents consist of cash on hand, call accounts and current accounts with banks, net of bank overdrafts. Bank overdrafts are included in the balance sheet under current liabilities.

### **1.9 Loans and trade creditors**

Loans and trade creditors are recognised at the cost price of goods received net of transaction costs. Loans and trade creditors are measured against amortised cost by applying the effective-interest method. Differences between the yield and redemption value are taken directly to the income statement.



### **1.10 Provisions**

Provisions are recognised when the group has a current legal or derived obligation due to events in the past, it is probable that an outflow of resources comprising the economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

### **1.11 Profit-sharing and bonus schemes**

A liability for employee benefits in the form of profit-sharing and bonus schemes is recognised under creditors, if there is no realistic alternative to settling the liability, and a reliable estimate can be made of the amount of the obligation, and at least one of the following conditions has been met:

- there is a formal scheme, and the amounts payable are determined before the point at which the financial statements are issued; or
- previous practice has created a valid expectation with employees that they will receive a bonus or profit-sharing and the amount is determined before the point at which the financial statements are issued.

It is expected that the obligation will be settled within twelve months.

### **1.12 Post-retirement medical benefits**

Retired staff belong to the medical scheme of the co-operative. Monthly contributions of these retired members are subsidised. In order to fund this defined benefit obligation, the medical costs are calculated by using the projected unit credit method. Valuations of the obligation are performed regularly by independent qualified actuaries. Under this method the cost of making a provision for post-retirement medical benefits is written off in the income statement to distribute the cost over the life expectancy of retired employees based on the advice of a qualified actuary performing regular valuations of the plan. The future obligation is actuarially valued every three years. The latest actuarial valuation was performed on 28 February 2005. Any actuarial profits or losses are recognised in the income statement.

### **1.13 Pension scheme arrangements**

The group operates a pension fund consisting of a defined contribution plan. A defined contribution plan is a pension plan according to which the group deposits fixed contributions into a separate entity and will have no legal or derived obligation to pay any further contributions, should the fund not have sufficient assets to pay all employee benefits relating to employee service in the current and previous periods. The contributions form part of the employees' total cost of employment and as such are included with staff costs.

### **1.14 Financial instruments**

The financial instruments shown on the balance sheet include investments, cash and cash equivalents, production loans and other debtors, short-term loans, long-term loans and trade and other creditors. The specific methods of recognition applied have been disclosed in the individual notes, as applicable.

Financial assets and liabilities are only recognised when the group becomes party to the contractual provisions of an instrument.



Financial assets or parts of financial assets are only unrecognised when the group loses control over the contractual rights accompanying the financial assets.

The initial recognition of financial assets and liabilities is shown at cost, including any transaction costs.

Following initial recognition, financial assets are measured as follows:

Debtors generated by the group

- amortised cost by applying the effective-interest method.

Investments available for sale

- fair value, without deducting costs relating to the disposal of the investments.

Following initial recognition, financial liabilities are measured as follows:

Creditors and short-term loans generated by the group

- amortised costs by applying the effective-interest method.

Profits and losses on financial assets and liabilities, excluding investments available for sale, due to annual restatement, are taken up by a debit or credit to the income statement. Profits and losses on investments available for sale due to annual restatement are taken up by a debit or credit to equity until the disposal of the investments, whereafter the accumulated profits or losses are taken up by a debit or credit to the income statement.

#### **1.15 Treasury shares**

Shares in the co-operative held by Technifarm (Proprietary) Limited, SSK Manufacturers (Proprietary) Limited and Southern Oil Limited are classified as treasury shares.

These shares are dealt with as a deduction against the paid-up shares. The cost price of the shares is offset against the group's equity.

#### **1.16 Members' funds**

The co-operative declares bonuses to its members annually on a basis that is most beneficial for the co-operative and its members taxation-wise. The deferred bonuses arising from this are deemed to be a source of financing and as such are not classified as a long-term liability.

#### **1.17 Leases**

Leases, where a significant part of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made in accordance with operating leases are debited against the income statement on a straight-line basis over the period of the lease.

#### **1.18 Income recognition**

Sales of goods and services represent the net invoiced value of sales in respect of manufacturing, trade activity and other services, excluding value-added taxation, and are recognised upon the supply of products and services. Direct turnover is recognised as income.

The collection of silo costs occurs partially upon intake of grain or the issuing of negotiable silo certificates, with the balance upon extraction of grain or presentation of silo certificates. The precise ratios in which costs are recovered vary from one case to the next.



Other income earned by the co-operative is recognised on the following bases:

- Interest income - as it accrues unless recoverability is doubtful.
- Dividend income - when the shareholder's right to receive the dividend vests.

### 1.19 Computer software

Costs relating to the development or maintenance of computer software are recognised as an expense upon incurral.

### 1.20 Impairment of assets

A review is performed of property, plant and equipment, as well as other non-current assets, with a view to impairment losses whenever events or changes in circumstances are indicative of the carrying amount possibly not being recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds the recoverable amount, in other words, the higher of an asset's net selling price or usage value. For the purpose of the evaluation of impairment, assets are grouped at the lowest level at which there are separately identifiable cash flows.

	Group		Co-operative	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>2 Property, plant and equipment</b>				
<b>2.1 Composition</b>				
Land, buildings and granaries	11 664	10 370	9 059	7 706
Cost	13 789	11 882	10 295	8 495
Accumulated depreciation	(2 125)	(1 512)	(1 236)	(789)
Granary machinery	2 772	2 941	2 772	2 941
Cost	27 891	27 429	27 891	27 429
Accumulated depreciation	(25 119)	(24 488)	(25 119)	(24 488)
Machinery and tools	19 069	10 758	1 445	1 715
Cost	31 289	20 560	6 088	5 886
Accumulated depreciation	(12 220)	(9 802)	(4 643)	(4 171)
Vehicles	5 266	4 090	1 224	634
Cost	9 137	6 961	2 712	1 983
Accumulated depreciation	(3 871)	(2 871)	(1 488)	(1 349)
Laboratory equipment	88	93	-	-
Cost	140	125	-	-
Accumulated depreciation	(52)	(32)	-	-
Office equipment	1 852	1 985	1 542	1 621
Cost	6 366	5 720	5 621	5 061
Accumulated depreciation	(4 514)	(3 735)	(4 079)	(3 440)
<b>Total fixed assets at book value</b>	<b>40 711</b>	<b>30 237</b>	<b>16 042</b>	<b>14 617</b>



2.2 Particulars of the fixed properties of the co-operative and its subsidiaries are available for inspection by members at the head office of the co-operative.

	2005 R'000	2004 R'000
<b>3 Investments in subsidiaries</b>		
<b>3.1 Southern Oil Limited</b>	5 686	10 606
Ordinary shares at cost	5 686	5 686
Loan	-	4 920
<b>3.2 SSK Vervaardigers (Proprietary) Limited</b>		
Ordinary shares at cost	1 500	1 500
<b>3.3 Technifarm (Proprietary) Limited</b>	1 994	2 100
Ordinary shares at cost	100	100
Loan	3 000	2 000
Less: Provision for losses of subsidiary	(1 106)	-
<b>3.4 Langeberg Kunsmis (Proprietary) Limited</b>		
Ordinary shares at cost	-	-
	9 180	14 206

The loan to Technifarm (Proprietary) Limited bears interest at 9.50% per annum and there are no repayment conditions.

The loan to Technifarm (Proprietary) Limited has been subordinated in the amount of R1 105 820 to the claims of other creditors of the company. The total shareholders' deficit of the subsidiary amounts to R1 231 355 (2004 - R210 303).

	2005 R'000	2004 R'000
<b>3.5 Total investment in subsidiaries</b>		
Shares	7 286	7 286
Loans	1 894	6 920
Debtors	1 778	1 205
Short-term loans	55 362	52 058
Leases	2 209	2 858
Creditors	(2 022)	(2 089)
Members' loans	(66)	(10)
Members' interest fund	(71)	(6)
	66 370	68 222
<b>3.6 Interest in profits/(losses) of subsidiaries net of taxation</b>		
Southern Oil Limited (SOILL)	4 078	3 018
SSK Vervaardigers (Proprietary) Limited	380	655
Technifarm (Proprietary) Limited	(715)	(280)
Langeberg Kunsmis (Proprietary) Limited	2	(3)
	3 745	3 390



<b>4 Investments available for sale</b>	<b>2005</b>	<b>2004</b>
<b>Group and Co-operative</b>	<b>R'000</b>	<b>R'000</b>
<b>Reconciliation</b>		
Balance beginning of year	16 556	11 294
Write-off of investment	-	(8)
New investment made	-	4
Valuation of investments available for sale under AC 133	<u>15 049</u>	<u>5 266</u>
Balance end of year	<u>31 605</u>	<u>16 556</u>
The investments consist of the following:		
Ordinary shares in a co-operative	-	-
Ordinary listed shares in companies	6	4
Ordinary unlisted shares in companies	<u>31 599</u>	<u>16 552</u>
	<u>31 605</u>	<u>16 556</u>

	<b>Group</b>		<b>Co-operative</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
<b>5 Inventory</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Farming requisites	18 972	16 487	18 972	16 487
Canola seed	46 473	48 941	-	-
Seed grain	7 027	9 619	5 499	9 248
Implements	6 857	1 994	6 857	1 994
Consumables	392	405	121	129
Products	246	-	246	-
Raw materials	2 153	4 501	-	-
Finished products	<u>3 562</u>	<u>2 753</u>	-	-
	<u>85 682</u>	<u>84 700</u>	<u>31 695</u>	<u>27 858</u>

The inventory has been pledged to Land Bank as security for loans granted, as per notes 12 and 16.

<b>6 Production loans and other debtors</b>				
Members	132 355	100 731	132 355	100 731
Current production credit	90 788	75 665	90 788	75 665
Transfer debt	41 567	25 066	41 567	25 066
Production	36 084	23 702	36 084	23 702
Leases	5 483	1 364	5 483	1 364
Lease - Subsidiary			2 209	2 858
Subsidiaries			1 778	1 205
Non-members	16 156	15 972	2 967	4 683
Sundries	5 497	5 411	4 476	3 582
	<u>154 008</u>	<u>122 114</u>	<u>143 785</u>	<u>113 059</u>

All receivables have been ceded to Land Bank to serve as security for loans granted, as per notes 12 and 16.



	<b>2005 R'000</b>	<b>2004 R'000</b>
<b>7 Short-term loans - subsidiaries</b>		
Inventory financing	55,362	52,058

The loans bear interest at 9.50%.

	<b>Group</b>		<b>Co-operative</b>	
	<b>2005 R'000</b>	<b>2004 R'000</b>	<b>2005 R'000</b>	<b>2004 R'000</b>
<b>8 Cash and cash equivalents</b>				
Cash advances	6	6	6	6
Petty cash	7	7	1	1
Bank balances	5 555	783	4 284	-
	<u>5 568</u>	<u>796</u>	<u>4 291</u>	<u>7</u>
For the purposes of the cash-flow statement cash and cash equivalents are as follows:				
<b>Composition of cash and cash equivalents</b>				
Cash advances and petty cash	13	13	7	7
Bank balances	5 292	(8)	4 284	(783)
	<u>5 305</u>	<u>5</u>	<u>4 291</u>	<u>(776)</u>
<b>9 Share capital</b>				
Group				
<b>9.1 Paid-up shares</b>				
Gross	1 974	546	1 974	546
Less Treasury shares held by subsidiaries	(12)	(3)		
	<u>1 962</u>	<u>543</u>	<u>1 974</u>	<u>546</u>
Co-operative				
<b>9.2 Issued shares of R1 each</b>	<u>2 997</u>	<u>2 950</u>	<u>3 009</u>	<u>2 953</u>

**9.3** The share capital not paid up and all further issuable shares serve as security for loans incurred from time to time at Land Bank, as per notes 12 and 16.





	2005 R'000	2004 R'000
<b>10 Members' funds</b>		
<b>Group</b>		
<b>10.1.1 Members' interest fund</b>	50 231	50 975
Balance at beginning of year	50 975	38 677
Movement during the year		
Additions from surpluses	4 483	13 175
Repayments	(5 162)	(871)
Interest held by subsidiaries	(65)	(6)
<b>10.1.2 Members' levy fund</b>	-	-
Balance at the beginning of the year	-	1 587
Movement during the year		
Repayments	-	(1 587)
	50 231	50 975
<b>Co-operative</b>		
<b>10.2.1 Members' interest fund</b>	50 302	50 981
Balance at the beginning of the year	50 981	38 677
Movement during the year		
Additions from surpluses	4 483	13 175
Repayments	(5 162)	(871)
<b>10.2.2 Members' levy fund</b>	-	-
Balance at the beginning of the year	-	1 587
Movement during the year		
Repayments	-	(1 587)
	50 302	50 981

### 10.3 Members' interest fund

This fund comprises the transfers of surpluses arising from the activities of the co-operative.

**10.4** Disbursements of funds occur under the following conditions, provided that the co-operative, in the discretion of the Board, is financially able to do so:

- (a) When the financial structure of the co-operative justifies making repayments on a rotation basis.
- (b) Upon a member's decease.
- (c) Upon dissolution of a company that is a member.
- (d) Upon termination of farming operation.
- (e) Upon termination of membership in any other manner.



## 11 Long-term loans

### Group

#### 11.1 Insured loans

##### Land Bank

Total amount outstanding	12 914	6 059
Less Due within one year	(2 359)	(1 179)

The interest rates of the loans vary between 9.10% - 10% per annum. The loans were initially incurred for periods of 8 to 36 years.

These loans have been insured by:

#### Co-operative

- Cession of unpaid share capital, all amounts owing to the co-operative and assurances, refer notes 7 and 10.
- Mortgage on the fixed properties of the co-operative, refer note 2.
- Notarial collateral mortgage on the movable property of the co-operative, refer notes 6 and 7.

#### Subsidiary - Southern Oil Limited

- Cession in respect of all amounts due to the company.
- Mortgage on fixed property of the company.
- Notarial collateral mortgage on the company's movable property.
- Surety bond provided by Sentraal-Suid Co-operative Limited.
- The interests of Land Bank have also been noted on the insurance policy of the company.

#### 11.2 Other loans

##### Outside shareholders

Interest-free	-	-
Industrial Development Corporation	-	1 582
Tuinroete Agri Ltd	-	61
Other	-	75
Less Due within one year	-	(1 718)
Interest-bearing	125	116

The interest-bearing shareholders' loan bears interest at 9.50% per annum and no repayment conditions exist.

### Total

	2005 R'000	2004 R'000
	10 555	4 880
	12 914	6 059
	(2 359)	(1 179)
	125	116
	-	-
	-	1 582
	-	61
	-	75
	-	(1 718)
	125	116
<b>Total</b>	<b>10,680</b>	<b>4,996</b>



<b>Co-operative</b>		<b>2005 R'000</b>	<b>2004 R'000</b>
<b>11.3 Insured loans</b>			
	Land Bank	2 961	3 980
	Total amount outstanding	3 915	4 916
	Less Due within one year	(954)	(936)

The loans bear interest at 10% per annum. The loans were initially incurred for periods of 10 to 36 years.

These loans have been insured as stated in note 11.1

	<b>Group</b>		<b>Co-operation</b>	
	<b>2005 R'000</b>	<b>2004 R'000</b>	<b>2005 R'000</b>	<b>2004 R'000</b>
<b>12 Trade and other creditors</b>				
	Trade creditors	18 881	15 469	15,839
	Subsidiaries		2 022	2 089
	Cash bonus	1 921	1 921	2 325
	Other creditors	2 238	6 824	3 247
	Long-term loans due within one year	2 359	2 897	936
		<u>25 165</u>	<u>21,786</u>	<u>24 436</u>
<b>13 Short-term loans</b>				
	Members' loans	77 916	65 424	77 927
	Land Bank	75 976	75 976	27 388
	Current production inventory	14 501	14 501	13 354
	Members' debt	50 244	50 244	14 034
	WGOL Products	11 231	11 231	-
		<u>141 335</u>	<u>141 400</u>	<u>105 315</u>

The loans at Land Bank bear interest at 8.5% and are due 15 July 2005.

The loans of Land Bank have been insured by:

- Cession of unpaid share capital, all amounts owing to the co-operative and assurances, refer notes 7 and 10.
- Pledge of inventory, refer note 6.
- Surety bond provided by Southern Oil Limited, limited to the financing canalised to Southern Oil via the co-operative.
- Cessions provided by Southern Oil Limited in respect of all amounts due to the company as security for financing canalised to Southern Oil Limited via the co-operative and assurances.

## 14 Operating profit

Operating profit was calculated allowing for the following items.

	Group		Co-operative	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>Income</b>				
Dividends received				
Unlisted investments	1 462	1 142	1 462	1 142
Capital profit on sale of fixed assets	92	31	87	9
Depreciation recovered	228	21	74	17
Rent received	164	88	225	178
Writeback of provision against loan to Afrigrain	1 396	-	1 396	-
<b>Expenditure</b>				
Remuneration - Non-executive directors			347	303
Services as director				
- Fees			246	205
- Allowances			101	98
<b>Lease payments</b>				
Property	407	260	308	260
Equipment	6	-	-	-
Auditors' remuneration	318	321	238	218
Current year	283	278	219	205
Underprovided previous year	5	3	-	-
Expenditure	19	22	19	13
Other services	11	18	-	-
Bad debts written off	-	3	-	3
Increase/(decrease) in provision of post-retirement medical benefits	(387)	286	(564)	286
Increase in provision for doubtful debts	9	-	-	-
Provision for loss of subsidiary			1 106	-
Depreciation	5 745	4 837	2 468	2 179
Land, buildings and granaries	615	524	449	396
Granary machinery	631	642	631	642
Machinery and tools	2,418	2,060	472	473
Vehicles	1,266	931	262	95
Office equipment	796	672	654	573
Laboratory equipment	19	8	-	-
Staff costs (refer note 20)	29 136	25 312	23 301	21 017
Fees to non-employees				
Management services	51	102	30	71
Legal services	2 163	1 345	2 129	1 345



	Group		Co-operative	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
<b>15 Staff costs</b>				
Total cost of employment	26 920	23 656	21 262	19 361
Wages	895	859	895	859
Post-retirement medical costs	(387)	286	(564)	286
Incentive bonuses	1 708	511	1 708	511
	<u>29 136</u>	<u>25 312</u>	<u>23 301</u>	<u>21 017</u>
<b>16 Net financing income/(cost)</b>				
Interest paid				
Interest-bearing loans				
Land Bank	6 285	7 406	5 939	7 252
Members' loans	5 677	6 409	5 677	6 409
Bank loans and overdrafts	90	112	75	106
Other	75	154	35	49
	<u>12 127</u>	<u>14 081</u>	<u>11 726</u>	<u>13 816</u>
Interest received	12 470	13 573	17 700	19 101
Bank	22	146	16	109
Debtors and members	12 359	13 427	12 098	13 267
Subsidiaries			5 497	5 725
Other	89	-	89	-
Net financing income/(cost)	<u>343</u>	<u>(508)</u>	<u>5 974</u>	<u>5 285</u>
<b>17 Cash generated/(utilised) by operations</b>				
Net income before taxation	20 404	24 019	11 827	17 265
Adjustments for:				
Items not representing cashflow:				
Depreciation	5 745	4 837	2 468	2 178
Depreciation recovered	(228)	(21)	(74)	(17)
Profit on sale of assets	(92)	(31)	(87)	(9)
Increase/(decrease) in provision for post-retirement medical benefits	(387)	286	(564)	286
Members' interest fund forfeited	9	-	9	-
Bonuses declared to subsidiaries	(65)	-	-	-



	Group		Co-operative	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Provision for loss in subsidiary			1 106	-
Items taken up elsewhere in the cash-flow statement:				
Interest paid	12 127	14 081	11 726	13 816
Interest received	(12 470)	(13 573)	(17 700)	(19 101)
Dividends received	(1 462)	(1 142)	(1 462)	(1 142)
	<u>23 581</u>	<u>28 456</u>	<u>7 249</u>	<u>13 276</u>
Changes in operating capital	(35 642)	(19 448)	(37 520)	(14 270)
Increase in stock	(982)	(12,903)	(3,837)	(843)
Increase in production loans, other debtors and short-term loans	(31 894)	(12 518)	(34 030)	(16 692)
Increase/(decrease) in trade and other creditors and provisions	(2 766)	5 973	347	3 265
Net cash from/(utilised in) operations	<u>(12 061)</u>	<u>9 008</u>	<u>(30 271)</u>	<u>(994)</u>
<b>18 Taxation paid</b>				
Balance at the beginning of the year	1 902	480	450	394
Debited in income statement	4 028	2 264	1 978	844
Balance at the end of the year	<u>(1 737)</u>	<u>(1 901)</u>	<u>(1 136)</u>	<u>(450)</u>
	<u>4 193</u>	<u>843</u>	<u>1 292</u>	<u>788</u>
<b>19 Members' interest fund repaid</b>				
Balance at the beginning of the year	50 974	38 677	50 981	38 677
Bonus declared	4 418	13 168	4 483	13 175
Balance at the end of the year	<u>(50 230)</u>	<u>(50 974)</u>	<u>(50 302)</u>	<u>(50 981)</u>
	<u>5 162</u>	<u>871</u>	<u>5 162</u>	<u>871</u>
<b>20 Remuneration of members</b>				
Member creditors at the beginning of the year	2 325	1 110	2 325	1 110
Proposed for current year	1 921	2 325	1 921	2 325
Cash bonus	4 246	3 435	4 246	3 435
Less Due at the end of the year	<u>1 921</u>	<u>2 325</u>	<u>1 921</u>	<u>2 325</u>



	Groep		Koöperasie	
	2005 R'000	2004 R'000	2005 R'000	2004 R'000
Payments during the year	2 325	1 110	2 325	1 110
Cash bonus	2 325	913	2 325	913
Interest on members' levy fund	-	197	-	197
<b>21 Capital expenditure approved</b>				
Capital expenditure approved				
Not contracted	8 014	17 722	2 213	2 722

These obligations have been approved by the various boards. The obligations will be financed from own funds, except in the case of a subsidiary, where R1 001 095 will be financed through loan funds.

## 22 Pension scheme arrangements

Employees of the co-operative contribute to the Sentraal-Suid Co-operative Retirement Fund and Steel and Engineering Industries Pension Fund. The Sentraal-Suid Retirement Fund is administered by ABSA Consultants and Actuaries and controlled by the provisions of the Pension Fund Act 1956.

All employees are members of the defined-benefit plans. Membership of said funds is available for all employees of the co-operative, subject to the provisions of various regulations.

## 23 Contingent liabilities

- 23.1** Contingent liability due to a limited suretyship in respect of the subsidiary Technifarm (Proprietary) Limited in the amount of  
The outstanding obligation amounted to R262 527 on 28 February 2005.
- 23.2** A suretyship to Land Bank in respect of a loan to the subsidiary, Southern Oil Limited, in the amount of  
The outstanding obligation amounted to R8 998 905 on 28 February 2005.
- 23.3** Consignment stock
- 23.4** The co-operative is currently involved in a lawsuit due to the collapse of silos. A provision of R1 838 464 has already been created.

	2005 R'000	2004 R'000
	600	600
	10 000	-
	487	511