

UITNODIGING

U word hartlik uitgenooi na die Algemene Jaarvergadering van SSK te Swellendam op Vrydag 20 Julie 2007 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 20 July 2007 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 – 6
Corporate Management Report	7 – 9
Verklaring van Verantwoordelikhede deur die Raad van Direkteure.....	10
Statement of Responsibilities by the Board of Directors	11
Verslag van die Onafhanklike Ouditeure.....	12 – 13
Report of the Independent Auditors.....	14 – 15
Direkteursverslag	16 – 18
Directors' Report.....	19 – 21
Balansstaat	22
Balance Sheet.....	23
Inkomstestaat	24
Income Statement	25
Staat van Veranderinge in Ekwiteit - Groep	26
Statement of Changes in Equity - Group	27
Staat van Veranderinge in Ekwiteit - Koöperasie	28
Statement of Changes in Equity - Co-operative	29
Kontantvloeistaat	30
Cash Flow Statement	31
Aantekeninge tot die Finansiële Jaarstate.....	32 – 53
Notes to the Annual Financial Statements	54 – 74
Spesiale Besluite.....	75 – 76
Special Resolutions.....	77 – 78

ALGEMENE JAARVERGADERING KENNISGEWING AAN LEDE ANNUAL GENERAL MEETING NOTICE TO MEMBERS

Kennis geskied hiermee dat die Algemene Jaarvergadering van SSK op Vrydag 20 Julie 2007 om 10h30 in die Gemeenskapsaal, Swellendam gehou word.

Notice is hereby given that the Annual General Meeting of SSK will be held on Friday 20 July 2007 at 10h30 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 2006
Approval of the Minutes of the Annual General Meeting 2006
- 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 Lenings / Loans
 - 10.1.1 Kaskredietlenings / Credit cash loans
 - 10.1.2 Lening vir kapitale uitgawes / Loan for capital expenditure



D F JORDAAN
Sekretaris / Secretary



KOÖPERASIEBESONDERHEDE / DETAILS OF THE CO-OPERATIVE

Raad van direkteure / Board of directors N Loubser - Voorsitter / Chairperson
D H van Papendorp - Ondervoorsitter /
Vice Chairperson

J A Baard
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

Bestuur / Management

E J Pelsler - Hoofbestuurder en Hoof Uitvoerende Beampete
- 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 - Mechanisation

C H de Beer - Hoofbestuurder - Produkte en Landboukundige Dienste
- General Manager - Products and Agricultural Services

Sekretaris / Secretary

Mnr D F Jordaan

Geregistreeerde 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 KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 28 Februarie 2007

Die direksie is verbind tot die beginsels van goeie korporatiewe bestuur en onderskryf die hoogste standarde 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 is verantwoordelik vir oorhoofse bestuur en effektiewe beheer van die Groep. Die direksie bestaan uit elf direkteure wat almal nie-uitvoerende direkteure is en as wesenlik onafhanklik beskou kan word. Die direksie vergader gereeld om strategiese beplanning te doen, doelwitte te bepaal en te monitor, uitbreidings en wesenlike verkryging of oprigting van bates te magtig, sowel as om finansiële resultate, korporatiewe beeld, personeelaangeleenthede en algemene landbou- en bedryfsrisiko's te bespreek. Die komitees funksioneer aan die hand van duidelik omskrewe mandate wat hulle pligte, bevoegdhede en verantwoordelikhede uiteensit. 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 ses komitees ten opsigte van die sake-aktiwiteite van die koöperasie te wete die swart ekonomiese bemagtingskomitee, dagbestuurkomitee, ouditkomitee, boukomitee, veevoerkomitee, bewaringsboerdery- en meganisasiëkomitee. Die voorsitter van die direksie het sitting op alle komitees. Vier ander direkteure dien op elk van hierdie komitees. Herbenewens is daar 'n finansieringskomitee waarop bestuurslede dien wat toesien tot die uitvoering van die kredietbeleid.

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

Ouditkomitee

Die ouditkomitee bestaan uit vyf nie-uitvoerende direkteure van die Groep en die eksterne ouditeure het onbeperkte toegang tot die voorsitter van die komitee wat verseker dat hulle onafhanklikheid nie aangetas word nie.

Die komitee is verantwoordelik om toe te sien dat 'n behoorlike stelsel van interne beheer en risikobestuur bestaan en toegepas word, dat die bestuursinligting, rekeningkundige beleid en verslagdoening aan lede en ander belanghebbers aan toepaslike standarde en relevante wetgewing voldoen.

Die komitee vergader op 'n gereelde basis met eksterne ouditeure en oorweeg hulle bevindings en aanbevelings asook ander inligting wat relevant mag wees in die uitvoering van hulle mandaat.

Dagbestuur

Die dagbestuurkomitee bestaan uit die voorsitter en ondervoorsitter tesame met nog drie verkose direkteure na gelang van die aangeleentheid vir oorweging. Die dagbestuur vergader slegs oor aangeleenthede wat so dringend is dat dit nie kan oorstaan vir bespreking tot die volgende direksievergadering nie. Die dagbestuur kan ook by wyse van gesirkuleerde besluite vergader, op voorwaarde dat alle lede die besluite teken.

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 28 Februarie 2007

Finansieringskomitee

Die komitee stel riglyne en 'n beleid op vir die verlening van krediet en produksiefinansiering en monitor die toepassing daarvan en is direk betrokke by die beoordeling van groter rekeninge. Die komitee is ook in die finale instansie verantwoordelik vir die beoordeling van die vorderbaarheid van en afskrywings en voorsienings teen debiteure.

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. Die ouditkomitee monitor die toepaslikheid en nakoming van die interne beheer en adviseer die direksie in die verband.

Bestuursverslagdoening en etiek

Die Groep handhaaf 'n omvattende beplanning-, koste- en bestuursrekeningkundige stelsel. Dit sluit begrotings, 'n kwartaalike 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

Personeel

Sentraal-Suid Koöperasie Beperk onderskryf die beginsels van die Breë Basis Swart Ekonomiese Bemagtigingswet (2003).

Daar bestaan totale gelykheid in alle beleide, diensvoorwaardes en prosedures.

Die koöperasie stel 'n beursskema aan die aangewese kategorie beskikbaar.

Geïdentifiseerde personeel word op versnelde leerderprogramme geplaas.

Nuwe aanstellings en bevorderings vind plaas in lyn met die vereistes van die Wet op Gelyke Indiensneming (55/98).

Vaardigheidsontwikkeling

'n Opleidingsstrategie word gevolg wat direk aan die besigheidsdoelwitte gekoppel is.

Selfontwikkelings word aangemoedig en finansieringsfasiliteite ten opsigte van studiehulp word aangebied.

Die koöperasie het toegang tot die AgriSETA.

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 28 Februarie 2007

Gemeenskap

'n Veilige, sosiaal- en ekologiese aanvaarbare werksomgewing word deur 'n stelsel van veiligheidsgradering, -huishouding en -opleiding ondersteun.

Die koöperasie het op vele gebiede by gemeenskapsprojekte betrokke geraak.

Swart Ekonomiese Bemagtigingsprojekte het ook ten doel om opkomende boere te ondersteun.

Personeel word aangemoedig en toegelaat om aan bedryfs- en gemeenskapsorganisasies te behoort en aktief deel te neem aan projekte in breër belang.

Vergoedingsfilosofie

Die koöperasie skep 'n werksomgewing waarbinne werknemers bemagtig word om hulle talente en inisiatiewe aan te wend om uitstaande resultate te bereik waarvoor hul beloon word met 'n markgerigte totale koste van indiensname vergoedingsbenadering wat aangevul word deur 'n prestasiegerigte winsdelingskema vir alle personeel.

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE MANAGEMENT REPORT for the year ended 28 February 2007

The board is committed to the principles of sound corporate governance and subscribes to the highest standards of integrity and ethics.

The Group subscribes to the main principles of corporate governance as contained in the King II Report, and complies with it in all material respects. Where the co-operative does not yet comply to some requirements in the updated King II report, consideration is being given to measures for the implementation thereof.

The board of directors and its committees

The board of directors is responsible for the overall management and effective control of the Group. The board consists of eleven directors that are all non-executive directors and can essentially be considered as being independent. The board meets regularly to do strategic planning, establish and monitor goals, authorise expansions and material acquisitions or construction of assets, and discuss financial results, corporate image, personnel matters and general agricultural and operational risks. The committees function according to clearly defined mandates setting out their duties, powers and responsibilities. The roles of the Chairperson and Chief Executive Officer are not fulfilled by the same person. The directors serve on various board committees and boards of subsidiaries that meet up to four times per annum and report back to the full board.

There are six committees in respect of the business activities of the co-operatives namely the black economic empowerment committee, management committee, audit committee, building committee, forage committee, conservation farming committee and mechanisation committee. The chairperson of the board has a seat in all committees. Four other directors serve on each of these committees. In addition there is a finance committee on which management members serve who oversee the execution of the credit policy.

No director serves on more than two committees so that work is divided equally amongst them.

Audit committee

The audit committee consists of five non-executive directors of the Group and the external auditors have unlimited access to the chairperson of the committee who ensures that their independency is not compromised.

The committee is responsible for ensuring that a proper system of internal control and risk management exists and is applied, and that the management information, accounting policy and reporting to members and other interested parties complies with applicable standards and relevant legislation.

The committee meets on a regular basis with external auditors and considers their findings and recommendations as well as other information that may be relevant in executing their mandate.

Management committee

The management committee consists of the chairperson and vice-chairperson together with another three chosen directors according to the matter for consideration. The management committee only meets regarding matters that are of such urgency that they cannot stand over for discussion until the next board meeting.

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE MANAGEMENT REPORT for the year ended 28 February 2007

The management committee can also meet by means of circulated resolutions, provided that all members sign the resolutions.

Finance committee

The committee compiles guidelines and a policy for extending credit and production financing and monitors the application thereof and is directly involved in evaluating larger accounts. The committee is also responsible in the final instance for evaluating the collectability of and write-offs and provisions against debtors.

Internal control

In order to accept responsibility for the financial statements, the board relies on the system of internal controls and the accounting and information systems, and on reasonable assurance that assets are being guarded safely and that the risk of mistakes, fraud or losses is being minimised effectively. These controls, contained in written policy documents and procedures, include the delegation of responsibilities and competencies within a clearly defined framework, effective accounting procedures, segregation of duties and monitoring by a trained internal audit and risk management division. The audit committee monitors the appropriateness of and compliance with the internal controls and advises the board in this regard.

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

Personnel

Sentraal-Suid Co-operative Limited subscribes to the principles of the Broad-based Black Economical Empowerment Act (2003).

Complete equality exists in all policies, employment conditions and procedures.

The co-operative makes available a bursary scheme to the designated category.

Identified personnel are placed on accelerated learner programmes.

New appointments and promotions occur in line with the requirements of the Employment Equity Act (55/98).

Skills development

A training strategy linked directly to the business objectives is followed.

Self-development is encouraged and financing facilities in respect of study aid are provided.

The co-operative has access to the AgriSETA.

Community

A safe, socially and ecologically acceptable working environment is reported by a system of safety rating, housekeeping and training.

The co-operative has become involved with community projects in a number of areas.

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries **CORPORATE MANAGEMENT REPORT for the year ended 28 February 2007**

Black Economic Empowerment projects also proposes to support upcoming farmers. Personnel are encouraged and allowed to belong to operational and community organisations and to actively participate in projects that serve the broader interest.

Remuneration philosophy

The co-operative creates a work environment within which employees are empowered to apply their talents and initiatives to reach outstanding results for which they are rewarded with a market-directed total cost of employment remuneration approach that is supplemented by a performance-directed profit-sharing scheme for all personnel.

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 en sy filiale. 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.

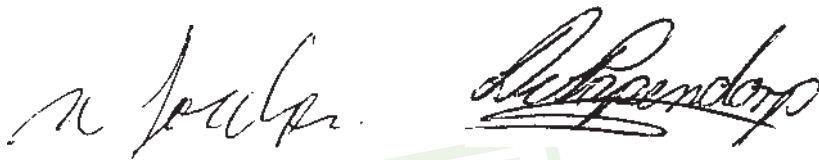
Die direkteure is ook verantwoordelik vir die Groep se stelsel van interne finansiële beheer. Hierdie kontroles is ontwerp om redelike, maar nie absolute gerusstelling te bied oor die betroubaarheid van die finansiële state, die toereikende beskerming en verantwoording van bates, en om verliese te voorkom 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 Groep 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 bladsye 12 – 13.

Die finansiële state soos uiteengesit op bladsye 22 tot 30 is deur die direkteure goedgekeur:



N Loubser
Voorsitter

D H van Papendorp
Ondervoorsitter

24 Mei 2007



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 and its subsidiaries. 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 that of the previous year, unless otherwise specified.

The board of directors is also accountable for the Group's system of internal financial controls. These controls are designed to give reasonable, but not absolute reassurance regarding the reliability of the financial statements, adequate protection of and accountability for assets, and the prevention and detection of 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 preparing the financial statements. Based on forecasting and available cash and financing sources, the directors have no reason to believe that the Group will not be a going concern in the foreseeable future.

The financial statements have been audited by the independent auditors, PricewaterhouseCoopers Incorporated, who were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board and board committees. 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 pages 14 – 15.

The financial statements as presented on pages 23 to 31 have been approved by the board of directors.



N Loubser
Chairperson



D H van Papendorp
Vice Chairperson

24 May 2007



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

Ons het die finansiële jaarstate en groepfinansiële jaarstate van Sentraal-Suid Koöperasie Beperk en sy filiale, wat bestaan uit die direkteursverslag, die balansstaat en gekonsolideerde balansstaat soos op 28 Februarie 2007, die inkomstestaat en gekonsolideerde inkomstestaat, die staat van verandering in ekwiteit en gekonsolideerde staat van verandering in ekwiteit, die kontantvloeistaat en gekonsolideerde kontantvloeistaat vir die jaar wat op daardie datum geëindig het, en 'n opsomming van beduidende rekeningkundige beleid en ander verduidelikende aantekeninge, soos uiteengesit op bladsye 16 tot 53, geaudit.

Direkteure se verantwoordelikheid vir die finansiële state

Die koöperasie se direkteure is verantwoordelik vir die opstel en redelike voorstelling van hierdie finansiële state ooreenkomstig 'South African Statements of Generally Accepted Accounting Practice', en op die wyse wat die Koöperasiewet van Suid-Afrika vereis. Hierdie verantwoordelikheid sluit in: die ontwerp, implementering en instandhouding van interne beheer toepaslik tot die opstel en redelike voorstelling van finansiële state wat vry is van wesenlike wanvoorstelling, hetsy weens bedrog of foute; seleksie en toepassing van toepaslike rekeningkundige beleid; en die maak van rekeningkundige ramings wat redelik is in die omstandighede.

Ouditeur se verantwoordelikheid

Dit is ons verantwoordelikheid om op grond van ons audit 'n mening oor hierdie finansiële state uit te spreek. Ons het ons audit ooreenkomstig 'International Standards on Auditing' uitgevoer. Daardie standaard vereis dat ons aan etiese vereistes voldoen en die audit beplan en uitvoer om redelike gerusstelling te verkry dat die finansiële state vry is van wesenlike wanvoorstelling.

'n Oudit behels die uitvoer van prosedures om ouditbewyse te verkry oor die bedrae en openbaarmaking in die finansiële state. Die gekose prosedures hang af van die ouditeur se oordeel, insluitend die beoordeling van die risiko's van wesenlike wanvoorstelling van die finansiële state, hetsy weens bedrog of foute. Tydens hierdie risikobeoordeling oweeg die ouditeur interne beheer toepaslik tot die opstel en redelike voorstelling van die finansiële state deur die entiteit, om ouditprosedures te ontwerp wat toepaslik is in die omstandighede, maar nie met die doel om 'n mening uit te spreek oor die effektiwiteit van die entiteit se interne beheer nie. 'n Oudit sluit ook 'n beoordeling van die toepaslikheid van rekeningkundige beleid wat gebruik is en die redelikheid van rekeningkundige ramings wat deur die direkteure gemaak is in, asook 'n evaluering van die algehele aanbieding van die finansiële state.

Ons glo dat die ouditbewyse wat ons verkry het, toereikend en toepaslik is om 'n grondslag vir ons ouditmening te bied.

Mening

Na ons mening is die finansiële state, in alle wesenlike opsigte, 'n redelike voorstelling van die finansiële stand van die koöperasie en van die Groep soos op 28 Februarie 2007, en van hulle finansiële prestasie en hulle kontantvloei vir die jaar wat op daardie datum geëindig het, ooreenkomstig 'South African Statements of Generally Accepted Accounting Practice' en op die wyse wat die Koöperasiewet van Suid-Afrika vereis.

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

Ons doen verslag dat die koöperasie na die beste wete die bepalings van die Koöperasiewet, soos omskryf in Artikel 153 en sy Statuut nagekom het.

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 'South African Statements of Generally Accepted Accounting Practice' te voldoen nie.

PricewaterhouseCoopers Ing.

PricewaterhouseCoopers Ing
Direkteur: P J Eksteen
Geregistreerde Ouditeur

Worcester
24 Mei 2007



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

We have audited the annual financial statements and Group annual financial statements of Sentraal-Suid Co-operative Limited and its subsidiaries, consisting of the directors' report, the balance sheet and the consolidated balance sheet as at 28 February 2007, the income statement and the consolidated income statement, the statement of changes in equity, the consolidated statement of changes in equity, the cash-flow statement, the consolidated cash-flow statement for the year ending on that date, and a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 74.

Directors' responsibility for the financial statements

The directors of the co-operative are responsible for the compilation and reasonable representation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Co-operatives Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control appropriate for compiling and reasonably representing financial statements that are free of material misrepresentation, whether due to fraud or errors; selecting and applying applicable accounting policy; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We have performed our audit in accordance with International Standards on Auditing. These standards require us to comply with ethical requirements and to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misrepresentation.

An audit involves the performance of procedures to obtain audit evidence regarding the amounts and disclosures in the financial statements. The chosen procedures depend on the judgement of the auditor, including the assessment of the risks of material misrepresentation of the financial statements, whether as a result of fraud or errors. During this risk assessment the auditor considers internal control applicable to the compilation and reasonable representation of the financial statements by the entity, to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the entity. An audit also includes an assessment of the appropriateness of accounting policy used and the reasonableness of accounting estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is adequate and appropriate in terms of providing a basis for our audit opinion.

Opinion

In our opinion the financial statements in all material respects present a reasonable representation of the financial status of the co-operative and of the Group as at 28 February 2007, and of their financial performance and their cash flow for the year ending on that date, in accordance with South African Statements of Generally Accepted Accounting Practice

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

and in the manner required by the Co-operatives Act of South Africa.

We report that to the best of our knowledge the co-operative complied with the provisions of the Co-operatives Act as defined in Section 153 and its Statute.

Without qualifying our opinion, we point out that these financial statements do not necessarily contain all disclosures required to comply with South African Standards of Generally Accepted Accounting Practice.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Ing
Director: P J Eksteen
Registered Auditor

Worcester
24 May 2007



SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale DIREKTEURSVERSLAG vir die jaar geëindig 28 Februarie 2007

Die direkteure se jaarverslag, wat deel vorm van die geouditeerde finansiële state van die koöperasie ("SSK") vir die jaar geëindig 28 Februarie 2007, word hieronder aangebied.

1 Aard van besigheid

Die koöperasie doen besigheid in die Suid-Kaap en Overberg. Die hoofdoelstellings en aktiwiteite van die koöperasie het oorwegend gedurende die jaar onder oorsig onveranderd gebly, naamlik die:

- verskaffing van boerderybenodigdhede, meganisasie, ingenieursdienste en oprigting van staalstore 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 landboubestuur dienste.

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

2 Lede

Twee 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		775
Min Afgestorwe lede	2	
Lede wat boerdery gestaak het	11	13
		<hr/>
		762
Plus Toetredings		38
		<hr/>
		800
		<hr/> <hr/>

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.

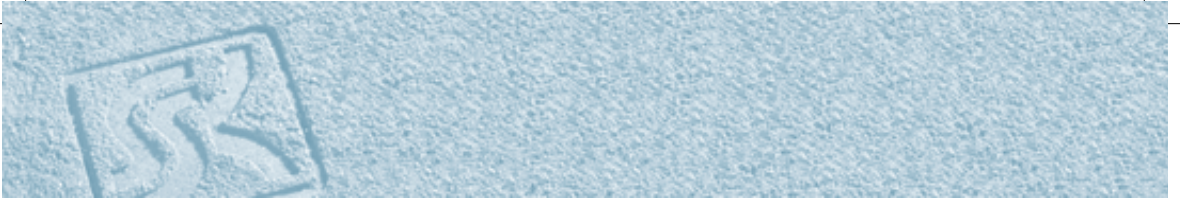
4 Aanwending van surplus

Dit is steeds die koöperasie se beleid om bonusse toe te deel ooreenkomstig 'n distribusie-skema ingevolge Artikel 92 van die Statuut. Volledige inligting rakende die aanwending van die surplus word in die aantekeninge tot die finansiële state en die afsonderlike finansiële bestuursoorsig weergegee.

5 Filiaalmaatskappye

Die koöperasie het tans beleggings in vyf filiaalmaatskappye, naamlik:

Direk	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.



Indirek	Belang	Hoofdoelstelling
(e) Swartland Oliepers (Eiendoms) Beperk	50%	Ekstraksie van olie uit canolasaad.

Southern Oil Beperk het op 1 Maart 2006 'n 50% belang verkry in Swartland Oliepers (Eiendoms) Beperk. Die maatskappy is ook verantwoordelik vir die bestuur van Swartland Oliepers.

Sien asseblief aantekening 4 tot die finansiële state vir meer inligting rakende beleggings in die filiale en die belang van die koöperasie in sodanige filiale se winste en verliese.

6 Aandelekapitaal

152 000 Aandele is vanjaar uitgereik, terwyl 56 000 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 soos op bladsy 3.

8 Eiendom, aanleg en toerusting

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

9 Beleggings

Beleggings het afgeneem met R465 941 (2006 toename - R44 285 376) weens die herwaardasie van beleggings ingevolge die rekeningkundige standpunt IAS 39. Die tekort is direk in die staat van verandering in ekwiteit verantwoord.

10 Wesenlike gebeure 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 SA.
- 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 22 tot 30 bevat nie noodwendig alle openbaarmakings wat nodig is om aan die 'South African Statements of Generally Accepted Accounting Practice' 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

24 Mei 2007

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries

DIRECTORS REPORT for the year ended 28 February 2007

The directors' annual report, that forms part of the audited financial statements of the Co-operative ("SSK") for the year ended 28 February 2007, is presented below.

1 Nature of business

The Co-operative conducts business in the Southern Cape and Overberg. The main objectives and activities of the co-operative have remained largely unchanged during the year under review, namely:

- the provision of farming requisites, mechanisation and engineering works, the construction of steel warehouses and the rendering of services to its members and other clients;
- the processing of grain seed;
- the handling, storage and marketing of the agricultural produce of producers in silos;
- the supply of insurance broker services;
- the rendering of services such as providing credit and agricultural management services.

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

2 Members

Two members have passed away. Our sincere condolences to to their next of kin.

The number of members changed as follows:

Number of members at the beginning of year		775
Less Deceased members	2	
Members who abandoned farming	11	13
		<u>762</u>
Plus new members		38
		<u><u>800</u></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 overview.

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 Articles. Full details of the apportionment of the surplus are provided in the notes to the financial statements and the separate financial management review.

5 Subsidiary companies

The co-operative currently has investments in five subsidiaries:

Directly	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.



Indirectly	Interest	Main Objective
(e) Swartland Oliepers (Proprietary) Limited	50%	Extraction of oil from canola seed.

On 1 March 2006, Southern Oil Limited acquired a 50% interest in Swartland Oliepers (Proprietary) Limited. Southern Oil is furthermore responsible for the management of Swartland Oliepers.

Please refer to note 4 to the financial statements for further information regarding investments in the subsidiaries and the interest of the co-operative in such subsidiaries' profits and losses.

6 Share capital

152 000 shares were issued during the year, while 56 000 shares were called up, 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 on page 3.

8 Property, plant and equipment

There were no changes in the policies of the co-operative and its subsidiaries during the accounting period regarding the utilisation of fixed assets.

9 Investments

Investments have decreased by R465 941 (2006 increase - R44 285 376) due to the revaluation of investments as per the accounting statement IAS 39. The deficit was directly shown in the statement of changes in equity.

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 that should affect the assessment 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 Bank 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.

This abbreviated version of the financial statements as set out on pages 23 to 31 do not necessarily contain all disclosures necessary to comply with the South African Standards of Generally Accepted Accounting Practice.

Transcripts of the complete annual financial statements will be available for perusal at the Head Office in Swellendam, as well as at the branch office in Heidelberg, 14 days before the Annual General Meeting.

Chairman

Vice Chairman

24 May 2007

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale

BALANSSTAAT soos op 28 Februarie 2007

		Groep		Koöperasie	
	AANTEKE- NING	2007 R'000	2006 R'000	2007 R'000	2006 R'000
BATES					
Nie-bedryfsbates					
Eiendom, aanleg en toerusting	3	60 032	52 599	24 018	23 426
Ontasbare bate		585	100	-	-
Beleggings in filiaalmaatskappye	4			9 888	8 684
Beleggings beskikbaar vir verkoop	5	75 357	75 889	75 357	75 889
Afbetalingsverkooporeenkomste	6	46 766	49 165	47 450	50 998
Uitgestelde belastingbate		2 375	949	-	-
		185 115	178 702	156 713	158 997
Bedryfsbates					
Voorraad	7	158 772	99 047	81 603	32 731
Produksielenings en ander debiteure	8	149 558	112 965	122 880	109 199
Korttermynlenings - filiale	9			38 731	1 124
Inkomstebelasting		1 003	-	-	-
Kontant en kontantekwivalente	10	2 412	3 348	645	9
		311 745	215 360	243 859	143 063
Totale bates		496 860	394 062	400 572	302 060
EKWITEIT EN AANSPREEKLIKHEDE					
Kapitaal en reserwes					
Reserwes		127 625	116 549	110 709	105 100
Aandelekapitaal	11	2 383	2 172	2 395	2 184
Ledebeleg		130 008	118 721	113 104	107 284
Minderheidsbeleg		8 608	6 481		
Totale ekwiteit		138 616	125 202	113 104	107 284
Ledefondse	12	58 698	53 219	59 700	53 733
		197 314	178 421	172 804	161 017
Nie-bedryfslaste					
Langtermynlenings	13	10 609	8 606	4 996	1 971
Uitgestelde belastingaanspreeklikheid		14 852	13 250	11 011	10 864
Na-aftrede mediese voordele		3 518	3 726	3 377	3 588
		28 979	25 582	19 384	16 423
Bedryfslaste					
Handels- en ander krediteure	14	35 178	23 809	21 832	16 935
Korttermynlenings	15	235 356	164 549	186 526	106 961
Bankoortrekking		4	179	-	116
Inkomstebelasting		29	1 522	26	608
		270 567	190 059	208 384	124 620
Totale ekwiteit en aanspreeklikhede		496 860	394 062	400 572	302 060

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
BALANCE SHEET as at 28 February 2007

		Group		Co-operative	
	NOTES	2007 R'000	2006 R'000	2007 R'000	2006 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	60 032	52 599	24 018	23 426
Intangible asset		585	100	-	-
Investments in subsidiaries	4			9 888	8 684
Investments available for sale	5	75 357	75 889	75 357	75 889
Lease agreements	6	46 766	49 165	47 450	50 998
Deferred taxation asset		2 375	949	-	-
		<u>185 115</u>	<u>178 702</u>	<u>156 713</u>	<u>158 997</u>
Current assets					
Stock	7	158 772	99 047	81 603	32 731
Production loans and other debtors	8	149 558	112 965	122 880	109 199
Short-term loans - subsidiaries	9			38 731	1 124
Income tax		1 003	-	-	-
Cash and cash equivalents	10	2 412	3 348	645	9
		<u>311 745</u>	<u>215 360</u>	<u>243 859</u>	<u>143 063</u>
Total assets		<u>496 860</u>	<u>394 062</u>	<u>400 572</u>	<u>302 060</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Reserves		127 625	116 549	110 709	105 100
Share capital	11	2 383	2 172	2 395	2 184
Members' interest		130 008	118 721	113 104	107 284
Minority interest		8 608	6 481		
Total equity		138 616	125 202	113 104	107 284
Members' funds	12	58 698	53 219	59 700	53 733
		<u>197 314</u>	<u>178 421</u>	<u>172 804</u>	<u>161 017</u>
Non-current liabilities					
Long-term loans	13	10 609	8 606	4 996	1 971
Deferred taxation liability		14 852	13 250	11 011	10 864
Post-retirement medical benefits		3 518	3 726	3 377	3 588
		<u>28 979</u>	<u>25 582</u>	<u>19 384</u>	<u>16 423</u>
Current liabilities					
Trade and other creditors	14	35 178	23 809	21 832	16 935
Short-term loans	15	235 356	164 549	186 526	106 961
Bank overdraft		4	179	-	116
Income tax		29	1 522	26	608
		<u>270 567</u>	<u>190 059</u>	<u>208 384</u>	<u>124 620</u>
Total equity and liabilities		<u>496 860</u>	<u>394 062</u>	<u>400 572</u>	<u>302 060</u>

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
INKOMSTESTAAT vir die jaar geëindig 28 Februarie 2007**

		Groep		Koöperasie	
	AANTEKE- NING	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Inkomste		467 891	401 418	342 333	307 874
Koste van verkope		(381 764)	(330 574)	(286 510)	(262 640)
Bruto wins		86 127	70 844	55 823	45 234
Ander bedryfsinkomste		22 157	20 909	20 497	18 769
Administratiewe uitgawes		(16 336)	(14 651)	(9 882)	(8 691)
Ander bedryfsuitgawes		(41 176)	(36 484)	(34 617)	(31 387)
Bedryfswins	16	50 772	40 618	31 821	23 925
Finansieringsinkomste	17	626	183	2 444	3 471
Finansieringskoste	18	(20 004)	(16 235)	(14 128)	(12 358)
Wins voor belasting		31 394	24 566	20 137	15 038
Belasting		(5 318)	(5 766)	(2 140)	(2 898)
Wins vir die jaar		26 076	18 800	17 997	12 140
Toeskryfbaar aan:					
Lede		23 464	17 261	17 997	12 140
Minderheidsbelang		2 612	1 539		
		26 076	18 800	17 997	12 140



SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
INCOME STATEMENT for the year ended 28 February 2007

		Group		Co-operative	
	NOTES	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Income		467 891	401 418	342 333	307 874
Cost of sales		(381 764)	(330 574)	(286 510)	(262 640)
Gross profit		86 127	70 844	55 823	45 234
Other current income		22 157	20 909	20 497	18 769
Administrative expenditure		(16 336)	(14 651)	(9 882)	(8 691)
Other current expenditure		(41 176)	(36 484)	(34 617)	(31 387)
Operating profit	16	50 772	40 618	31 821	23 925
Financing income	17	626	183	2 444	3 471
Financing cost	18	(20 004)	(16 235)	(14 128)	(12 358)
Profit before taxation		31 394	24 566	20 137	15 038
Taxation		(5 318)	(5 766)	(2 140)	(2 898)
Profit for the year		26 076	18 800	17 997	12 140
Attributable to:					
Members		23 464	17 261	17 997	12 140
Minority interest		2 612	1 539		
		26 076	18 800	17 997	12 140



**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
STAAT VAN VERANDERINGE IN EKWITEIT – GROEP**
vir die jaar geëindig 28 Februarie 2007

	Aandelekapitaal		Reserwes			Minderheidsbelang		Totaal R'000
	R'000	R'000	Algemene reserve R'000	Gebeurlikheidsreserwe R'000	Reserwe vir toekomstige onderhoud R'000	Reserwe vir krediet-verskaffing R'000	Opgehoopte winste R'000	
Saldo op 1 Maart 2005	1 962	6 326	-	29 267	593	1 200	27 211	76 356
Aandele uitgereik/opgeroep gedurende die jaar	262	-	-	-	-	-	-	262
Aandele afgelos	(52)	-	-	-	-	-	-	(52)
Verbeurdverklaring van ledebelangfondse	-	-	-	-	-	-	-	-
Kapitalisasie aandele ontvang – Kaap Agri	-	-	-	-	-	-	-	-
Oordrag van reserwe vir toekomstige onderhoud	-	-	-	-	(163)	-	-	-
Verhoging in billike waarde reserwe as gevolg van verlaging in belastingkoers	-	-	-	-	-	-	75	75
Geakkumuleerde winste op vervreemde belegging oorgedra na die inkomstestaat	-	-	-	-	-	-	-	-
Surplus met hermeting na billike waarde van beleggings beskikbaar vir verkoop	-	-	-	-	-	-	44 284	44 284
Aanpassing teen uitgestelde belasting	-	-	-	-	-	-	(6 323)	(6 323)
Wins vir die jaar	-	-	-	-	-	-	-	17 261
Bonusse verklaar	-	-	-	-	-	-	-	1 539
Uitgestel	-	-	-	-	-	-	-	(5 740)
Kontant	-	-	-	-	-	-	-	(2 460)
Oordrag (vanaf opgehoopte winste)/na gebeurlikheidsreserwe	-	-	-	3 940	-	-	-	(3 940)
Oordrag van kapitale winste met verkoop van bates	-	120	-	(120)	-	-	-	-
Saldo op 1 Maart 2006	2 172	6 446	33 087	430	1 200	65 247	10 139	125 202
Aandele uitgereik/opgeroep gedurende die jaar	250	-	-	-	-	-	-	250
Aandele afgelos	(39)	-	-	-	-	-	-	(39)
Verbeurdverklaring van ledebelangfondse	-	11	-	-	-	-	-	11
Geakkumuleerde winste op vervreemde belegging oorgedra na die inkomstestaat	-	-	-	-	-	-	(1)	(1)
Tekort met hermeting na billike waarde van beleggings beskikbaar vir verkoop	-	-	-	-	-	-	(465)	(465)
Aanpassing teen uitgestelde belasting	-	-	-	-	-	-	67	67
Wins vir die jaar	-	-	-	-	-	-	-	23 464
Bonusse verklaar	-	-	-	-	-	-	-	2 612
Uitgestel	-	-	-	-	-	-	-	(10 200)
Kontant	-	-	-	-	-	-	-	(1 800)
Oordrag (vanaf opgehoopte winste)/na reserwes	-	-	-	-	-	-	-	(1 800)
Minderheidsbelang met verkryging van filiaal	-	-	-	-	-	-	-	(5 997)
Saldo op 28 Februarie 2007	2 383	6 457	39 084	430	1 200	64 848	15 606	138 616

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
STATEMENT OF CHANGES IN EQUITY – GROUP
for the year ended 28 February 2007

	Share Capital		Reserves				Fair value reserve R'000	Accumulated profits R'000	Minority interest R'000	Total R'000
	R'000	R'000	General reserve R'000	Contingency reserve R'000	Reserve for future maintenance R'000	Reserve for provision of credit R'000				
Balance on 1 March 2005	1 962	6 326	R'000	R'000	R'000	R'000	R'000	R'000	R'000	76 356
Shares issued/called up during the year	262	29 267	29 267	593	1 200	27 211	4 855	4 942	262	
Shares redeemed	(52)	-	-	-	-	-	-	-	(52)	
Forfeiture of members' interest funds	-	-	-	-	-	-	-	-	-	
Capitalisation shares received - Kaap Agri	-	-	-	-	-	-	-	-	-	
Transfer of reserve for future maintenance	-	-	-	(163)	-	-	163	-	-	
Increase in fair value reserve due to decrease in taxation rate	-	-	-	-	-	75	-	-	75	
Accumulated profits on disposed asset transferred to the income statement	-	-	-	-	-	-	-	-	-	
Surplus upon remeasurement to fair value of assets available for sale	-	-	-	-	-	44 284	-	-	44 284	
Adjustment against deferred taxation	-	-	-	-	-	(6 323)	-	-	(6 323)	
Profit for the year	-	-	-	-	-	-	17 261	1 539	18 800	
Bonuses declared	-	-	-	-	-	-	-	-	-	
Deferred	-	-	-	-	-	-	(5 740)	-	(5 740)	
Cash	-	-	-	-	-	-	(2 460)	-	(2 460)	
Transfer (from accumulated profits)/to contingency reserves	-	-	3 940	-	-	-	(3 940)	-	-	
Transfer of capital profits on sale of assets	-	120	(120)	-	-	-	-	-	-	
Balance on 1 March 2006	2 172	6 446	33 087	430	1 200	65 247	10 139	6 481	125 202	
Shares issued/called up during the year	250	-	-	-	-	-	-	-	250	
Shares redeemed	(39)	-	-	-	-	-	-	-	(39)	
Forfeiture of members' interest funds	-	11	-	-	-	-	-	-	11	
Accumulated profits on disposed investment transferred to the income statement	-	-	-	-	-	(1)	-	-	(1)	
Deficit upon remeasurement to fair value of assets available for sale	-	-	-	-	-	(465)	-	-	(465)	
Adjustment against deferred taxation	-	-	-	-	-	67	-	-	67	
Profit for the year	-	-	-	-	-	-	23 464	2 612	26 076	
Bonuses declared	-	-	-	-	-	-	-	-	-	
Deferred	-	-	-	-	-	-	(10 200)	-	(10 200)	
Cash	-	-	-	-	-	-	(1 800)	-	(1 800)	
Transfer (from accumulated profits)/to reserves	-	-	5 997	-	-	-	(5 997)	-	-	
Minority interest upon acquisition of subsidiary	-	-	-	-	-	-	-	(485)	(485)	
Balance on 28 February 2007	2 383	6 457	39 084	430	1 200	64 848	15 606	8 608	138 616	

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
STAAT VAN VERANDERINGE IN EKWITEIT – KOÖPERASIE**
vir die jaar geëindig 28 Februarie 2007

	Aandelekapitaal		Reserwes		Billike waarde	Opgehoopte	Totaal
	R'000	Algemene reserwe R'000	Gebeurlikheidsreserwe R'000	R'000	R'000	winste R'000	R'000
Saldo op 1 Maart 2005	1 974	6 326	29 588	27 211	-	65 099	65 099
Aandeel uitgereik/opgeroep gedurende die jaar	262	-	-	-	-	262	262
Aandeel afgeelos	(52)	-	-	-	-	(52)	(52)
Verbeurverklaring van ledebelangfondse	-	-	-	-	-	-	-
Kapitalisasie aandeel ontvang – Kaap Agri	-	-	-	-	-	-	-
Verhoging in billike waarde reserwe as gevolg van verlaging in belastingkoers	-	-	-	75	-	-	75
Geakkumuleerde winste op vervreemde belegging oorgedra na die inkomstestaat	-	-	-	-	-	-	-
Surplus met hermeting na billike waarde van beleggings beskikbaar vir verkoop	-	-	-	44 283	-	-	44 283
Aanpassing teen uitgestelde belasting	-	-	-	(6 323)	-	-	(6 323)
Wins vir die jaar	-	-	-	-	12 140	-	12 140
Bonussse verklaar	-	-	-	-	-	(5 740)	(5 740)
Uitgestel	-	-	-	-	-	(2 460)	(2 460)
Kontant	-	-	-	-	-	(3 940)	(3 940)
Oordrag (vanaf opgehoopte winste)/ na gebeurlikheidsreserwe	-	-	3 940	-	-	-	-
Oordrag van kapitale winste met verkoop van bates	-	120	(120)	-	-	-	-
Saldo op 1 Maart 2006	2 184	6 446	33 408	65 246	-	107 284	107 284
Aandeel uitgereik/opgeroep gedurende die jaar	250	-	-	-	-	250	250
Aandeel afgeelos	(39)	-	-	-	-	(39)	(39)
Verbeurverklaring van ledebelangfondse	-	11	-	-	-	-	11
Geakkumuleerde winste op vervreemde belegging oorgedra na die inkomstestaat	-	-	-	(1)	-	-	(1)
Tekort met hermeting na billike waarde van beleggings beskikbaar vir verkoop	-	-	-	(465)	-	-	(465)
Aanpassing teen uitgestelde belasting	-	-	-	67	-	-	67
Wins vir die jaar	-	-	-	-	17 997	-	17 997
Bonussse verklaar	-	-	-	-	-	-	-
Uitgestel	-	-	-	-	-	(10 200)	(10 200)
Kontant	-	-	-	-	-	(1 800)	(1 800)
Oordrag na gebeurlikheidsreserwe	-	-	5 997	-	-	(5 997)	-
Saldo op 28 Februarie 2007	2 395	6 457	39 405	64 847	-	113 104	113 104

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 2007

	Share capital		Reserves		Fair value reserve	Accumulated profit	Total
	R'000	R'000	Contingency reserve	R'000	R'000	R'000	R'000
Balance on 1 March 2005	1 974	6 326	29 588	27 211	-	65 099	262
Shares issued/called up during the year	262	-	-	-	-	-	(52)
Shares redeemed	(52)	-	-	-	-	-	-
Forfeiture of member interest funds	-	-	-	-	-	-	-
Capitalisation shares received - Kaap Agri	-	-	-	-	-	-	-
Increase in fair value reserve due to decrease in taxation rate	-	-	-	75	-	-	75
Accumulated profits on disposed investment transferred to the income statement	-	-	-	-	-	-	-
Surplus upon re-valuation to fair value of investments available for sale	-	-	-	44 283	-	-	44 283
Adjustment against deferred taxation	-	-	-	(6 323)	-	-	(6 323)
Profit for the year	-	-	-	-	12 140	12 140	12 140
Bonuses declared	-	-	-	-	-	(5 740)	(5 740)
Deferred	-	-	-	-	-	(2 460)	(2 460)
Cash	-	-	-	-	-	-	-
Transfer (from accumulated profits)/to contingency reserve	-	120	3 940	-	(3 940)	-	-
Transfer of capital profits on sale of assets	-	-	(120)	-	-	-	-
Balance on 1 March 2006	2 184	6 446	33 408	65 246	-	107 284	250
Shares issued/called up during the year	250	-	-	-	-	-	(39)
Shares redeemed	(39)	-	-	-	-	-	-
Forfeiture of member interest funds	-	11	-	-	-	-	11
Accumulated profits on disposed investment transferred to the income statement	-	-	-	(1)	-	-	(1)
Deficit upon remeasurement to fair value of investments available for sale	-	-	-	(465)	-	-	(465)
Adjustment against deferred taxation	-	-	-	67	-	-	67
Profit for the year	-	-	-	-	17 997	17 997	17 997
Bonuses declared	-	-	-	-	-	(10 200)	(10 200)
Deferred	-	-	-	-	-	(1 800)	(1 800)
Cash	-	-	5 997	-	-	-	-
Transfer to contingency reserve	-	-	-	-	(5 997)	-	-
Balance on 28 February 2007	2 395	6 457	39 405	64 847	-	113 104	-

In accordance with Section 86(3) of the Co-operatives Act the General Reserve may only be utilised to compensate for capital losses.

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
KONTANTVLOEISTAAT vir die jaar geëindig 28 Februarie 2007

		Groep		Koöperasie	
	AANTEKE- NING	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Kontantvloei uit bedryfs- aktiwiteite					
Kontantontvangste vanaf kliente		451 019	394 204	348 195	281 064
Kontant betaal aan verskaffers en werknemers		(481 360)	(379 394)	(288 997)	(227 202)
Kontant deur bedrywighede voortgebring/(benut)		(30 341)	14 810	(59 198)	53 862
Rente ontvang	17	626	183	2 444	3 471
Rente betaal	18	(20 004)	(16 235)	(14 128)	(12 358)
Dividende ontvang		2 036	1 780	2 036	1 780
Belasting betaal		(5 803)	(3 995)	(2 499)	(1 950)
Netto kontant uit/(aange- wend in) bedrywighede		(53 486)	(3 457)	(71 345)	44 805
Ledetransaksies					
Aandele uitgereik en ingetrek - netto		211	210	211	210
Ledebelangfonds terugbetaal		(4 233)	(2 308)	(4 233)	(2 308)
Vergoeding aan lede		(2 460)	(1 921)	(2 460)	(1 921)
Netto kontant aangewend in ledetransaksies		(6 482)	(4 019)	(6 482)	(4 019)
Toevoeging tot eiendom, aanleg en toerusting		(12 176)	(16 963)	(3 306)	(9 702)
Opbrengs met verkoop van eiendom, aanleg en toerusting		391	1 053	12	138
Opbrengs met verkoop van aandele		98	1	98	1
Lenings aan filiale toegestaan				(788)	(200)
Belegging in filiaal		(1 649)	-	-	-
Netto kontant aangewend in beleggingsaktiwiteite		(13 336)	(15 909)	(3 984)	(9 763)
Langtermynlenings aangegaan		4 041	-	3 978	-
Langtermynlenings terugbetaal		(2 304)	(1 966)	(973)	(982)
Korttermynlenings aangegaan/ (terugbetaal)		70 805	23 215	79 558	(34 439)
Netto kontant uit/(aangewend in) finansieringsaktiwiteite		72 542	21 249	82 563	(35 421)
Toename/(afname) in kontant en kontantekwivalente		(762)	(2 136)	752	(4 398)
Kontant en kontantekwivalente aan begin van jaar	10	3 169	5 305	(107)	4 291
Kontant en kontantekwivalente aan einde van jaar	10	2 407	3 169	645	(107)

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
CASH FLOW STATEMENT for the year ended 28 February 2007

		Group		Co-operative	
	NOTES	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Cash from operating activities					
Cash received from clients		415 019	394 204	348 195	281 064
Cash paid to employees and suppliers		(481 360)	(379 394)	(288 997)	(227 202)
Cash generated through operating activities / (utilised)		(30 341)	14 810	(59 198)	53 862
Interest received	17	626	183	2 444	3 471
Interest paid	18	(20 004)	(16 235)	(14 128)	(12 358)
Dividends received		2 036	1 780	2 036	1 780
Tax paid		(5 803)	(3 995)	(2 499)	(1 950)
Net cash from / (applied in) operations		(53 486)	(3 457)	(71 345)	44 805
Member transactions					
Shares issued and recalled - net		211	210	211	210
Members' interest fund repaid		(4 233)	(2 308)	(4 233)	(2 308)
Remuneration of members		(2 460)	(1 921)	(2 460)	(1 921)
Net cash utilised in member transactions		(6 482)	(4 019)	(6 482)	(4 019)
Additions to property, plant and equipment		(12 176)	(16 963)	(3 306)	(9 702)
Yield with sale of property plant and equipment		391	1 053	12	138
Yield with sale of shares		98	1	98	1
Loans to subsidiary granted				(788)	(200)
Investment in subsidiary		(1 649)	-	-	-
Net cash from/(applied in) investment activities		(13 336)	(15 909)	(3 984)	(9 763)
Long term loans incurred		4 041	-	3 978	-
Long term loans repaid		(2 304)	(1 966)	(973)	(982)
Short term loans incurred/(repaid)		70 805	23 215	79 558	(34 439)
Net cash from/(applied in) financing activities		72 542	21 249	82 563	(35 421)
Increase/(decrease) in cash and cash equivalents		(762)	(2 136)	752	(4 398)
Cash and cash equivalents at the beginning of the year	10	3 169	5 305	(107)	4 291
Cash and cash equivalents at the end of the year	10	2 407	3 169	645	(107)

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale AANTEKENINGE TOT DIE FINANSIËLE JAARSTATE vir die jaar geëindig 28 Februarie 2007

1 Opsomming van beduidende rekeningkundige beleide

Die hoof rekeningkundige beleid toegepas in die voorbereiding van die finansiële state word hieronder uiteengesit. Hierdie beleid is in alle wesentliche opsigte konsekwent met die beleid soos in die vorige jaar toegepas, tensy anders vermeld.

1.1 Basis van voorbereiding

Die finansiële state is opgestel in ooreenstemming met Suid-Afrikaanse Standpunte van Algemeen Aanvaarde Rekeningkundige Praktyk en volgens die historiesekostegrondslag, tensy anders aangedui.

Interpretasies en wysigings tot gepubliseerde standpunte effektief in 2007

Die volgende standpunte en interpretasies tot bestaande standpunte is verpligtend vir rekeningkundige periodes wat op of na 1 Januarie 2006 begin en is deur die Groep aangeneem en toegepas tot die Groep se rekeningkundige beleid:

- ***IAS 39 "(Amendment), The Fair Value Option"***. Hierdie wysiging verander die definisie van finansiële instrumente geklassifiseer as billike waarde deur wins of verlies en beperk die moontlikheid om finansiële instrumente aan te wys as deel van hierdie kategorie.
- ***IAS 39 en IFRS 4 "(Amendment), Financial Guarantee Contracts"***. Hierdie wysiging vereis dat uitgereikte finansiële waarborge, behalwe daardie voorheen deur die entiteit aangewys as versekeringskontrakte, aanvanklik erken word teen billike waarde en later gemeet word teen die hoogste van: (a) die ongeamortiseerde saldo van verwante fooie ontvang en uitgestel, en (b) die uitgawe vereis om die verbintenis op balansstaat datum te vereffen.
- ***IFRIC 4, "Determining whether an Arrangement contains a Lease"***. IFRIC 4 vereis dat die bepaling of 'n ooreenkoms 'n huur is of 'n huur bevat gebaseer moet word op die wese van die kontrak. Dit vereis 'n beoordeling van of: (a) die verwesenliking van die ooreenkoms afhanklik is van die gebruik van 'n spesifieke bate of bates (die bate); en (b) die ooreenkoms die reg van gebruik van die bate oordra.

Standpunte, interpretasies en wysigings tot gepubliseerde standpunte effektief in 2007, maar nie relevant

Die volgende standpunte, wysigings en interpretasies tot bestaande standpunte is verpligtend vir rekeningkundige periodes wat op of na 1 Januarie 2006 begin, maar is nie relevant tot die Groep se bedrywighede nie:

- ***IAS 19 "(Amendment), Employee Benefits"***.
- ***IAS 21 "(Amendment), Net Investment in a Foreign Operation"***.
- ***IAS 39 "(Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions"***.
- ***IFRS 1 "(Amendment), First-time Adoption of International Financial Reporting Standards"*** en ***IFRS 6 "(Amendment), Exploration for and Evaluation of Mineral Resources"***.
- ***IFRIC 5, "Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds"***.

- IFRIC 6, “*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*”.

Standpunte, interpretasies en wysigings tot gepubliseerde standpunte nog nie effektief nie

Die volgende nuwe standpunte, wysigings en interpretasies tot bestaande standpunte wat verpligtend is vir rekeningkundige periodes wat op of na 1 Januarie 2007 begin, is gepubliseer:

- **IFRS 7, “Financial Instruments: Disclosures” en 'n aanvullende wysiging tot IAS 1, “Presentation of Financial Statements - Capital Disclosures”** (effektief vanaf 1 Januarie 2007). IFRS 7 stel nuwe openbaarmakingsvereistes voor om die inligting rakende finansiële instrumente te verbeter. Dit vereis die openbaarmaking van kwalitatiewe en kwantitatiewe inligting oor die blootstelling tot risiko's wat voortspruit uit finansiële instrumente, insluitende gespesifiseerde minimum openbaarmaking vereistes oor kredietrisiko, likwiditeitsrisiko en markrisiko, insluitend 'n sensitiwiteitsontleding oor markrisiko. Dit vervang IAS 30, Openbaarmaking in die Finansiële State vir Banke en Soortgelyke Finansiële Institute, en die openbaarmakingsvereistes in IAS 32, Finansiële Instrumente: Aanbieding en Openbaarmaking.
- **IFRIC 7, “Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies”** (effektief vanaf 1 Maart 2006). IFRIC 7 is nie relevant tot die Groep se bedrywighede nie.
- **IFRIC 8, “Scope of IFRS 2”** (effektief vanaf 1 Mei 2006). IFRIC 8 vereis die oorweging van transaksies wat die uitreiking van ekwiteitsinstrumente behels - waar die identifiseerbare vergoeding ontvang minder is as die billike waarde van die ekwiteitsinstrumente uitgereik - om vas te stel of dit in die omvang van IFRS 2 val. IFRIC 8 is nie huidiglik relevant tot die Groep se bedrywighede nie.
- **IFRIC 9, “Reassessment of Embedded Derivatives”** (effektief vanaf 1 Junie 2006). IFRIC 9 vereis dat 'n entiteit die verpligte skeiding van 'n vasgeslote afgeleide instrument vanuit die oorspronklike kontrak en die verantwoording daarvan as 'n afgeleide instrument moet oorweeg wanneer die entiteit vir die eerste keer 'n party tot die kontrak word. Daaropvolgende heroorweging word verbied, behalwe as daar 'n verandering in die terme van die kontrak is, wat die kontantvloei wat onder die oorspronklike kontrak vereis sou word, beduidend verander. IFRIC 9 is huidig nie relevant tot die Groep se bedrywighede nie.
- **IFRIC 10 (AC 443), “Interim Financial Reporting and Impairment”** (effektief vanaf 1 November 2006). IFRIC 10 (AC 443) verbied die terugskrywing op 'n latere balansstaat datum van 'n waardedalingverlies wat erken is tydens 'n interim periode op klandisiewaarde, beleggings in ekwiteitsinstrumente en beleggings in finansiële bates gedra teen koste. IFRIC 10 (AC 443) is huidiglik nie relevant tot die Groep se bedrywighede nie.
- **IFRIC 11 (AC 444), “IFRS 2 - Group and Treasury Share Transactions”** (effektief vanaf 1 Maart 2007). IFRIC 11 is huidiglik nie relevant tot die groep se bedrywighede nie.

- **IFRIC 12 (AC 445), “Service Concession Arrangements”** (effektief vanaf 1 Januarie 2008). IFRIC 12 is huidiglik nie relevant tot die Groep se bedrywighede nie.
- **AC 503, “Accounting for Black Economic Empowerment (“BEE”) transactions”** (effektief vanaf 1 Mei 2006). As ekwiteitsinstrumente teen 'n diskonto aan 'n Swart Ekonomiese Bemagtigings (SEB) vennoot toegewys word, moet dit as 'n uitgawe erken word. SEB voordele wat verkry word as deel van 'n besigheidsamevoeging sal opgeneem word in klandisiewaarde en nie as 'n aparte ontasbare bate erken word nie. Waar die SEB transaksie diensvoorwaardes insluit, sal die billike waarde van die ekwiteitsinstrumente gemeet word by toekenningsdatum en die uitgawe sal erken word oor die periode van die diensvoorwaardes. Waar die SEB transaksie geen diensvoorwaardes insluit nie, sal die billike waarde van die ekwiteitsinstrumente gemeet word by toekenningsdatum en die uitgawe sal onmiddellik erken word op die toekenningsdatum. Bestuur het die impak op die Groep oorweeg en sal AC 503 toepas met toekomstige BEE transaksies.

1.2 Konsolidasiegrondslag

Konsolidasie

Filiale, wat daardie entiteite 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 by konsolidasie uitgeskakel. Ongerealiseerde verliese word ook uitgeskakel, tensy koste nie verhaal kan word nie. Die rekeningkundige beleid wat deur filiale toegepas word, stem in alle opsigte ooreen met dié van Sentraal-Suid Koöperasie Beperk.

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 verkrygde filiaal soos op die datum van verkryging. Klandisiewaarde word getoon as 'n ontasbare bate.



1.3 Buitelandse valuta omskakeling

(a) *Funksionele en verslagdoenings geldeenhede*

Items ingesluit in die finansiële state van die Groep word gemeet deur gebruikmaking van die geldeenhede van die primêre ekonomiese omgewing waarin die entiteit sy bedrywighede beoefen ("die funksionele geldeenhede"). Die gekonsolideerde finansiële state word aangebied in Rand, wat die Groep se funksionele en rapporterings-geldeenhede is.

(b) *Transaksies en saldo's*

Buitelandse valuta transaksies word omgeskakel na die funksionele geldeenhede deur die heersende wisselkoerse op die datums van die transaksies te gebruik. Buitelandse valuta winste en verliese voortvloeiend uit die vereffening van sulke transaksies en van die omskakeling op jaareind wisselkoerse van monetêre bates en laste gedenomineer in buitelandse geldeenhede word erken in die inkomstestaat, behalwe wanneer dit uitgestel word in ekwiteit as kwalifiserende kontantvloeienskanse en kwalifiserende skanse van netto beleggings.


Veranderinge in die billike waarde van monetêre sekuriteite gedenomineer in buitelandse geldeenhede geklassifiseer as beskikbaar vir verkoop word ontleed tussen die omskakeling verskille voortvloeiend van veranderinge in die geamortiseerde koste van die sekuriteit en ander veranderinge in die drawaarde van die sekuriteit. Omskakelingsverskille word erken in wins en verlies terwyl ander veranderinge in die drawaarde in ekwiteit erken word.

Omskakelingsverskille op nie-monetêre finansiële bates en laste word aangebied as deel van die billike waarde wins of verlies. Omskakelingsverskille op nie-monetêre finansiële bates en laste wat as billike waarde deur wins en verlies geklassifiseer is, word erken in wins en verlies as deel van die billike waarde wins of verlies. Omskakelingsverskille op nie-monetêre finansiële bates en laste wat as gehou vir verkoop geklassifiseer is, word ingesluit in die billike waarde reserve in ekwiteit.

1.4 Eiendom, aanleg en toerusting

Eiendom, aanleg en toerusting verteenwoordig oorwegend eienaar-geokkupeerde eiendom wat met verkryging teen kosprys te boek gestel word. 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. 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.

Latere kostes word ingesluit in die bates se drawaarde of word as 'n aparte bate erken, soos toepaslik, net wanneer dit waarskynlik is dat toekomstige ekonomiese voordele verwant aan die item na die Groep sal vloei en die koste van die item betroubaar gemeet kan word. Alle ander herstel en onderhoudskostes word in die inkomstestaat afgeskryf in die finansiële periode wat dit aangegaan is.



Waardevermindering word opgeneem deur 'n debiet na inkomste op 'n reguitlyn-grondslag ten einde die koste van die bates af te skryf tot 'n waarde gelykstaande aan hul reswaarde oor die verwagte nuttige lewensduur van die bates. Geen voorsiening is vir waardevermindering op grond gemaak nie, aangesien dit geag word 'n oneindigende lewensduur te hê. Die koerse van afskrywing is soos volg:

Graansilomasjinerie	: 20 – 22 jaar
Masjinerie en gereedskap	: 5 – 20 jaar
Voertuie	: 4 – 11 jaar
Kantoortoerusting	: 2 – 11 jaar
Fabrieksgebou	: 12 – 50 jaar
Ander geboue	: 50 jaar
Laboratoriumtoerusing	: 5 – 10 jaar

Die bates se reswaardes en nuttige lewensdure word hersien, en aangepas indien toepaslik, op elke balansstaatdatum.

Waar die drawaarde van 'n bate groter is as die beraamde verhaalbare bedrag word dit onmiddellik afgeskryf na die beraamde verhaalbare bedrag.

Onvoltooide kapitaalprojekte van filiale word ingesluit by masjinerie en gereedskap teen kosprys. Waardevermindering word bereken vanaf die datum waarop die bates reg is vir bedoelde gebruik.

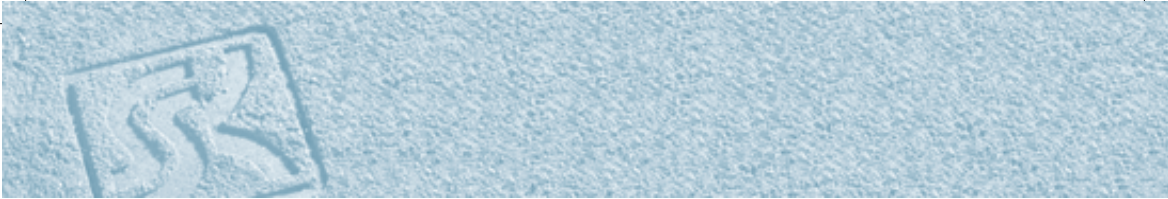
1.5 Waardedaling van nie-finansiële bates

Bates wat 'n nie-definitiewe nuttige lewensduur het, word nie geamortiseer nie en word jaarliks vir waardedaling getoets. Bates wat geamortiseer word, word hersien vir waardedaling wanneer gebeure of veranderinge in omstandighede aandui dat die drawaarde nie meer in geheel verhaalbaar is nie. 'n Waardedalingsverlies word erken vir die bedrag waarmee 'n bate se drawaarde die verhaalbare bedrag oorskry. Die verhaalbare bedrag is die hoogste van 'n bate se billike waarde minus verkoopskoste en sy waarde in gebruik. Vir die doeleindes van die beoordeling van waardedaling, word bates gegroepeer in die laagste vlakke waarvoor daar skeibare identifiseerbare kontantvloei is (kontantgenererende-eenhede). Nie-finansiële bates waarvoor voorheen 'n waardedalingsverlies erken is, word by elke balansstaatdatum hersien vir 'n moontlike terugskrywing van 'n waardedalingsverlies.

1.6 Voorraad

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

Graan en Canola word gewaardeer teen laagste van kosprys, op die geweege gemiddelde grondslag, of netto realiseerbare waarde. Koste behels die basisprys plus opbergingsvergoeding.



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

1.7 Finansiële bates

Die Groep klassifiseer sy finansiële bates in die volgende kategorieë: teen billike waarde deur wins en verlies, lenings en debiteure, en beskikbaar vir verkoop. Die klassifikasie hang af van die doel waarvoor die finansiële bates aangeskaf is. Bestuur stel die klassifikasie van die finansiële bate vas by die aanvanklike erkenning en heroorweeg hierdie aanwysing op elke verslagdoeningsdatum.

(a) *Finansiële bates teen billike waarde deur wins en verlies*

Hierdie kategorie het twee sub-kategorieë: "finansiële bates gehou vir verhandeling", en daardie finansiële bates aanvanklik aangewys as teen billike waarde deur wins en verlies. 'n Finansiële bate word geklassifiseer ingevolge hierdie kategorie indien dit aangeskaf is hoofsaaklik vir die doel om dit te verkoop in die korttermyn of indien so aangewys deur bestuur. Afgeleide instrumente word ook gekategoriseer as "gehou vir verhandeling" tensy dit aangewys is as 'n verskansingsinstrument. Bates in hierdie kategorie word gekategoriseer as bedryfsbates indien hulle of gehou word vir verhandeling of indien dit verwag kan word dat hulle binne die volgende 12 maande vanaf die balansstaatdatum sal realiseer.

(b) *Lenings en debiteure*

Lenings en debiteure is nie-afgeleide finansiële bates met vaste of bepaalbare betalings wat nie op 'n aktiewe mark gekwoteer word nie. Dit sluit in bedryfsbates, behalwe vir bedryfsbates wat nie binne 12 maande vanaf die balansstaatdatum realiseer nie. Sulke bates word geklassifiseer as nie-bedryfsbates. Lenings en debiteure word geklassifiseer as produksielenings en ander debiteure in die balansstaat.

(c) *Beskikbaar-vir-verkoop finansiële bates*

Beskikbaar-vir-verkoop finansiële bates is nie-afgeleide finansiële bates wat óf na hierdie kategorie aangewys word óf nie ingevolge een van die ander kategorieë geklassifiseer word nie. Sulke bates word ingesluit in nie-bedryfsbates tensy bestuur van voorneme is om die belegging te verkoop binne 12 maande na die balansstaatdatum.

Gewone toevoegings en vervreemdings van beleggings word erken op transaksiedatum, die datum waarop die Groep hom tot die koop of verkoop verbind. Beleggings word aanvanklik erken teen billike waarde plus transaksiekoste vir alle finansiële bates wat nie gedra word teen billike waarde deur wins en verlies. Finansiële bates wat gedra word teen billike waarde deur wins en verlies word aanvanklik erken teen billike waarde en transaksiekoste word afgeskryf na die inkomstestaat. Beleggings word onderken wanneer die regte om kontantvloeie daaruit te ontvang verstryk of indien sulke regte verplaas word en die Groep het aansienlik alle regte en verpligtinge met betrekking tot die belegging verplaas. Besikbaar-vir-verkoop finansiële bates en finansiële bates teen billike waarde deur wins en verlies word by latere meting gedra teen billike waarde. Debiteure en lenings en gehou-tot-vervalde beleggings word gedra teen gearmoteerde koste deur gebruik te maak van die effektiewe



rentekoersmetode.

Winste en verliese voortvloeiend uit veranderinge in die billike waarde vir die "finansiële bates teen billike waarde deur wins en verlies" kategorie, insluitende rente en dividend inkomste, word aangebied in die inkomstestaat in die periode waarin dit ontstaan.

Veranderinge in die billike waarde van monetêre sekuriteite gedenomineer in 'n buitelandse geldeenheid en geklassifiseer as beskikbaar-vir-verkoop word ontleed tussen omskakelingsverskille as gevolg van veranderinge in geamortiseerde koste van die sekuriteit en ander veranderinge in die drawaarde van die sekuriteit. Die omskakelingsverskille word erken in wins en verlies en ander veranderinge in die drawaarde word erken in ekwiteit. Veranderinge in die billike waarde van ander monetêre sekuriteite geklassifiseer as beskikbaar-vir-verkoop en nie-monetêre sekuriteite geklassifiseer as beskikbaar-vir-verkoop, word erken in ekwiteit.

Wanneer sekuriteite geklassifiseer as beskikbaar-vir-verkoop vervreem word of waardedaling daarop toegepas word, word die opgehoopte billike waarde aanpassings in ekwiteit erken ingesluit in die inkomstestaat as "winste en verliese uit beleggings". Rente op beskikbaar-vir-verkoop beleggings word bereken deur gebruik te maak van die effektiewe rentekoersmetode en word erken in die inkomstestaat. Dividende ontvang uit beskikbaar-vir-verkoop beleggings word erken in die inkomstestaat wanneer die Groep se reg om betaling te ontvang gevestig het.


Die billike waardes van genoteerde beleggings is gebaseer op huidige bodpryse. Indien die mark vir 'n finansiële bate nie aktief is nie (en vir nie-genoteerde sekuriteite), word die billike waarde bepaal met verwysing na waardasietegnieke. Hierdie tegnieke sluit in die gebruik van onlangse transaksies op 'n armlengte grondslag, verwysing na ander instrumente wat wesenlik dieselfde is, verdiskonteerde kontantvloei ontledings en opsie prysvasstelling modelle, hoofsaaklik deur gebruik te maak van mark veranderlikes in plaas van spesifieke entiteits veranderlikes.

Op elke balansstaatdatum word daar vasgestel of daar objektiewe bewyse is dat 'n finansiële bate of 'n groep finansiële bates se waarde afgeneem het. In die geval van beskikbaar-vir-verkoop beleggings, word 'n beduidende afname in die sekuriteit se billike waarde beskou as 'n aanduiding dat waardedaling toegepas moet word. Indien sulke inligting bestaan vir beskikbaar-vir-verkoop beleggings, word die opgehoopte verlies, gemeet as die verskil tussen die aanskaffingskoste en die huidige billike waarde, minus enige waardedalingsverlies wat voorheen teen wins en verlies afgeskryf is, verwyder uit ekwiteit en erken in die inkomstestaat. Waardedalingsverliese wat erken word in die inkomstestaat op ekwiteits-instrumente word nie teruggeskryf deur die inkomstestaat nie.

1.8 Billike waarde raming

Die billike waarde van finansiële instrumente wat in 'n aktiewe mark verhandel (soos verhandelbare en beskikbaar-vir-verkoop instrumente) word gebaseer op die gekwoteerde markprys op balansstaatdatum. Die gekwoteerde markprys wat gebruik word vir finansiële bates wat deur die Groep gehou word, is die huidige bodprys.

Die nominale waarde na inagneming van die voorsiening vir waardedaling vir handels-



debiteure en handelskrediteure word geag die billike waarde te wees as gevolg van die korttermyn verval van hierdie bates. Die billike waarde van finansiële laste vir openbaarmakingsdoeleindes word beraam deur die toekomstige kontantvloei te verdiskonteer teen die huidige mark rentekoers wat beskikbaar is aan die Groep met soortgelyke finansiële instrumente.

1.9 Handelsdebiteure

Handelsdebiteure word aanvanklik erken teen billike waarde en word later gemeet teen geamortiseerde koste, deur gebruik te maak van die effektiewe rentekoersmetode, minus 'n voorsiening vir waardedaling. 'n Voorsiening vir waardedaling word gemaak, indien daar objektiewe bewyse is dat die Groep nie in staat sal wees om die bedrae te verhaal teen die oorspronklike terme van die ontvangstes nie. Beduidende finansiële swakhede van die debiteur, die waarskynlikheid dat die debiteur insolvent sal raak of finansiële herorganisasie sal ondergaan, of die nie-nakoming of oortreding van betalingsterme word geag 'n aanduiding van waardedaling te wees. Die bedrag van die voorsiening is die verskil tussen die drabedrag en die verhaalbare bedrag. Die verhaalbare bedrag is die netto teenswoordige waarde van verwagte toekomstige kontantvloei, verdiskonteer teen die effektiewe rentekoers. Die bedrag van die voorsiening word erken in die inkomstestaat.

1.10 Afbetalingsverkoopoooreenkomste

Die Groep gebruik afbetalingsverkoopoooreenkomste om die verkope van kapitaal-goedere aan klante en 'n filiaal te finansier. Die totale waarde van uitstaande paaimente word as die drabedrag van die ooreenkomste geopenbaar. Invorderbaarheid word individueel gemeet en indien dit waarskynlik is dat alle verskuldigde bedrae ooreenkomstig die kontraktuele bepalings van die ooreenkomste nie gevorder sal word nie, word drabedrae met die verwagte waardedalingsverliese verminder.

1.11 Kontant en kontantekwivalente

Vir die doeleindes van die kontantvloeietaat bestaan kontant en kontantekwivalente uit kontant voorhande, daggelddeposito's en lopende rekeninge met banke, netto van bankoortrekkings. Bankoortrekkings word in die balansstaat onder bedryfslaste getoon.

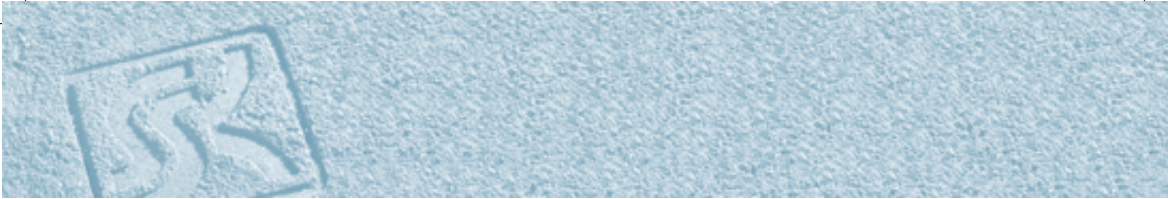
1.12 Langtermynverpligtinge

Langtermynverpligtinge word aanvanklik erken teen billike waarde, netto van transaksiekoste opgeloopt. Latere meting is teen geamortiseerde koste; enige verskil tussen die opbrengs (netto van transaksiekoste) en die aflossingsbedrag word erken in die inkomstestaat oor die periode van die verpligting deur gebruik te maak van die effektiewe rentekoers-metode.

Verpligtinge word geklassifiseer as 'n bedryfslas tensy die Groep 'n onvoorwaardelike reg het om die vereffening uit te stel vir ten minste 12 maande na die balansstaatdatum.

1.13 Uitgestelde belasting

Uitgestelde belasting word verskaf, deur die gebruik van die aanspreeklikheidsmetode, vir alle wesenslike tydelike verskille wat ontstaan tussen die belastingbasisse van



bates en laste en hul drawaardes vir finansiële-verslagdoeleindes. Uitgestelde belasting word nie erken indien dit voortvloei uit aanvanklike erkenning van 'n bate of las in 'n transaksie anders as 'n besigheidskombinasie indien dit op die datum van die transaksie nie die rekeningkundige of belasbare wins of verlies beïnvloed nie. Uitgestelde belasting word bereken deur die vasgestelde belastingkoerse op die balansstaatdatum, en die koers wat verwag word van toepassing sal wees wanneer die verwante uitgestelde belastingbate realiseer of die verwante uitgestelde belastingaanspreeklikheid vereffen sal word, te gebruik.

Uitgestelde belastingbates word erken tot die mate wat dit waarskynlik is dat daar toekomstige belasbare wins sal wees waarteen die tydelike verskil aangewend kan word.

Die vernaamste tydelike verskille ontstaan as gevolg van waardevermindering op eiendom, aanleg en toerusting, opgehoopte verlofvoorsiening, voorsiening vir waardedaling van debiteure, na-aftrede mediese verpligting, bonusse aan personeel en onbenutte belastingverliese wat oorgedra is.

1.14 Voorsienings

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

Waar daar 'n aantal soortgelyke verpligtinge is, word die waarskynlikheid dat 'n uitvloeï van hulpbronne wel vereis sal word bepaal deur die klas verpligtinge as 'n eenheid te oorweeg. 'n Voorsiening word erken al is die waarskynlikheid van uitvloeï van hulpbronne met betrekking tot enige item ingesluit in so 'n eenheid, gering.

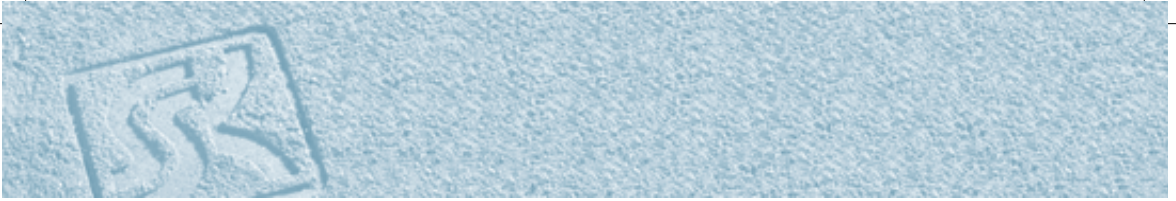
Voorsienings word gemeet teen die huidige waarde van die betalings wat vereis sal word om die verpligting te vereffen deur 'n voor-belasting koers, wat die huidige markskattings vir die tydwaarde van geld en die risiko's spesifiek tot die verpligting weerspieël, te gebruik.

1.15 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.



1.16 Hure

Hure, waar 'n beduidende deel van die regte en verpligtinge van eienskapskap behou word deur die verhuurder, word geklassifiseer as bedryfshure. Betalings gemaak onder bedryfshure (netto van enige insentiewe ontvang vanaf die verhuurder) word afgeskryf in die inkomstestaat op 'n reguitlyn grondslag oor die periode van die huur.

1.17 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 lewensverwagting 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.

1.18 Pensioenskema reëlings

Die Groep bedryf 'n pensioenfonds wat bestaan uit 'n omskrewedydraeplan. 'n Omskrewedydraeplan 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.

1.19 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.


1.20 Ledefondse

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

1.21 Nie-bedryfsbates gehou vir verkoop

Nie-bedryfsbates word geklassifiseer as gehou vir verkoop indien hul drawaarde hoofsaaklik verhaal sal word deur middel van 'n verkooptransaksie en nie deur toekomstige gebruik nie. Sulke bates kan 'n komponent van 'n entiteit, 'n vervreemdingsgroep of 'n individuele nie-bedryfsbate wees.

Nie-bedryfsbates gehou vir verkoop word gemeet teen die laagste van die nie-



bedryfsbate se drawaarde of billike waarde minus verkoopskoste. Waardedalingsverliese word erken op enige aanvanklike of latere afskryf van nie-bedryfsbates gehou vir verkoop na hul billike waarde minus verkoopskoste behalwe tot die mate wat daar reeds voorheen 'n waardedaling erken is.

1.22 Segmentverslagdoening

Geen segmentering word verskaf nie aangesien die Groep in Suidelike-Afrika handel dryf in landbouverwante produkte en dienste.

1.23 Inkomste erkenning

Inkomste bestaan uit die billike waarde van die vergoeding ontvang of ontvangbaar vir die verkoop van goedere in die gewone loop van sake. Inkomste word getoon, netto van Belasting op Toegevoegde Waarde, geskatte terugsendings, kortings en afslag. Inkomste word as volg erken:

(a) Verkope

Inkomste verdien uit die verkope van goedere word as inkomste erken sodra alle wesentlike risiko's en eiendomsreg van die produk na die koper oorgedra is. Inkomste uit die verkope van goedere wat met afbetalingsverkoop-ooreenkomste gefinansier word, word as inkomste erken na fakturering van die transaksies en ondertekening van die ooreenkomste.

(b) Dienste gelewer

Inkomste uit die dienste gelewer word erken soos en wanneer die diens gelewer word, of, wanneer van toepassing, volgens kontrak of ooreenkoms.

(c) Silo inkomste

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.

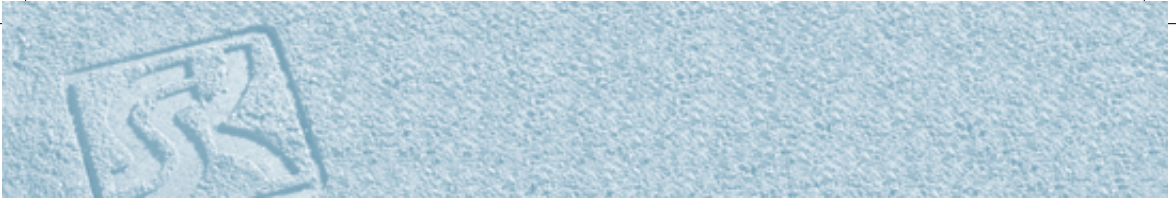
(d) Rente inkomste

Rente inkomste word erken op 'n tydtoedelingsbasis deur die effektiewe rentekoersmetode te gebruik. Wanneer 'n saldo ontvangbaar se waarde gedaal het, word die drawaarde na die verhaalbare bedrag verminder. Die verhaalbare bedrag is die toekomstige kontantvloei verdiskonteer teen die oorspronklike effektiewe rentekoers van die instrument en die volgehoue afrol van die korting word as rente inkomste erken. Rente inkomste op lenings waarop waardedaling toegepas is, word erken deur die oorspronklike effektiewe rentekoers te gebruik.

2 Kritiese rekeningkundige ramings, aannames en beoordelings

Rekeningkundige ramings, aannames en beoordelings word deurlopend geëvalueer en word gebaseer op historiese kennis en ander faktore, ingesluit verwagte toekomstige gebeurtenisse wat geag word redelik te wees onder die omstandighede.

Die Groep maak ramings en aannames met betrekking tot die toekoms. Die gevolglike ramings sal selde gelykstaande wees aan die werklike resultate. Die ramings en aannames wat 'n beduidende risiko van wesentlike aanpassings aan die drabedrag van bates en



laste gedurende die volgende finansiële jaar sal inhou is:

(a) Eiendom, aanleg en toerusting

Eiendom, aanleg en toerusting word afgeskryf oor hulle nuttige lewensduur, na inagneming van die reswaardes van die bates aan die einde van die lewensduur van die bates. Die lewensduur en reswaardes van die bates word gebaseer op industrie kennis.

(b) Voorraadwaardasie

Graan, wat insluit Canola, veevoer asook die grondstowwe daarvan, word waardeur teen die verwagte netto realiseerbare waarde soos deur die direkteure van die Groep bepaal en wat gebaseer word op huidige markpryse en markttendense.

Ingesluit by die koste van die voorraad as 'n koste-element, is 'n bokoste toedeling per produk. Hierdie bokoste-element verteenwoordig, na beste raming van bestuur, 'n toedeling van die vaste koste van vervaardiging indien die vervaardigingsproses in normale bedryfsomstandighede funksioneer.

Verwagte verkoopskoste, byvoorbeeld kortings en afslae, wat in die toekoms toegestaan word aan debiteure word inaggeneem met die bepaling van die netto realiseerbare waarde van produkte.

(c) Waardedaling ten opsigte van debiteure

Waardedaling ten opsigte van debiteure word bereken wanneer daar objektiewe bevestiging is dat die groep nie alle bedrae sal kan vorder wat verskuldig is in terme van die oorspronklike kredietverskaffing nie.

Bestuur oorweeg, gebaseer op ondervinding uit die verlede, die volgende faktore om die bedrag van waardedaling vas te stel:

Nie-nakoming van kredietterme

Debiteure word individueel beoordeel om gevalle van beduidende finansiële probleme, wanbetalings en debiteure wat potensieel insolvent is, te identifiseer. Die waardedaling word bereken as die verskil tussen die totale verpligting en die bedrag van die sekuriteitswaarde wat beskikbaar is teen die verpligting.

Sekuriteit wat van debiteure vereis word, word beoordeel as deel van die kredietbeleid en is gebaseer op 'n risiko ontleding van die debiteure.



	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
3 Eiendom, aanleg en toerusting				
3.1 Samestelling				
Grond, geboue en graansilo's	21 859	17 526	16 010	14 851
Kosprys	24 718	19 975	17 787	16 327
Opgehoopte waardevermindering	(2 859)	(2 449)	(1 777)	(1 476)
Graansilomasjinerie	2 594	3 448	2 594	3 448
Kosprys	29 388	29 340	29 388	29 340
Opgehoopte waardevermindering	(26 794)	(25 892)	(26 794)	(25 892)
Masjinerie en gereedskap	26 292	24 492	1 207	1 489
Kosprys	43 316	38 242	6 900	6 616
Opgehoopte waardevermindering	(17 024)	(13 750)	(5 693)	(5 127)
Voertuie	7 021	5 011	2 754	2 321
Kosprys	12 149	9 047	4 806	4 006
Opgehoopte waardevermindering	(5 128)	(4 036)	(2 052)	(1 685)
Laboratoriumtoerusting	74	98	-	-
Kosprys	169	169	-	-
Opgehoopte waardevermindering	(95)	(71)	-	-
Kantoortoerusting	2 192	2 024	1 453	1 317
Kosprys	7 709	6 822	6 250	5 549
Opgehoopte waardevermindering	(5 517)	(4 798)	(4 797)	(4 232)
Totale vaste bates teen boekwaarde	60 032	52 599	24 018	23 426

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

	2007 R'000	2006 R'000
4 Beleggings in filiaalmaatskappye		
4.1 Southern Oil Beperk		
Gewone aandele teen kosprys	5 685	5 685
4.2 SSK Vervaardigers (Eiendoms) Beperk		
Gewone aandele teen kosprys	1 500	1 500
4.3 Technifarm (Proprietary) Limited		
Gewone aandele teen kosprys	100	100
Lening	3 989	3 200
Min Voorsiening vir verliese van filiaal	(1 386)	(1 801)
4.4 Langeberg Kunsmis (Eiendoms) Beperk		
Gewone aandele teen kosprys	-	-
	9 888	8 684

'n Gedeelte van die lening aan Technifarm (Proprietary) Limited dra rente teen 11% per jaar. Daar bestaan geen terugbetalingsvoorwaardes nie.

Weens die aandeelhouerstekort by die filiaal wat R1 511 896 (2006 - R1 927 587) bedra het, het die koöperasie onderneem om indien nodig verdere aandele tot ten minste hierdie tekort op te neem ten einde die filiaal te befonds vir toekomstige bedrywighede.

	2007 R'000	2006 R'000
4.5 Totale belegging in filiale		
Aandele	7 285	7 285
Lenings	2 603	1 399
Debiteure	2 101	9 418
Korttermynlenings	38 731	1 124
Huurkope	1 043	2 209
Krediteure	(2 667)	(327)
Ledelenings	(34)	(441)
Ledebelangefonds	(1 002)	(513)
	<u>48 060</u>	<u>20 154</u>
4.6 Belang in nabelaste winste/(verliese) van filiale		
Southern Oil Beperk (SOILL)	4 615	3 713
SSK Vervaardigers (Eiendoms) Beperk	851	1 194
Technifarm (Proprietary) Limited	290	(487)
Langeberg Kunsmis (Eiendoms) Beperk	(125)	4
Swartland Oliepers (Eiendoms) Beperk	315	-
	<u>5 946</u>	<u>4 424</u>
5 Beleggings beskikbaar vir verkoop		
Groep en Koöperasie		
Rekonsiliasie		
Saldo begin van jaar	75 889	31 606
Waardasie van beleggings beskikbaar vir verkoop ingevolge IAS 39	(465)	44 283
Verkoop van aandele	(67)	-
Saldo einde van jaar	<u>75 357</u>	<u>75 889</u>
Die beleggings bestaan uit die volgende:		
Gewone aandele in 'n koöperasie	-	-
Gewone genoteerde aandele in maatskappye	7	7
Gewone ongenoteerde aandele in maatskappye	75 350	75 882
	<u>75 357</u>	<u>75 889</u>



6 Afbetalingsverkoop-ooreenkomste	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Bruto bedrae ontvangbaar				
Lede				
Ontvangbaar binne een jaar	18 205	19 913	18 205	19 913
Ontvangbaar in twee tot tien jaar	46 766	49 165	46 766	49 165
Filiaal				
Ontvangbaar binne een jaar			359	376
Ontvangbaar in twee tot tien jaar			684	1 833
	64 971	69 078	66 014	71 287
Korttermyngedeelte oorgedra na produksielenings en ander debiteure (aantekening 8)	(18 205)	(19 913)	(18 564)	(20 289)
	46 766	49 165	47 450	50 998

Afbetalingsooreenkomste is volgens kontraktuele bepalinge van die ooreenkomste betaalbaar in gelyke jaarlikse paaiemente oor twee tot tien jaar.

Die ooreenkomste is aangegaan teen vaste rentekoerse wat op balansstaatdatum gewissel het tussen 11.50% en 15.25% per jaar.

Alle bedrae ontvangbaar is aan Landbank gesedeer om te dien as sekuriteit vir lenings toegestaan, soos per aantekeninge 13 en 15.

7 Voorraad	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Boerderybenodigdhede	23 793	19 018	23 793	19 018
Canola saad	62 661	59 474	-	-
Saadgraan	9 792	7 350	4 982	5 213
Implemente	5 233	8 367	5 233	8 367
Verbruiksmateriaal	502	480	147	133
Produkte	47 448	-	47 448	-
Grondstowwe	3 355	864	-	-
Klaarprodukte	5 988	3 494	-	-
	158 772	99 047	81 603	32 731

Die voorraad is aan Landbank verpand as sekuriteit vir lenings toegestaan, soos per aantekeninge 13 en 15.



	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
8 Produksielenings en ander debiteure				
Lede	117 387	101 357	91 830	89 912
Lopende produksiekrediet	82 692	57 569	57 135	46 124
Oordragksuld	34 695	43 788	34 695	43 788
Produksie	26 921	38 408	26 921	38 408
Huurkope	7 774	5 380	7 774	5 380
Huurkoop - Filiaal			359	376
Filiale			2 101	9 418
Nie-lede	8 459	5 203	8 183	5 067
Diverse	23 712	6 405	20 407	4 426
	149 558	112 965	122 880	109 199

Alle bedrae ontvangbaar is aan Landbank gesedeer om te dien as sekuriteit vir lenings toegestaan, soos per aantekeninge 13 en 15.

	2007 R'000	2006 R'000
9 Korttermynlenings - filiale		
Voorraadfinansiering	38 731	1 124
Die lenings dra rente teen 10.50% per jaar.		

	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
10 Kontant en kontantekwivalente				
Kontant op hande	15	12	9	7
Kleinkas	1	2	1	2
Banksaldo's	2 396	3 334	635	-
	2 412	3 348	645	9
Vir die doeleindes van die kontantvloeistaat is kontant en kontantekwivalente as volg:				
Samestelling van kontant en kontantekwivalente				
Kontantvoorskotte en kleinkas	16	14	10	9
Banksaldo's	2 391	3 155	635	(116)
	2 407	3 169	645	(107)



	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
11 Aandelekapitaal				
Groep				
11.1 Opbetaalde aandele				
Bruto	2 395	2 184	2 395	2 184
Min Tesourie-aandele gehou deur filiale	(12)	(12)	-	-
	<u>2 383</u>	<u>2 172</u>	<u>2 395</u>	<u>2 184</u>
Koöperasie				
11.2 Uitgereikte aandele van R1 elk			<u>3 204</u>	<u>3 100</u>

11.3 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 13 en 15.

	2007 R'000	2006 R'000
	12 Ledefondse	
Groep		
12.1 Ledebelangefonds		
Saldo aan die begin van die jaar	53 219	50 231
Beweging gedurende die jaar		
Toevoegings uit surplusse	10 200	5 740
Terugbetalings	(4 233)	(2 309)
Belang gehou deur filiale	(488)	(443)
	<u>58 698</u>	<u>53 219</u>
Koöperasie		
12.2 Ledebelangefonds		
Saldo aan die begin van die jaar	53 733	50 302
Beweging gedurende die jaar		
Toevoegings uit surplusse	10 200	5 740
Terugbetalings	(4 233)	(2 309)
	<u>59 700</u>	<u>53 733</u>
12.3 Ledebelangefonds		

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

12.4 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:

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



Koöperasie		2007	2006
13.5 Versekerde lenings			
Landbank			
Totale bedrag uitstaande		5 938	2 933
Min Betaalbaar binne een jaar		(942)	(962)
		4 996	1 971

Die lenings dra rente tussen 10.75% en 11.50% per jaar. Die lenings is aanvanklik aangegaan vir termynne van 10 tot 36 jaar.

Hierdie lenings is verseker soos vermeld in aantekening 13.1

	Groep		Koöperasie	
	2007	2006	2007	2006
	R'000	R'000	R'000	R'000
14 Handels- en ander krediteure				
Handelskrediteure	24 068	13 899	13 079	9 798
Filiale			2 667	327
Kontantbonus	1 800	2 460	1 800	2 460
Ander krediteure	7 100	4 984	3 344	3 388
Langtermynlenings binne een jaar betaalbaar	2 210	2 466	942	962
	35 178	23 809	21 832	16 935
15 Korttermynlenings				
Ledelenings	97 122	81 967	97 157	82 409
Landbank	122 651	82 582	73 786	24 552
Lopende produksievoorraad	60 302	68 492	11 437	10 462
Ledeskuld	62 349	14 090	62 349	14 090
Rand Merchant Bank – Garsfinansiering	15 583	-	15 583	-
	235 356	164 549	186 526	106 961

Die lenings van Landbank dra rente teen 10% per jaar. Die lening van Rand Merchant Bank dra rente teen 10.15% per jaar.

Die lenings van Landbank is verseker deur:

Koöperasie

- Sessie van onbetaalde aandele-kapitaal, alle bedrae wat aan die koöperasie verskuldig is en assuransies, verwys aantekeninge 6, 8 en 11.
- Pandreg op voorraad, verwys aantekening 7.
- Borgakte verskaf deur Southern Oil Beperk wat beperk is tot die finansiering wat via die koöperasie na Southern Oil Beperk 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.

Filiaal - Southern Oil Beperk

- Sessie ten opsigte van alle bedrae wat aan die maatskappy verskuldig is. Verwys aantekening 8.

- Verband oor vaste eiendom van die maatskappy. Verwys aantekening 3.
 - Notariële kollaterale verband oor die maatskappy se roerende eiendom. Verwys aantekeninge 3 en 7.
 - Borgakte verskaf deur Sentraal-Suid Koöperasie Beperk.
 - Landbank se belange is ook genoteer op die maatskappy se versekeringspolis.
- Die lening van Rand Merchant Bank is verseker deur:
- Moutgars voorraad ingesluit onder produkte. Verwys aantekening 7.

16 Bedryfswins

Bedryfswins is bereken na inagneming van die volgende items.

	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Inkomste				
Dividende ontvang				
Ongenoteerde beleggings	2 036	1 780	2 036	1 780
Kapitale wins met verkoop van vaste bates	31	140	-	120
Likwidasiëdividende ontvang	25	-	25	-
Wins met die verkoop van beleggings beskikbaar vir verkoop	5	-	5	-
Waardevermindering verhaal	3	252	3	2
Huur ontvang	297	248	341	345
Rente ontvang – debiteure	16 652	14 621	16 590	14 503
Geakkumuleerde winste op vreemde belegging oorgedra vanaf billike waarde reserve	1	-	1	-
Uitgawes				
Besoldiging - Nie-uitvoerende direkteure			476	412
Dienste as direkteur				
- Fooie			313	292
- Toelaes			163	120
Bedryfshuurbetalings				
Eiendom	488	465	390	354
Toerusting	1	6	-	-
Ouditeursvergoeding	482	441	355	325
Huidige jaar	426	382	313	285
Ondervoorsien vorige jaar	-	1	-	-
Uitgawes / Ander dienste	56	58	42	40
Slegte skulde afgeskryf	-	14	-	14
Verlies met verkoop van vaste bates	24	198	-	-
Verhoging in voorsiening van na-aftrede mediese voordele	92	6	89	44
Verhoging in voorsiening vir waardedaling van debiteure	19	191	-	-



	Groep		Koöperasie	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Voorsiening/(terugskrywing) vir verlies van filiaal			(415)	696
Foosie aan nie-werknemers				
Bestuursdienste	181	110	171	97
Regsdienste	110	197	66	184
Waardevermindering op eiendom, aanleg en toerusting	5 682	4 212	2 705	2 301
'n Volledige ontleding van die waardevermindering uitgawe word in aantekening 3 aangebied.				
Personeelkoste				
Totale koste van indiensname	32 681	27 736	26 392	23 855
Lone	1 606	1 196	1 606	1 196
Na-aftrede mediese koste	92	6	89	44
Aansporingsbonusse	1 087	885	1 087	885
	<u>35 466</u>	<u>29 823</u>	<u>29 174</u>	<u>25 980</u>
17 Finansieringsinkomste				
Rente ontvang				
Bank	24	70	-	-
Filiale			1 848	3 358
Ander	602	113	596	113
	<u>626</u>	<u>183</u>	<u>2 444</u>	<u>3 471</u>
18 Finansieringskoste				
Rente betaal				
Rentedraende lenings				
Landbank	11 372	10 412	5 551	6 567
Ledeleninge	7 471	5 705	7 471	5 705
Rand Merchant Bank	956	-	956	-
Banklenings en oortrekkings	81	66	52	27
Filiale			22	22
Ander	124	52	76	37
	<u>20 004</u>	<u>16 235</u>	<u>14 128</u>	<u>12 358</u>
19 Kapitaalluitgawes goedgekeur				
Kapitaalluitgawes goedgekeur				
Nie gekontrakteer	8 026	7 169	7 279	2 374

Hierdie verpligtinge is goedgekeur deur die onderskeie direksies. Die verpligtinge sal gefinansier word uit eie fondse.

20 Pensioenskema reëlings

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

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

21 Voorwaardelike aanspreeklikhede

21.1 Voorwaardelike aanspreeklikheid weens 'n beperkte waarborgstelling ten opsigte van die filiaal Technifarm (Proprietary) Limited ten bedrae van Die uitstaande verpligting het op 28 Februarie 2007 R4 604 bedra.

21.2 '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 2007 R6 681 971 bedra.

21.3 Besendingsvoorraad

2007 R'000	2006 R'000
600	600
10 000	10 000
658	557

22 Na-balansstaat gebeure

Die koöperasie was in 'n regsgeding betrokke weens die swigting van silo's. Die appélsaak uitspraak was gedeeltelik ten gunste van die koöperasie. Die eis word tans getakseer en die omvang daarvan is op datum van hierdie state nog onbekend.

SENTRAAL-SUID CO-OPERATIVE and its affiliates

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2007

1 Summary of significant accounting policies

The principal accounting policy applied in preparing the financial statements has been set out below. This policy agrees in all material respects with the policy applied in the previous year, unless otherwise stated.

1.1 Basis of preparation

The financial statements were prepared in accordance with South African Statements of Generally Accepted Accounting Practice and on the historical cost basis, unless otherwise indicated.

Interpretations of and amendments to published statements effective in 2007


The following statements and interpretations to existing statements are compulsory for accounting periods commencing on or after 1 January 2006 and have been adopted by the Group and applied to its accounting policy:

- ***IAS 39 “(Amendment), The Fair Value Option”***. This amendment changes the definition of financial instruments classified as fair value through profit or loss and limits the possibility of indicating financial instruments as part of this category.
- ***IAS 39 and IFRS 4 “(Amendment), Financial Guarantee Contracts”***. This amendment requires that extended financial guarantees, except those previously designated by the entity as insurance contracts, initially be recognised at fair value and later measured at the higher of: (a) the unamortised balance of related fees received and deferred, and (b) the expense required to settle the commitment on balance sheet date.
- ***IFRIC 4, “Determining whether an Arrangement contains a Lease”***. IFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset.

Statements, interpretations and amendments to published statements effective in 2007, but not relevant

The following statements, amendments and interpretations to existing statements are compulsory for accounting periods commencing on or after 1 January 2006, but are not relevant to the activities of the Group:


- ***IAS 19 “(Amendment), Employee Benefits”***.
- ***IAS 21 “(Amendment), Net Investment in a Foreign Operation”***.
- ***IAS 39 “(Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions”***.
- ***IFRS 1 “(Amendment), First-time Adoption of International Financial Reporting Standards” en IFRS 6 “(Amendment), Exploration for and Evaluation of Mineral Resources”***.
- ***IFRIC 5, “Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds”***.

- 
- IFRIC 6, “*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*”.

Statements, interpretations and amendments to published statements not yet effective

The following new statements, amendments and interpretations to existing statements that are compulsory for accounting periods commencing on or after 1 January 2007 have been published:

- **IFRS 7, “Financial Instruments: Disclosures” and a complementary amendment to IAS 1, “Presentation of Financial Statements - Capital Disclosures”** (effective from 1 January 2007). IFRS 7 introduces new disclosure requirements to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and the disclosure requirements in IAS 32, Financial Instruments: Presentation and Disclosure.
- **IFRIC 7, “Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies”** (effective from 1 March 2006). IFRIC 7 is not relevant to the activities of the Group.
- **IFRIC 8, “Scope of IFRS 2”** (effective from 1 May 2006). IFRIC 8 requires the consideration of transactions involving the issuance of equity instruments - where the identifiable consideration received is less than the fair value of the equity instruments issued - to establish whether or not they fall within the scope of IFRS 2. IFRIC 8 is not currently relevant to the activities of the Group.
- **IFRIC 9, “Reassessment of Embedded Derivatives”** (effective from 1 June 2006). IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that would have been required under the host contract. IFRIC 9 is currently not relevant to the activities of the Group.
- **IFRIC 10 (AC 443), “Interim Financial Reporting and Impairment”** (effective from 1 November 2006). IFRIC 10 (AC 443) prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. IFRIC 10 (AC 443) is currently not relevant to the activities of the Group.
- **IFRIC 11 (AC 444), “IFRS 2 - Group and Treasury Share Transactions”** (effective from 1 March 2007). IFRIC 11 is currently not relevant to the activities of the Group.
- **IFRIC 12 (AC 445), “Service Concession Arrangements”** (effective from 1 January 2008). IFRIC 12 is currently not relevant to the activities of the Group.
- **AC 503, “Accounting for Black Economic Empowerment (“BEE”) transactions”** (effective from 1 May 2006). If equity instruments are granted at a discount to a



black economic empowerment (BEE) partner, this must be expensed. BEE credentials acquired as part of a business combination shall be subsumed in goodwill and not recognised as a separate intangible asset. Where the BEE transaction includes service conditions, the fair value of the equity instruments shall be measured at grant date and the expense should be recognised over the period of the service conditions. Where the BEE transaction includes no service conditions, the fair value of the equity instruments shall be measured at grant date and the expense should be recognised immediately on grant date. Management have considered the impact on the Group and will apply AC 503 with future BEE transactions.

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 to exist.

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 at consolidation 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

On each balance sheet date the Group considers whether there is any indication of impairment. If such indications are apparent, an analysis is performed to assess whether the carrying amount of goodwill can be recovered in full. A write-off is made if the carrying amount exceeds the amount that can be recovered.

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 Forex conversion

(a) Functional and reporting currency

Items included in the financial statements of the Group are measured by using the currency of the primary economic environment within which the entity operates ("the functional currency"). The consolidated financial statements are



presented in Rand, the functional and reporting currency of the Group.

(b) Transactions and balances

Forex transactions are converted to the functional currency by using the current exchange rates on the dates of the transactions. Forex profits and losses arising from settling such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are acknowledged in the Income Statement, except when they are deferred in equity as qualifying cash-flow hedges and qualifying hedges of net investments.

Changes in the fair value of monetary securities denominated in foreign currencies classified as available for sale are analysed between the conversion differences arising from changes in the amortised costs of the security and other changes in the carrying value of the security.

Conversion differences are acknowledged in profits and losses whilst other changes in the carrying value are acknowledged in equity.

Conversion differences on non-monetary financial assets and liabilities are presented as part of the fair value profit or loss. Conversion differences on non-monetary financial assets and liabilities classified as fair value through profit and loss are acknowledged in profit and loss as part of the fair value profit or loss.

Conversion differences on non-monetary financial assets and liabilities classified as held for sale are included in the fair value reserve in equity.


1.4 Property, plant and equipment

Property, plant and equipment represent mainly owner-occupied property 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. Surplus property, consisting mainly of storage facilities, is leased when not utilised. It is therefore not deemed to be investment property and is managed in a similar fashion as other buildings.

Subsequent costs are included in the carrying value of the assets or are acknowledged as a separate asset, as applicable, only when it is probable that future economic benefits related to the item will flow to the Group and the cost of the item can be reliably measured. All other repair and maintenance costs are written off in the Income Statement in the financial period during which they were incurred.

Depreciation is taken up by a debit to income on a straight-line basis in order to write off the cost of the assets to a value equal to its residual value over the expected useful lives of the assets. No provision was made for depreciation on land, as it is deemed to have an unlimited life. The rates of depreciation are as follow:

Granary machinery	: 20 – 22 years	Factory building	: 12 – 50 years
Machinery and tools	: 5 – 20 years	Other buildings	: 50 years
Vehicles	: 4 – 11 years	Laboratory equipment	: 5 – 10 years
Office equipment	: 2 – 11 years		



The residual values and useful lives of the assets are revised and adjusted, if applicable, at each Balance Sheet date.

Where the carrying value of an asset is bigger than the estimated recoverable amount it is immediately written off to the estimated recoverable amount.

Incomplete capital projects of subsidiaries are included in machinery and tools at cost. Depreciation is calculated from the date on which the assets are ready for intended usage.

1.5 Depreciation of non-financial assets

Assets with an indefinite useful life are not amortised and are tested for a decline in value annually. Assets that are amortised are reviewed for a decline in value when occurrences or changes in circumstances indicate that the carrying value is no longer recoverable in its entirety. A loss due to a decline in value is acknowledged for the amount by which the carrying value of an asset exceeds the recoverable amount. The recoverable amount is the larger of an asset's fair value less cost of sales and its value in usage. For the purposes of the assessment of a decline in value, assets are grouped in the lowest levels for which there are separable identifiable cash flows (cash-generating units). Non-financial assets for which a decline in value has been acknowledged previously are reviewed at each Balance Sheet date for a possible writeback of a loss due to a decline in value.

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. Tools 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.

Grain and Canola are valued at the lower of cost price, on the weighted average basis, or net realisable value. Costs include the base price plus storage consideration.


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

1.7 Financial assets

The Group classified its financial assets in the following categories: at fair value through profit and loss, loans and debtors, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial asset upon initial recognition and reconsiders this designation at each reporting date.

(a) Financial assets at fair value by profit and loss

This category has two sub-categories: "financial assets held for trade", and those financial assets initially designated as at fair value through profit and loss. A financial asset is classified according to this category if it was acquired mainly for the purpose of reselling it in the short term or if so designated by management.



Derived instruments are also categorised as "held for trade" unless they were designated as hedge instruments. Assets in this category are categorised as current assets if they are held for trade or if they can be expected to be realised within the next 12 months from Balance Sheet date.

(b) Loans and debtors

Loans and debtors are non-derived financial assets with fixed or determinable payments not quoted on an active market. They include current assets, except for current assets not realised within 12 months from Balance Sheet date. Such assets are classified as non-current assets. Loans and debtors are classified as production loans and other debtors in the Balance Sheet.

(c) Financial assets available for sale


Financial assets available for sale are non-derivative financial assets that are either designated to this category or are not classified under any of the other categories. Such assets are included in non-current assets unless management intends selling the investment within 12 months of Balance Sheet date.

Ordinary additions to and disposals of investments are acknowledged at transaction date, the date at which the Group commits itself to the sale or acquisition. Investments are initially acknowledged at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially acknowledged at fair value and transaction costs are written off to the Income Statement. Investments are de-recognised when the rights to receive cashflows from it expire or if such rights are offset and the Group has significantly offset all rights and obligations with regard to the investment. Financial assets available for sale and financial assets at fair value through profit and loss are carried at fair value upon later measurement. Debtors and loans and investments held to maturity are carried at amortised cost by applying the effective interest rate method.

Profits and losses arising from changes in the fair value of the "financial assets at fair value through profit and loss" category, including interest and dividend income, are presented in the Income Statement in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between conversion differences due to changes in amortised cost of the security and other changes in the carrying value of the security. The conversion differences are acknowledged in profit and loss and other changes in the carrying value are acknowledged in equity. Changes in the fair value of other monetary securities classified as available for sale and non-monetary securities classified as available for sale are acknowledged in equity.

When securities classified as available for sale are disposed of or devaluation is applied thereto, the accumulated fair value adjustments in equity acknowledged are included in the Income Statement as "profits and losses from investments". Interest on investments available for sale is calculated by utilising the effective interest rate method and is acknowledged in the Income Statement. Dividends



received from investments available for sale are acknowledged in the Income Statement when the Group's right to receive payment has vested.

The fair values of listed investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the fair value is determined with reference to valuation techniques. These techniques include using recent transactions on an arm's length basis, reference to other instruments that are materially similar, discounted cash-flow analyses and option pricing models, mainly by using market variables instead of specific entity variables.

At each Balance Sheet date objective proof is sought that the value of a financial asset or a group's financial assets has declined. In the case of investments available for sale a significant decline in the fair value of the security is regarded as an indication that devaluation should be applied. If such information exists for investments available for sale, the accumulated losses, measured as the difference between the acquisition cost and the current fair value, less any devaluation loss previously written off against profits and losses, are removed from equity and acknowledged in the Income Statement. Devaluation losses acknowledged in the Income Statement on equity instruments are not written back through the Income Statement.

1.8 Fair value estimate

The fair value of financial instruments traded in an active market (such as negotiable instruments and instruments available for sale) is based on the quoted market price at Balance Sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The nominal value taking into account the provision for devaluation of trade debtors and trade creditors is deemed to be the fair value due to the short-term maturation of these assets. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future cash flows at the current market interest rate available to a Group with similar financial instruments.

1.9 Trade debtors

Trade debtors are initially acknowledged at fair value and later measured at amortised cost, by using the effective interest rate method, less a provision for decline in value. A provision for a decline in value is made if there is objective proof that the Group will not be able to recover the amounts at the original terms of the receipts. Significant financial weaknesses of the debtor, the probability that the debtor will become insolvent or undergo financial reorganisation, or the failure to comply with or violation of repayment conditions are deemed to be an indication of a decline in value. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the net current value of expected future cash flows, discounted against the effective interest rate. The amount of the provision is acknowledged in the Income Statement.



1.10 Lease agreements

The Group uses lease agreements to finance sales of capital goods to customers and a subsidiary. The total value of outstanding instalments is disclosed as the carrying amount of the agreements. Recoverability is measured individually and if it is probable that all amounts owing may not be recovered in accordance with the contractual conditions of the agreements, carrying amounts are decreased by the expected devaluation losses.

1.11 Cash and cash equivalents

For the purposes of the Cash-Flow Statement, cash and cash equivalents consist of cash on hand, call deposits and current accounts at banks, net of bank overdrafts. Bank overdrafts are shown in the Balance Sheet under current liabilities.

1.12 Long-term liabilities

Long-term liabilities are initially acknowledged at fair value, net of transaction costs incurred. Later measurement is at amortised costs; any difference between the return (net of transaction costs) and the redemption amount are acknowledged in the Income Statement over the period of the liability by using the effective interest rate method.

Liabilities are classified as a current liability unless the Group has an unconditional right to postpone settlement for at least 12 months after Balance Sheet date.

1.13 Deferred taxation


Deferred taxation is provided, by using the liability method, for all material temporary differences arising between the taxation bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred taxation is not acknowledged if it arises from initial acknowledgement of an asset or liability in a transaction other than a business combination if it does not influence the accounting or taxable profit or loss at the date of the transaction. Deferred taxation is calculated by using the fixed taxation rates at Balance Sheet date, and the rate expected to be applicable when the related deferred taxation asset realises or the related deferred taxation liability will be settled.

Deferred taxation assets are acknowledged to the extent that it is probable that there will be future taxable profit against which the temporary difference can be applied.

The main temporary differences arise due to depreciation on property, plant and equipment, accumulated leave provision, provision for devaluation of debtors, post-retirement medical obligations, bonuses to staff and unutilised taxation losses carried over.

1.14 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. No provision is made for future operational losses.



Where there are similar obligations, the probability that there will be an outflow of resources is determined by considering the class of obligations as a unity. A provision is acknowledged even if the probability of the outflow of resources with regard to any item included in such a unit is minimal.

Provisions are measured at the current value of the payments that will be required to settle the obligation by using a pre-taxation rate that reflects the current market estimates for the time value of money and the risks specific to the obligation.

1.15 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 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.

1.16 Rentals

Rentals, where a significant portion of the rights and obligations of ownership is retained by the lessor, are classified as current rentals. Payments made under current rentals (net of any incentives received from the lessor) are written off in the Income Statement on the straight-line basis over the period of the rental.

1.17 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.

1.18 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 (a fund) 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.



1.19 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.

1.20 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.

1.21 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying value will be mainly recovered by means of a sales transaction and not through future usage. Such assets can be a component of an entity, a disposal group or an individual non-current asset.

Non-current assets held for sale are measured at the lower of the carrying value or fair value less cost of sales of the non-current asset. Devaluation losses are acknowledged at any initial or later writing-off of non-current assets held for sale to their fair value less cost of sales except to the extent that a devaluation has already been acknowledged previously.

1.22 Segmental reporting

No segmentation is provided as the Group trades in agriculture-related products and services in Southern Africa.

1.23 Acknowledgement of income

Income consists of the fair value of remuneration received or receivable for the sale of goods in the ordinary cause of business. Income is shown net of Value-added Tax, estimated returns, allowances and discount. Income is acknowledged as follows:

(a) Sales

Income earned from the sale of goods is acknowledged as income as soon as all material risks and property rights of the product have been transferred to the buyer. Income from the sale of goods financed through instalment lease agreements is acknowledged as income after invoicing of the transactions and signing of the agreements.

(b) Services rendered

Income from services rendered is acknowledged as and when the service is rendered, or, when applicable, according to the contract or agreement.

(c) Silo income

The collection of silo costs occurs partly at intake of grain or the issuing of negotiable silo certificates, with the balance upon removal of grain or presentation of silo certificates. The precise ratios in which costs are recovered varies from case to case.

(d) *Interest income*

Interest income is acknowledged on a time allocation basis by using the effective interest rate method. When the value of a balance receivable has decreased, the carrying value is decreased to the recoverable amount. The recoverable amount is the future cash flow discounted at the original effective interest rate of the instrument and the continued role-out of the discount is acknowledged as interest income. Interest income on loans on which devaluation has been applied is acknowledged by using the original effective interest rate.

2 **Critical accounting estimates, assumptions and assessments**

Accounting estimates, assumptions and assessments are evaluated continuously and are based on historical knowledge and other factors, including expected future occurrences deemed to be reasonable under the circumstances.

The Group makes estimates and assumptions with regard to the future. The resulted estimates are seldomly equal to the actual results. The estimates and assumptions that will hold a significant risk of material adjustments to the carrying value of assets and liabilities during the next financial year, are:

(a) *Property, plant and equipment*

Property, plant and equipment are written off over their useful lives, after taking into account the residual values of the assets at the end of the useful lives of the assets. The useful lives and residual values of the assets are based on industry knowledge.

(b) *Inventory valuation*

Grain, including Canola, forage and the raw materials thereof, are valued at the expected net realisable value as determined by the directors of the Group and based on current market prices and market tendencies.

Included in the cost of the inventory as a cost element is an overhead apportionment per product. This overhead element represents, to the best estimate of management, an apportionment of the fixed costs of manufacturing, should the manufacturing process function under normal operational circumstances.

Expected sales costs, for example discounts and allowances, granted to debtors in the future are taken into account upon determining the net realisable value of products.

(c) *Depreciation in respect of debtors*

Depreciation in respect of debtors is calculated when there is objective confirmation that the group will be unable to collect all amounts owing in terms of the original credit provision.

Management considers, based on past experience, the following factors to determine the amount of the depreciation:

Non-compliance with credit terms

Debtors are individually assessed to identify instances of significant financial problems, default and potentially insolvent debtors. Depreciation is calculated as the difference between the total obligation and the amount of the security value available against the obligation.

Security required of debtors is assessed as part of the credit policy and is based on a risk analysis of the debtors.



	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
3 Property, plant and equipment				
3.1 Composition				
Land, buildings and granaries	21 859	17 526	16 010	14 851
Cost	24 718	19 975	17 787	16 327
Accumulated depreciation	(2 859)	(2 449)	(1 777)	(1 476)
Granary machinery	2 594	3 448	2 594	3 448
Cost	29 388	29 340	29 388	29 340
Accumulated depreciation	(26 794)	(25 892)	(26 794)	(25 892)
Machinery and tools	26 292	24 492	1 207	1 489
Cost	43 316	38 242	6 900	6 616
Accumulated depreciation	(17 024)	(13 750)	(5 693)	(5 127)
Vehicles	7 021	5 011	2 754	2 321
Cost	12 149	9 047	4 806	4 006
Accumulated depreciation	(5 128)	(4 036)	(2 052)	(1 685)
Laboratory equipment	74	98	-	-
Cost	169	169	-	-
Accumulated depreciation	(95)	(71)	-	-
Office equipment	2 192	2 024	1 453	1 317
Cost	7 709	6 822	6 250	5 549
Accumulated depreciation	(5 517)	(4 798)	(4 797)	(4 232)
Total fixed assets at book value	60 032	52 599	24 018	23 426

3.2 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.

	2007 R'000	2006 R'000
4 Investments in subsidiaries		
4.1 Southern Oil Limited		
Ordinary shares at cost	5 685	5 685
4.2 SSK Manufacturers (Proprietary) Limited		
Ordinary shares at cost	1 500	1 500
4.3 Technifarm (Proprietary) Limited		
Ordinary shares at cost	100	100
Loan	3 989	3 200
Less: Provision for losses of subsidiary	(1 386)	(1 801)
4.4 Langeberg Kunsmis (Proprietary) Limited		
Ordinary shares at cost	-	-
	9 888	8 684

Part of the loan to Technifarm (Proprietary) Limited bears interest at 11% per annum. There are no repayment conditions.

Due to the shareholders' deficit at the subsidiary amounting to R1 511 896 (2006 - R1 927 587), the co-operative has agreed, if necessary to take up further shares to a minimum value of that of the deficit in order to fund the subsidiary for future activities.

	2007 R'000	2006 R'000
4.5 Total investment in subsidiaries		
Shares	7 285	7 285
Loans	2 603	1 399
Debtors	2 101	9 418
Short-term loans	38 731	1 124
Leases	1 043	2 209
Creditors	(2 667)	(327)
Members' loans	(34)	(441)
Members' interest fund	(1 002)	(513)
	<u>48 060</u>	<u>20 154</u>
4.6 Interest in profits/(losses) of subsidiaries net of taxation		
Southern Oil Limited (SOILL)	4 615	3 713
SSK Manufacturers (Proprietary) Limited	851	1 194
Technifarm (Proprietary) Limited	290	(487)
Langeberg Kunsmis (Proprietary) Limited	(125)	4
Swartland Oliepers (Proprietary) Limited	315	-
	<u>5 946</u>	<u>4 424</u>
5 Investments available for sale		
Group and co-operative		
Reconciliation		
Balance beginning of year	75 889	31 606
Valuation of investments available for sale under IAS 39	(465)	44 283
Sale of shares	(67)	-
End-of-year balance	<u>75 357</u>	<u>75 889</u>
The investments consist of the following:		
Ordinary shares in a co-operative	-	-
Ordinary listed shares in companies	7	7
Ordinary unlisted shares in companies	75 350	75 882
	<u>75 357</u>	<u>75 889</u>



	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
6 Instalment sale agreements				
Gross receivables				
Members				
Due within one year	18 205	19 913	18 205	19 913
Due within two to ten years	46 766	49 165	46 766	49 165
Subsidiary				
Due within one year			359	376
Due within two to ten years			684	1 833
	64 971	69 078	66 014	71 287
Short-term portion carried over to production loans and other debtors (note 8)	(18 205)	(19 913)	(18 564)	(20 289)
	46 766	49 165	47 450	50 998

Instalment sale agreements are payable in equal annual instalments over two to ten years according to contractual conditions of the agreements.

The agreements were concluded at fixed interest rates varying at Balance Sheet date between 11.50% and 15.25% per annum.

All receivables have been ceded to Land Bank to serve as security for loans granted, as per notes 13 and 15.

	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
7 Inventory				
Farming requisites	23 793	19 018	23 793	19 018
Canola seed	62 661	59 474	-	-
Seed grain	9 792	7 350	4 982	5 213
Implements	5 233	8 367	5 233	8 367
Consumables	502	480	147	133
Products	47 448	-	47 448	-
Raw materials	3 355	864	-	-
Finished products	5 988	3 494	-	-
	158 772	99 047	81 603	32 731

The stock was pledged to the Land Bank as security for loans granted, as per notes 13 and 15.



	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
8 Production loans and other debtors				
Members	117 387	101 357	91 830	89 912
Current production credit	82 692	57 569	57 135	46 124
Transfer debt	34 695	43 788	34 695	43 788
Production Leases	26 921 7 774	38 408 5 380	26 921 7 774	38 408 5 380
Lease - Subsidiary Subsidiaries			359 2 101	376 9 418
Non-members	8 459	5 203	8 183	5 067
Sundries	23 712	6 405	20 407	4 426
	<u>149 558</u>	<u>112 965</u>	<u>122 880</u>	<u>109 199</u>

All receivables have been ceded to Land Bank to serve as security for loans granted, as per notes 13 and 15.

	2007 R'000	2006 R'000
9 Short-term loans - subsidiaries		
Inventory financing	38 731	1 124

The loans bear interest at 10.50% per annum.

	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
10 Cash and cash equivalents				
Cash in hand	15	12	9	7
Petty cash	1	2	1	2
Bank balances	2 396	3 334	635	-
	<u>2 412</u>	<u>3 348</u>	<u>645</u>	<u>9</u>
For the purposes of the Cash-flow Statement cash and cash equivalents are as follows:				
Composition of cash and cash equivalents				
Cash advances and petty cash	16	14	10	9
Bank balances	2 391	3 155	635	(116)
	<u>2 407</u>	<u>3 169</u>	<u>645</u>	<u>(107)</u>



	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
11 Share capital				
Group				
11.1 Paid-up shares				
Gross	2 395	2 184	2 395	2 184
Less: Treasury shares held by subsidiaries	(12)	(12)	-	-
	<u>2 383</u>	<u>2 172</u>	<u>2 395</u>	<u>2 184</u>
Co-operative				
11.2 Issued shares of R1 each			<u>3 204</u>	<u>3 100</u>

11.3 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 13 and 15.

	2007 R'000	2006 R'000
	12 Members' funds	
Group		
12.1 Members' interest fund		
Balance at beginning of year	53 219	50 231
Movement during the year		
Additions from surpluses	10 200	5 740
Repayments	(4 233)	(2 309)
Interest held by subsidiaries	(488)	(443)
	<u>58 698</u>	<u>53 219</u>
Co-operative		
12.2 Members' interest fund		
Balance at the beginning of the year	53 733	50 302
Movement during the year		
Additions from surpluses	10 200	5 740
Repayments	(4 233)	(2 309)
	<u>59 700</u>	<u>53 733</u>

12.3 Members' interest fund

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

12.4 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:

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



13 Long-term loans

Group

13.1 Insured loans

Land Bank

Total amount outstanding
Less: Due within one year

The interest rates of the loans vary between 10.60% - 11.50% 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 6, 8 and 11.
- Mortgage on the fixed properties of the co-operative, refer note 3.
- Notarial collateral mortgage on the movable property of the co-operative, refer notes 3 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.

13.2 Other loans

Outside shareholders

The shareholders' loan is interest-free and no repayment conditions exist.

13.3 Hire-purchase liability

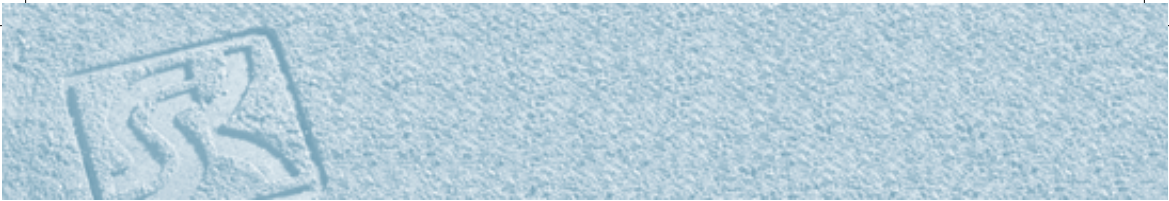
Wesbank

Total amount outstanding
Less: Current portion transferred to current liabilities

The hire-purchase liability is repayable in 50 equal monthly instalments in respect of capital to the amount of R1 624.83 plus interest at an interest rate of 12.96%, with a final instalment of R17 194.85.

13.4 Total

	2007 R'000	2006 R'000
	10 421	8 481
	12 621	10 947
	(2 200)	(2 466)
	125	125
	63	-
	73	-
	10	-
	10 609	8 606



Co-operative		2007	2006
13.5 Insured loans		R'000	R'000
Land Bank			
Total amount outstanding		5 938	2 933
Less: Due within one year		(942)	(962)
		4 996	1 971

The loans bear interest between 10.75% and 11.50% per annum. The loans were initially incurred for periods of 10 to 36 years.

These loans have been insured as stated in note 13.1.

	Group		Co-operative	
	2007	2006	2007	2006
	R'000	R'000	R'000	R'000
14 Trade and other creditors				
Trade creditors	24 068	13 899	13 079	9 798
Subsidiaries			2 667	327
Cash bonus	1 800	2 460	1 800	2 460
Other creditors	7 100	4 984	3 344	3 388
Long-term loans due within one year	2 210	2 466	942	962
	35 178	23 809	21 832	16 935
15 Short-term loans				
Members' loans	97 122	81 967	97 157	82 409
Land Bank	122 651	82 582	73 786	24 552
Current production inventory	60 302	68 492	11 437	10 462
Members' debt	62 349	14 090	62 349	14 090
Rand Merchant Bank – Barley financing	15 583	-	15 583	-
	235 356	164 549	186 526	106 961

The loans from Land Bank carry an interest rate of 10% per annum.

The loan from Rand Merchant Bank carries an interest rate of 10.15% per annum.

The loans from Land Bank is insured by:

Co-operative

- Cession of unpaid share capital, all amounts owing to the co-operative and assurances, refer notes 6, 8 and 11.
- Pledge of inventory, refer note 7.
- 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.

Subsidiary - Southern Oil Limited

- Cession in respect of all amounts owing to the company. Refer note 8.
- Mortgage over fixed property of the company. Refer note 3.

- Notarial collateral mortgage over the company's movable property. Refer notes 3 and 7.
- Surety bond provided by Sentraal-Suid Co-operative Limited.
- Land Bank's interests have also been listed on the company's insurance policy. The loan from Rand Merchant Bank is insured by:
 - Malting barley stock included under products. Refer note 7.

16 Operating profit

Operating profit was calculated allowing for the following items:

	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Income				
Dividends received				
Unlisted investments	2 036	1 780	2 036	1 780
Capital profit on sale of fixed assets	31	140	-	120
Liquidation dividends received	25	-	25	-
Profit on the sale of investments available for sale	5	-	5	-
Depreciation recovered	3	252	3	2
Rent received	297	248	341	345
Interest received – debtors	16 652	14 621	16 590	14 503
Accumulated profits on disposed investment carried forward from fair value reserve	1	-	1	-
Expenditure				
Remuneration - Non-executive directors			476	412
Services as director				
- Fees			313	292
- Allowances			163	120
Lease payments				
Property	488	465	390	354
Equipment	1	6	-	-
Auditors' remuneration	482	441	355	325
Current year	426	382	313	285
Underprovided previous year	-	1	-	-
Expenditure/Other services	56	58	42	40
Bad debts written off	-	14	-	14
Loss on sale of fixed assets	24	198	-	-
Increase in provision of post-retirement medical benefits	92	6	89	44
Increase in provision for depreciation of debtors	19	191	-	-



	Group		Co-operative	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
Provision/(writeback) for loss of subsidiary			(415)	696
Fees to non-employees				
Management services	181	110	171	97
Legal services	110	197	66	184
Depreciation on property, plant and equipment	5 682	4 212	2 705	2 301
A full analysis of the depreciation expense is presented in note 3.				
Personnel costs				
Total cost of employment	32 681	27 736	26 392	23 855
Wages	1 606	1 196	1 606	1 196
Post-retirement medical costs	92	6	89	44
Incentive bonuses	1 087	885	1 087	885
	<u>35 466</u>	<u>29 823</u>	<u>29 174</u>	<u>25 980</u>
17 Financing income				
Interest received				
Bank	24	70	-	-
Subsidiaries			1 848	3 358
Other	602	113	596	113
	<u>626</u>	<u>183</u>	<u>2 444</u>	<u>3 471</u>
18 Financing costs				
Interest paid				
Interest-bearing loans				
Land Bank	11 372	10 412	5 551	6 567
Members' loans	7 471	5 705	7 471	5 705
Rand Merchant Bank	956	-	956	-
Bank loans and overdrafts	81	66	52	27
Subsidiaries			22	22
Other	124	52	76	37
	<u>20 004</u>	<u>16 235</u>	<u>14 128</u>	<u>12 358</u>
19 Capital expenditure approved				
Capital expenditure approved				
Non-contracted	8 026	7 169	7 279	2 374

These liabilities have been approved by the respective boards of directors. The liabilities will be financed from own funds.



20 Pension scheme arrangements

Employees of the co-operative and the Group 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.

21 Contingent liabilities

21.1 Contingent liability due to a limited suretyship in respect of the subsidiary Technifarm (Proprietary) Limited in the amount of

The outstanding obligation amounted to R4 604 on 28 February 2007.

21.2 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 R6 681 971 on 28 February 2007.

21.3 Consignment stock

	2007 R'000	2006 R'000
	600	600
	10 000	10 000
	658	557

22 Post-Balance Sheet events

The co-operative was involved in a lawsuit regarding silos. The verdict on the appeal was partly in favour of the co-operative. The claim is currently being taxed and the extent thereof is unknown at this stage.

SPESIALE BESLUIT

LENINGS

1. Kaskrediet lening

Die doel is om die volgende besluite te oorweeg, en indien wenslik geag, aan te neem.

1.1 Dit word besluit om hiermee goed te keur dat Sentraal-Suid Koöperasie Beperk (hierna genoem die KOÖPERASIE) van handelsbanke en/of finansiële instellings en/of koöperasies en/of die Land- en Landboubank van Suid-Afrika en/of sy lede en/of ander instansies kaskredietlenings verkry van hoogstens R300 000 000 (Driehonderd Miljoen Rand) vir die doeleindes om die volgende aktiwiteite en ondernemings van die koöperasie te finansier.

1.1.1 LANDBOUPRODUKTE

Die finansiering van voorskotte en/of aankooppryse van landbouprodukte en diverse gepaardgaande koste.

1.1.2 DIVERSE PRODUKTE

Die finansiering van diverse landbouprodukte

1.1.3 IMPLEMENTE

Die finansiering van landboumasjinerie en implemente (Voorraad en ledeskuld)

1.1.4 PRODUKSIEMIDDELE

Die finansiering van produksiemiddele (Voorraad en ledeskuld)

1.1.5 FILIALE

Finansiering van ledeverwante bedrywighede van die filiale van die koöperasie.

1.1.6 WAARBORGE

Om waarborge vir die koöperasie en/of sy filiale se wettige doeleindes te laat uitreik.

Voorts word daar uit hoofde van hierdie goedkeuring besluit dat die Raad van direkteure van die koöperasie die bedoelde voorskot van R300 000 000,00 (Driehonderd Miljoen Rand) hoogstens vir gemelde doeleindes by die Landbank en/of finansiële instellings aangaan en twee persone behoorlik daartoe magtig om sodanige stappe te doen en sodanige dokumente te teken as wat nodig sal wees om aan die besluit gevolg te gee en uit te voer; om enige aanbod van 'n voorskot deur die Landbank en/of finansiële instellings ten opsigte van 'n aansoek wat uit die besluit voortspruit, aan te neem en om toe te stem tot sodanige voorwaardes as wat hul billik mag ag en voorts, om indien nodig, aansoek by die Landbank en/of finansiële instellings te doen om sodanige kleiner bedrag as wat mag toegestaan gewees het, te verhoog binne die perke van die besluit; om enige aanbod van 'n verhoogde voorskot aan te neem en eweneens toe te stem tot die voorwaardes daaraan verbonde: om, indien daartoe versoek, aan die Landbank en/of finansiële instellings te seeder al die koöperasie se regte en aanspraak op en belang by:

die bedrag van ingeskrewe maar onopbetaalde kapitaal en die bedrag van enige voorwaardelike aanspreeklikheid verbonde aan die aandele deur die koöperasie uitgereik of wat later uitgereik mag word en die bedrag van skulde wat nou aan die koöperasie verskuldig is of later mag word.

SPESIALE BESLUIT

2. Lening vir kapitale uitgawes

2.1 DAAR WORD BESLUIT om hiermee goed te keur dat Sentraal-Suid Koöporasie (hierinlater genoem die koöperasie) by die Land en Landbou Bank van SA (hierinlater genoem die Landbank) en/of ander finansiële instellings 'n voorskot van hoogstens Sestig Miljoen Rand (R60 000 000) in die vorm van 'n lening terugbetaalbaar in paaiemente aangaan, watter voorskot vir die volgende doeleindes gebruik sal word:

Finansiering van die koöperasie se kapitale uitgawes

VOORTS WORD DAAR BESLUIT dat uit hoofde van hierdie goedkeuring die Raad van Direkteure van die koöperasie die bedoelde voorskot van hoogstens Sestig Miljoen Rand (R60 000 000) vir gemelde doeleindes by die Landbank en/of ander finansiële instellings aangaan en twee persone behoorlik daartoe magtig:

- 2.1.1 om sodanige stappe te doen en sodanige dokumente te teken as wat nodig sal wees om aan die besluit gevolg te gee en uit te voer;
- 2.1.2 om enige aanbod van 'n voorskot deur die Landbank en/of ander finansiële instellings ten opsigte van 'n aansoek wat uit die besluit voortspruit, aan te neem en om toe te stem tot sodanige voorwaardes as wat hulle billik mag ag;
- 2.1.3 om, indien daartoe versoek, aan die Landbank en/of ander finansiële instellings te sedeer al die koöperasie se regte en aanspraak op en belang by:
 - (a) die bedrag van ingeskrewe maar onbetaalde kapitaal en die bedrag van enige voorwaardelike aanspreeklikheid verbonde aan die aandele deur die koöperasie uitgereik of wat later uitgereik mag word;
 - (b) die bedrag van skulde wat nou aan die koöperasie verskuldig is of later verskuldig mag word;
- 2.1.4 om, indien daartoe versoek, verbande met inbegrip van kollaterale verbande vir 'n bedrag van hoogstens Sestig Miljoen Rand (R60 000 000) ten gunste van die Landbank en/of ander finansiële instellings te passeer oor al die vaste en roerende eiendom wat die koöperasie besit of wat nog in sy besit mag kom.

SPECIAL RESOLUTION

LOANS

1. Credit cash loan

The purpose is to consider and, if deemed appropriate, adopt the following resolutions.

1.1 Resolved hereby to grant approval for Sentraal-Suid co-operative Limited (hereinafter referred to as the co-operative) to obtain from commercial banks and/or financial institutions and/or co-operatives and/or the Land and Agricultural Bank of South Africa and/or its members and/or other institutions credit cash loans of no more than R300 000 000 (Three Hundred Million Rand) for the purpose of financing the following activities and undertakings of the co-operative.

1.1.1 AGRICULTURAL PRODUCTS

The financing of advances and/or purchase prices of agricultural products and sundry incidental costs.

1.1.2 SUNDRY PRODUCTS

The financing of sundry agricultural products.

1.1.3 IMPLEMENTS

The financing of agricultural machinery and implements (Stock and members' debts)

1.1.4 MEANS OF PRODUCTION

The financing of production means (Stock and members' debts)

1.1.5 SUBSIDIARIES

Financing of member-related activities of the subsidiaries of the co-operative.

1.1.6 GUARANTEES

To have guarantees issued for the legal objectives of the co-operative and/or its subsidiaries.

Further resolved by virtue of this resolution that the Board of Directors of the co-operative at most raise said advance of R300 000 000 (Three Hundred Million Rand) for said purposes at the Land Bank and/or financial institutions and duly authorise two persons to take such steps and sign such documents as may be necessary to carry out and execute the resolution; to accept any offer of an advance by the Land Bank and/or financial institutions in respect of an application arising from the resolution and agree to such conditions as they may deem reasonable and furthermore, if necessary, to apply at the Land Bank and/or financial institutions to increase such smaller amount as may have been granted within the limits of the resolution; to accept any offer of an increased advance and equally to agree to the conditions attaching thereto; and to cede, if requested to do so, to the Land Bank and/or financial institutions all of the co-operative's rights and claims to and interests in:

the amount of subscribed but unpaid capital and the amount of any contingent liability attaching to the shares issued or later to be issued by the co-operative and the amount of any indebtedness owing to or later becoming owing to the co-operative.

SPECIAL RESOLUTION

2. Loan for capital expenditure

- 2.1 RESOLVED hereby to approve that Sentraal-Suid Co-operative (hereinafter referred to as the co-operative) raises from the Land and Agricultural Bank of SA (hereinafter referred to as the Land Bank) an advance not exceeding Sixty Million Rand (R60 000 000) in the form of a loan repayable in instalments to be utilised for the following purposes:
Financing of the capital expenditure of the co-operative.
Further resolved that by virtue of the adoption of this resolution the Board of Directors of the Co-operative raise said advance of not more than Sixty Million Rand (R60 000 000) for said purposes at the Land Bank and/or other financial institutions and duly authorise two persons to:
- 2.1.1 take such steps and sign such documents as may be necessary to carry out and execute the resolution;
- 2.1.2 accept any offer of an advance from the Land Bank and/or other financial institutions in respect of an application arising from the resolution and agree to such conditions as they may deem reasonable;
- 2.1.3 cede, if requested to do so, to the Land Bank and/or other financial institutions all the rights and claims to and interests in:
- (a) the amount of subscribed but unpaid capital and the amount of any contingent liability attaching to the shares issued or later to be issued by the co-operative;
 - (b) the amount of any indebtedness owing to or later becoming owing to the co-operative;
- 2.1.4 pass, if requested to do so, mortgages including collateral mortgages for an amount not exceeding Sixty Million Rand (R60 000 000) in favour of the Land Bank and/or other financial institutions over all the fixed and movable property that is owned or may be acquired by the co-operative.

