

## UITNODIGING

U word hartlik uitgenooi na die Algemene Jaarvergadering van SSK te Heidelberg op Vrydag 18 Julie 2008 om 10h30 in die Stadsaal. 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 Heidelberg to be held on Friday 18 July 2008 at 10h30 in the City Hall. Light refreshments will be served from 10h00. You are invited to join us for lunch after the meeting.

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

Kennis geskied hiermee dat die Algemene Jaarvergadering van SSK op Vrydag 18 Julie 2008 om 10h30 in die Stadsaal, Heidelberg gehou word.

Notice is hereby given that the Annual General Meeting of SSK will be held on Friday 18 July 2008 at 10h30 in the City Hall, Heidelberg.

## 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 2007  
Approval of the Minutes of the Annual General Meeting 2007
- 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 Beampte  
- General Manager and Chief Executive Officer

D F Jordaan - Hoofbestuurder - Administrasie en Finansies  
- General Manager - Administration and Finance

J J Uys - Hoofbestuurder - Handel en Versekering  
- General Manager - Trade and Insurance

W A Brand - Hoofbestuurder - Meganisasie  
- General Manager - Mechanisation

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

### **Sekretaris / Secretary**

Mnr D F Jordaan

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

Voortrekstraat 34 / 34 Voortrek Street  
Swellendam  
6740

### **Posadres / Postal Address**

Posbus 12 / P.O. Box 12  
Swellendam  
6740

### **Ouditeure / Auditors**

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

### **Bankiers / Bankers**

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



## SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 29 Februarie 2008

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, personeel-aangeleenthede 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 bemagtigingskomitee, dagbestuurkomitee, auditkomitee, boukomitee, veevoerkomitee en die N2-ontwikkelingskomitee. 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 auditkomitee bestaan uit vyf nie-uitvoerende direkteure van die groep. 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

# SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 29 Februarie 2008

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.

## **Finansieringskomitee**

Die komitee stel, in samewerking met direksie 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 omskrewende raamwerk, doeltreffende rekeningkundige prosedures, skeiding van pligte en monitering deur 'n opgeleide interne oudit- 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 kwartaallikse 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

## SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 29 Februarie 2008

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.

### 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 29 February 2008

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

The group subscribes to the main principles of corporate governance as contained in the suggestions in the King II report and complies with these in all material respects. Where the co-operative does not yet comply with one or two requirements in die updated King II report, measures for the implementation thereof are being considered.

### **The Board and its committees**

The board is responsible for the overall management and effective control of the group. The board consists of eleven directors, all of whom are non-executive directors and may be regarded as being materially independent. The board meets regularly to do strategic planning, set and monitor objectives, authorise expansions and material acquisitions or establishments 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 annually and report to the entire board.

There are six committees in respect of the business activities of the co-operative, namely the black economic empowerment committee, management committee, audit committee, building committee, fodder committee and N2 development committee. The Chairperson of the board has a seat on all committees. Four other directors serve on each of these committees. In addition, there is a finance committee on which members of management serve who see to it that the credit policy is carried out.

No director serves on more than two committees, so that work is equally shared between them.

### **Audit Committee**

The audit committee consists of five non-executive directors of the group. The external auditors have unlimited access to the Chairperson of the committee, thus ensuring that their independency is not compromised.

The committee is responsible for ensuring that a proper system of internal control and risk management is in place and is being applied, and that the management information, accounting policy and reporting to members and other stakeholders comply with applicable standards and relevant legislation.

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

## SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE MANAGEMENT REPORT for the year ended 29 February 2008

mandate.

### **Management Committee**

The management committee consists of the Chairperson and Vice-Chairperson as well as another three elected directors depending on the matter for consideration. The management committee meets only regarding matters that are so urgent that they cannot stand over for discussion until the next board meeting.

The management committee also meets by means of circulated resolutions, on condition that all members sign the resolutions.

### **Finance Committee**

In co-operation with the board of directors the committee sets guidelines and establishes a policy for granting credit and production financing as well as the monitoring thereof and is directly involved in assessing the larger accounts. The committee is ultimately responsible for assessing 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 systems of internal control and accounting and information systems aimed at providing reasonable assurance that assets are being properly safeguarded and that the risk of errors, fraud or losses is being limited effectively. These controls, that are contained in written policy documents and procedures, include the delegation of responsibilities and powers 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 adequacy of and compliance with the internal control and advises the board in this regard.

### **Managerial reporting and ethics**

The group maintains a comprehensive planning, cost and management accounting system. This includes budgets, a quarterly review thereof, as well as monthly variance reports. Operating capital is regularly checked. Directors and personnel uphold ethical standards that will ensure that business principles are applied irreproachably under all reasonable circumstances.

### **Employment equity**

#### **Personnel**

Sentraal-Suid Co-operative Limited subscribes to the principles of the Broad-based Black Economic Empowerment Act (2003). There is total equity in all policies, employment conditions and procedures. The co-operative makes available a bursary scheme to the designated



## SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE MANAGEMENT REPORT for the year ended 29 February 2008

category. Identified personnel are placed in accelerated learner programmes. New appointments and promotions take place in line with the requirements of the Employment Equity Act (55/98).

### Skills development

A training strategy is followed which is directly linked to the business objectives. Self-development is encouraged and financing facilities are made available in respect of study aid. The co-operative has access to the AgriSETA.

### Community

A safe, socially and ecologically acceptable work environment is supported by a system of safety grading, maintenance and training. The co-operative has become involved in community projects in a number of areas. Black Economic Empowerment projects are also aimed at supporting emerging farmers.

Personnel are encouraged and allowed to belong to industry and community organisations and actively participate in projects serving the broader community.

### Remuneration philosophy

The co-operative creates a work environment in which employees are empowered to apply their talents and initiatives to achieve outstanding results for which they are rewarded with a market-related total-cost-of-employment remuneration approach, supplemented by a performance-gearred 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 en groep finansiële state van Sentraal-Suid Koöperasie Beperk. Die finansiële state en groep finansiële state is opgestel in ooreenstemming met 'South African Statements of Generally Accepted Accounting Practice' 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 en groep 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 uiteindelik 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 en groep 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 wesentliche 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 en groep 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 en groep finansiële state is geouditeer deur die onafhanklike ouditeure, PricewaterhouseCoopers Ingelyf, wat onbepaalde toegang gegee is tot alle finansiële rekords en verwante data, met inbegrip van notules van alle lede-, direksie- en direksiekomitee-vergaderings. Die direkteure meen dat alle verklarings wat gedurende hul audit aan die onafhanklike ouditeure gemaak is, geldig en toepaslik was.

PricewaterhouseCoopers Ing se ouditeursverslag word aangebied op bladsye 12 tot 13.

Die finansiële state en groep finansiële state soos uiteengesit op bladsye 16 tot 45 is deur die direkteure goedgekeur:



N Loubser  
Voorsitter  
5 Junie 2008



D H van Papendorp  
Ondervoorsitter

## 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 and group financial statements of Sentraal-Suid Co-operative Limited and its subsidiaries. The financial statements and group 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 and group 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 and group 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 and group 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 and group 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 and group financial statements as presented on pages 16 to 45 have been approved by the board of directors.



N Loubser  
Chairperson  
5 June 2008



D H van Papendorp  
Vice Chairperson



## 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 geoudit. Hierdie finansiële state bestaan uit die direkteursverslag, die balansstaat en gekonsolideerde balansstaat soos op 29 Februarie 2008, die inkomstestaat en gekonsolideerde inkomstestaat, die staat van veranderinge in ekwiteit en gekonsolideerde staat van veranderinge in ekwiteit, en die kontantvloeistaat en die 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 35.

### ***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 deur die Koöperasiewet van Suid-Afrika vereis word. Hierdie verantwoordelikheid sluit in: die ontwerp, implementering en instandhouding van interne beheer relevant tot die opstel en redelike voorstelling van finansiële state wat vry is van wesenlike wanvoorstelling, hetsy weens bedrog of foute; selektering en toepassing van toepaslike rekeningkundige beleid; en die maak van rekeningkundige ramings wat in die omstandighede redelik is.

### ***Ouditeur se verantwoordelikheid***

Dit is ons verantwoordelikheid om op grond van ons oudit 'n mening oor hierdie finansiële state uit te spreek. Ons het ons oudit ooreenkomstig 'International Standards on Auditing' uitgevoer. Daardie standaarde vereis dat ons aan etiese vereistes voldoen en die oudit beplan en uitvoer om redelike gerusstelling te verkry of 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 prosedures wat geselekteer word 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 daardie risikobeoordeling oweeg die ouditeur interne beheer relevant tot die entiteit se opstel en redelike voorstelling van die finansiële state, ten einde ouditprosedures te ontwerp wat in die omstandighede toepaslik is, 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 evaluering van die toepaslikheid van rekeningkundige beleid wat gebruik is en die redelikheid van rekeningkundige ramings wat deur bestuur gemaak is, 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.

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

### **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 29 Februarie 2008, 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 deur die Koöperasiewet van Suid-Afrika vereis word.

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.

### **Verslag oor Ander Regs-en Regulatoriese Vereistes**

In terme van Artikel 153 (l) van die Koöperasiewet het ons, ons daarvan vergewis dat die koöperasie die bepalings van hierdie Wet, in soverre hulle betrekking het op die uitvoering van sy doelstellings, en die bepalings van Hoofstuk III en van sy Statuut nagekom het.

*PricewaterhouseCoopers Ing.*

**PricewaterhouseCoopers Ing**  
**Direkteur: P J Eksteen**  
**Geregistreerde Ouditeur**

**Worcester**  
**5 Junie 2008**



## 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. These financial statements consist of the directors' report, the balance sheet and the consolidated balance sheet as at 29 February 2008, the income statement and consolidated income statement, the statement of changes in equity and consolidated statement of changes in equity, the cash-flow statement and 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 45.

### ***Directors' responsibility for the financial statements***

The directors of the co-operative are responsible for the preparation 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 the preparation and reasonable representation of financial statements that are free from material misrepresentation, whether due to fraud or errors; selecting and applying applicable accounting policy; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's responsibility***

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 procedures selected depend on the judgement of the auditor, including the assessment of the risk 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 preparation and reasonable representation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the entity. An audit also includes an evaluation of the appropriateness of accounting policy used and the reasonableness of accounting estimates made by Management, 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 the group as at 29 February 2008, and of their financial performance and cash flow for the year ended on that date, in



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

accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Co-operatives Act of South Africa.

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.

### ***Report on other legal and regulatory requirements***

In terms of section 153 (l) of the Co-operatives Act we have ascertained that the co-operative has complied with the provisions of this Act, insofar as they pertain to the achievement of its objectives, and with the provisions of Chapter III and its articles.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc**  
**Director: P J Eksteen**  
**Registered Auditor**

**Worcester**  
**5 June 2008**



# SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale DIREKTEURSVERSLAG vir die jaar geëindig 29 Februarie 2008

Die direkteure se jaarverslag, wat deel vorm van die geouditeerde finansiële state van die groep en die koöperasie ("SSK") vir die jaar geëindig 29 Februarie 2008, 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 landboubestuursdienste.

Daarbenewens is die koöperasie betrokke by landbouverwante filiale en 'n geassosieerde, soos uiteengesit in 5 en 6 hierna.

## 2 Lede

Agt lede het ons aan die dood ontval. Innige meegevoel word aan hul naasbestaendes betuig.

Die ledetal het as volg gewissel:

Ledetal aan begin van jaar		800
Min Afgestorwe lede	8	
Lede wat boerderygestaak het	15	23
		<hr/>
		777
Plus Toetredings		46
		<hr/>
		823
		<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 distribusieskema ingevolge Artikel 92 van die Statuut. Volledige inligting rakende die aanwending van die surplus word in die aantekeninge tot die finansiële state weergegee.

## 5 Filiaalmaatskappye

Die koöperasie het tans beleggings in vier filiaalmaatskappye, naamlik:

<b>Direk</b>	<b>Belang</b>	<b>Hoofdoelstelling</b>
(a) Southern Oil Beperk (SOILL)	68%	Ekstraksie van olie uit plantaardige saad, en raffinering.
(b) SSK Vervaardigers (Eiendoms) Beperk	100%	Vervaardiging van veevoer.
(c) Technifarm (Proprietary) Limited	70%	Presisie boerdery dienste en verskaffing van toerusting.
<b>Indirek</b>	<b>Belang</b>	<b>Hoofdoelstelling</b>
(d) Swartland Oliepers (Eiendoms) Beperk	50%	Ekstraksie van olie uit canolasaad.

Sien asseblief aantekening 2 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 Belegging in geassosieerde maatskappy

### **Profert Suid-Kaap (Eiendoms) Beperk**

Langeberg Kunsmis (Eiendoms) Beperk se naam het op 1 Maart 2007 verander na Profert Suid-Kaap (Eiendoms) Beperk. Sentraal-Suid Koöperasie Beperk se belang het op 1 Maart 2007 verander vanaf 'n volfiliaal na 'n belang in aandeelkapitaal van 50%.

Die maatskappy bemark kunsmis.

## 7 Aandeelkapitaal

185 000 aandele is vanjaar uitgereik, terwyl 92 000 aandele ingetrek is, waarvan sommige deels opbetaalde aandele bedra.

## 8 Direkteure

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

## 9 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.

## 10 Beleggings

Beleggings het afgeneem met R10 183 441 (2007 afname - R 465 941) weens die herwaardasie van beleggings ingevolge die rekeningkundige standpunt IAS 39. Die tekort is direk in die staat van verandering in ekwiteit verantwoord.

## 11 Wesenlike gebeure na jaareinde

Nieteenstaande van die aangeleenthede geopenbaar in aantekening 21 tot die finansiële state, is die direkteure nie bewus van enige 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.

## 12 Waardering en dank

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

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

## 13 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 35 bevat nie noodwendig alle openbaarmakings wat nodig is om aan die 'South African Standards 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.

# SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries

## DIRECTORS REPORT for the year ended 29 February 2008

The directors' annual report, which forms part of the audited financial statements of the group and the co-operative ("SSK") for the year ended 29 February 2008, is presented below.

### 1 Nature of business

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

- supplying farming requisites, mechanisation, engineering services and erection of steel stores and services to its members and other customers;
- processing of grain seed;
- handling, storing and marketing producers' grain products by means of silos;
- supplying insurance broker services;
- supplying services such as credit provision and agricultural management services.

In addition, the co-operative is involved with agriculture-related subsidiaries and an associate, as set out in 5 and 6 below.

### 2 Members

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

The number of members changed as follows:

Number of members at beginning of year		800
Less Deceased members	8	
Members who stopped farming	15	23
		<hr/>
		777
Plus New members		46
		<hr/>
		823
		<hr/> <hr/>

### 3 Financial results

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

### 4 Appropriation of surplus

It is still the co-operative's policy to award bonuses in accordance with a distribution scheme under Section 92 of the Articles. Full details regarding the appropriation of the surplus per objective are represented in the notes to the financial statements.

### 5 Subsidiaries

The co-operative currently has investments in four subsidiaries, namely:



<b>Direct</b>	<b>Interest</b>	<b>Main objective</b>
(a) Southern Oil Limited (SOILL)	68%	Extraction of oil from vegetable seed and refinement.
(b) SSK Vervaardigers (Proprietary) Limited	100%	Manufacturing of animal feed.
(c) Technifarm (Proprietary) Limited	70%	Precision farming services and provision of equipment.
<b>Indirect</b>	<b>Interest</b>	<b>Main objective</b>
(d) Swartland Oliepers (Proprietary) Limited	50%	Extraction of oil from canola seed.

Please see note 2 to the financial statements for more information regarding investments in the subsidiaries and the interest of the co-operative in such subsidiaries' profits and losses.

## **6 Investment in associated company**

### **Profert Suid-Kaap (Proprietary) Limited**

Langeberg Kunsmis (Proprietary) Limited's name changed to Profert Suid-Kaap (Proprietary) Limited on 1 March 2007. On 1 March 2007, Sentraal-Suid Co-operative Limited's interest changed from a wholly owned subsidiary to an interest in share capital of 50%.

The company markets fertilizer.

## **7 Share capital**

185 000 shares were issued this year, while 92 000 shares were called up, some of which were partially paid-up shares.

## **8 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.

## **9 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.

## **10 Investments**

Investments have decreased by R10 183 441 (2007 decrease - R 465 941) due to the revaluation of investments in terms of the accounting statement IAS 39. The deficit was directly accounted for in the statement of changes in equity.





## 11 Material events after year-end

Apart from the matters disclosed in note 21 to the financial statements, the directors are not aware of any material error, circumstance, event or matter arising or occurring in the accounting period or in the period between the accounting date and the date of this report that should influence the assessment of the group's financial statements.

## 12 Appreciation and acknowledgement

The Board of Directors wishes to express its sincere appreciation of 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 heartfelt acknowledgement:

- The Land and Agricultural Bank of S A.
- 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 personnel for their share in successes achieved.
- Praise and glory to our Heavenly Father who blesses us without merit in various undertakings.

## 13 Auditors

PricewaterhouseCoopers Inc will continue to act as auditors in accordance with section 145 of the Co-operatives Act.

This abbreviated version of the financial statements as set out on pages 23 to 45 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.

# SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale

## BALANSSTAAT soos op 29 Februarie 2008

		Groep		Koöperasie	
	AANTEKENING	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>BATES</b>					
<b>Nie-bedryfsbates</b>					
Eiendom, aanleg en toerusting	1	64 079	60 032	29 111	24 018
Ontasbare bate		585	585	-	-
Beleggings in filiaalmaatskappye	2			9 997	9 888
Finansiële bates beskikbaar vir verkoop	3	65 167	75 357	65 167	75 357
Beleggings in geassosieerde		844	-	-	-
Afbetalingsverkoopopreënkomste	4	48 043	46 766	48 516	47 450
Uitgestelde belastingbate		1 697	2 375	-	-
		<b>180 415</b>	185 115	<b>152 791</b>	156 713
<b>Bedryfsbates</b>					
Voorraad	5	217 890	158 772	90 336	81 603
Produksielenings en ander debiteure	6	178 987	149 558	138 917	122 880
Korttermynlenings - filiale	7			75 088	38 731
Inkomstebelasting		1 087	1 003	-	-
Kontant en kontantekwivalente	8	7 387	2 412	3 971	645
		<b>405 351</b>	311 745	<b>308 312</b>	243 859
<b>Totale bates</b>		<b>585 766</b>	496 860	<b>461 103</b>	400 572
<b>EKWITEIT EN AANSPREEKLIKHEDE</b>					
<b>Kapitaal en reserwes</b>					
Reserwes		140 285	127 625	109 017	110 709
Aandelekapitaal	9	2 587	2 383	2 600	2 395
Ledebelang		142 872	130 008	111 617	113 104
Minderheidsbelang		15 492	8 608		
Totale ekwiteit		158 364	138 616	111 617	113 104
Ledefondse	10	65 783	58 698	67 298	59 700
		<b>224 147</b>	197 314	<b>178 915</b>	172 804
<b>Nie-bedryfslaste</b>					
Langtermynlenings	11	9 038	10 609	4 127	4 996
Uitgestelde belastingaanspreeklikheid		13 043	14 852	8 587	11 011
Na-aftrede mediese voordele		4 509	3 518	4 377	3 377
		<b>26 590</b>	28 979	<b>17 091</b>	19 384
<b>Bedryfslaste</b>					
Handels- en ander krediteure	12	71 009	35 178	39 753	21 832
Korttermynlenings	13	224 179	235 356	224 233	186 526
Bankoortrekking	14	33 890	4	-	-
Inkomstebelasting		5 951	29	1 111	26
		<b>335 029</b>	270 567	<b>265 097</b>	208 384
<b>Totale ekwiteit en aanspreeklikhede</b>		<b>585 766</b>	496 860	<b>461 103</b>	400 572

**SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries**  
**BALANCE SHEET** as at 29 February 2008

		Group		Co-operative	
	NOTES	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1	64 079	60 032	29 111	24 018
Intangible asset		585	585	-	-
Investments in subsidiaries	2			9 997	9 888
Investments available-for-sale	3	65 167	75 357	65 167	75 357
Investments in associate		844	-	-	-
Instalment sale agreements	4	48 043	46 766	48 516	47 450
Deferred taxation asset		1 697	2 375	-	-
		<u>180 415</u>	<u>185 115</u>	<u>152 791</u>	<u>156 713</u>
<b>Current assets</b>					
Stock	5	217 890	158 772	90 336	81 603
Production loans and other debtors	6	178 987	149 558	138 917	122 880
Short-term loans - subsidiaries	7			75 088	38 731
Income tax		1 087	1 003	-	-
Cash and cash equivalents	8	7 387	2 412	3 971	645
		<u>405 351</u>	<u>311 745</u>	<u>308 312</u>	<u>243 859</u>
<b>Total assets</b>		<u>585 766</u>	<u>496 860</u>	<u>461 103</u>	<u>400 572</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Reserves		140 285	127 625	109 017	110 709
Share capital	9	2 587	2 383	2 600	2 395
Members' interests		142 872	130 008	111 617	113 104
Minority interest		15 492	8 608		
Total equity		158 364	138 616	111 617	113 104
Members' funds	10	65 783	58 698	67 298	59 700
		<u>224 147</u>	<u>197 314</u>	<u>178 915</u>	<u>172 804</u>
<b>Non-current liabilities</b>					
Long-term loans	11	9 038	10 609	4 127	4 996
Deferred taxation liability		13 043	14 852	8 587	11 011
Post-retirement medical benefits		4 509	3 518	4 377	3 377
		<u>26 590</u>	<u>28 979</u>	<u>17 091</u>	<u>19 384</u>
<b>Current liabilities</b>					
Trade and other creditors	12	71 009	35 178	39 753	21 832
Short-term loans	13	224 179	235 356	224 233	186 526
Bank overdraft	14	33 890	4	-	-
Income tax		5 951	29	1 111	26
		<u>335 029</u>	<u>270 567</u>	<u>265 097</u>	<u>208 384</u>
<b>Totale equity and liabilities</b>		<u>585 766</u>	<u>496 860</u>	<u>461 103</u>	<u>400 572</u>

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale**  
**INKOMSTESTAAT** vir die jaar geëindig 29 Februarie 2008

		Groep		Koöperasie	
	AANTEKE- NING	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Inkomste		632 379	467 891	440 246	342 333
Koste van verkope		(519 015)	(381 764)	(378 113)	(286 510)
Bruto wins		113 364	86 127	62 133	55 823
Ander bedryfsinkomste		23 649	22 157	21 669	20 497
Administratiewe uitgawes		(21 205)	(16 336)	(13 411)	(9 882)
Ander bedryfsuitgawes		(44 290)	(41 176)	(36 502)	(34 617)
Bedryfswins	15	71 518	50 772	33 889	31 821
Finansieringsinkomste	16	3 284	626	7 519	2 444
Finansieringskoste	17	(25 730)	(20 004)	(20 802)	(14 128)
Wins voor verdienste van geassosieerde		49 072	31 394	20 606	20 137
Ekwiteitswins in geassosieerde maatskappy		(844)	-	-	-
Wins voor belasting		49 916	31 394	20 606	20 137
Belasting		(10 025)	(5 318)	(1 832)	(2 140)
Wins vir die jaar		39 891	26 076	18 774	17 997
Toeskryfbaar aan:					
Lede		33 007	23 464	18 774	17 997
Minderheidsbelang		6 884	2 612	-	-
		39 891	26 076	18 774	17 997



**SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries**  
**INCOME STATEMENT** for the year ended 29 February 2008

		Group		Co-operative	
	NOTES	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Income		632 379	467 891	440 246	342 333
Cost of sales		(519 015)	(381 764)	(378 113)	(286 510)
Gross profit		113 364	86 127	62 133	55 823
Other operating income		23 649	22 157	21 669	20 497
Administrative expenditure		(21 205)	(16 336)	(13 411)	(9 882)
Other operating expenditure		(44 290)	(41 176)	(36 502)	(34 617)
Operating profit	15	71 518	50 772	33 889	31 821
Financing income	16	3 284	626	7 519	2 444
Financing costs	17	(25 730)	(20 004)	(20 802)	(14 128)
Profit before earnings of associate		49 072	31 394	20 606	20 137
Equity profit in associate company		(844)	-	-	-
Profit before tax		49 916	31 394	20 606	20 137
Tax		(10 025)	(5 318)	(1 832)	(2 140)
Profit for the year		39 891	26 076	18 774	17 997
Attributable to:					
Members		33 007	23 464	18 774	17 997
Minority interest		6 884	2 612		
		39 891	26 076	18 774	17 997



**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale**  
**AANTEKENINGE TOT DIE FINANSIËLE JAARSTATE**  
 vir die jaar geëindig 29 Februarie 2008

	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>1 Eiendom, aanleg en toerusting</b>				
<b>1.1 Samestelling</b>				
Grond, geboue en graansilo's	27 677	21 859	21 257	16 010
Kosprys	31 005	24 718	23 368	17 787
Opgehoopte waardevermindering	(3 328)	(2 859)	(2 111)	(1 777)
Graansilomasjinerie	1 877	2 594	1 877	2 594
Kosprys	29 591	29 388	29 591	29 388
Opgehoopte waardevermindering	(27 714)	(26 794)	(27 714)	(26 794)
Masjinerie en gereedskap	25 234	26 292	1 342	1 207
Kosprys	45 275	43 316	7 483	6 900
Opgehoopte waardevermindering	(20 041)	(17 024)	(6 141)	(5 693)
Voertuie	6 920	7 021	3 333	2 754
Kosprys	13 071	12 149	5 640	4 806
Opgehoopte waardevermindering	(6 151)	(5 128)	(2 307)	(2 052)
Laboratoriumtoerusting	144	74	-	-
Kosprys	270	169	-	-
Opgehoopte waardevermindering	(126)	(95)	-	-
Kantoortoerusting	2 227	2 192	1 302	1 453
Kosprys	8 488	7 709	6 702	6 250
Opgehoopte waardevermindering	(6 261)	(5 517)	(5 400)	(4 797)
Totale vaste bates teen boekwaarde	64 079	60 032	29 111	24 018

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

	2008 R'000	2007 R'000
<b>2 Beleggings in filiaalmaatskappye</b>		
<b>2.1 Southern Oil Beperk</b>		
Gewone aandele teen kosprys	5 685	5 685
<b>2.2 SSK Vervaardigers (Eiendoms) Beperk</b>		
Gewone aandele teen kosprys	1 500	1 500
<b>2.3 Technifarm (Proprietary) Limited</b>		
Gewone aandele teen kosprys	100	100
Lening	3 989	3 989
Min Voorsiening vir verliese van filiaal	(1 277)	(1 386)
<b>2.4 Profert Suid-Kaap (Eiendoms) Beperk</b>		
Gewone aandele teen kosprys	-	-
	9 997	9 888



'n Gedeelte van die lening aan Technifarm (Proprietary) Limited dra rente teen 13% per jaar. Daar bestaan geen terugbetalingsvoorwaardes nie.

Weens die aandeelhouerstekort by die filiaal wat R1 403 523 (2007 - R1 511 896) bedra het, het die koöperasie onderneem om verdere aandele tot ten minste hierdie tekort op te neem ten einde die filiaal te befonds vir toekomstige bedrywighede.

	<b>2008</b> <b>R'000</b>	<b>2007</b> <b>R'000</b>
<b>2.5 Totale belegging in filiale</b>		
Aandele	7 335	7 285
Lenings	2 712	2 603
Debiteure	2 978	2 101
Korttermynlenings	75 088	38 731
Huurkope	684	1 043
Krediteure	(6 066)	(2 667)
Ledelenings	(54)	(34)
Ledebelangefonds	(1 513)	(1 002)
	<b>81 164</b>	<b>48 060</b>
<b>2.6 Belang in nabelaste winste/(verliese) van filiale</b>		
Southern Oil Beperk (SOILL)	12 505	4 615
SSK Vervaardigers (Eiendoms) Beperk	415	851
Technifarm (Proprietary) Limited	75	290
Langeberg Kunsmis (Eiendoms) Beperk	-	(125)
Swartland Oliepers (Eiendoms) Beperk	732	315
	<b>13 727</b>	<b>5 946</b>
<b>3 Finansiële bates beskikbaar vir verkoop Groep en Koöperasie</b>		
<b>Rekonsiliasie</b>		
Saldo begin van jaar	75 357	75 889
Waardasie van beleggings beskikbaar vir verkoop ingevolge IAS 39	(10 184)	(465)
Verkoop van aandele	(6)	(67)
Saldo einde van jaar	<b>65 167</b>	<b>75 357</b>
Die beleggings bestaan uit die volgende:		
Gewone aandele in 'n koöperasie	-	-
Gewone genoteerde aandele in maatskappye	1	7
Gewone ongenoteerde aandele in maatskappye	65 166	75 350
	<b>65 167</b>	<b>75 357</b>



	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>4 Afbetalingsverkoop-ooreenkomste</b>				
<b>Bruto bedrae ontvangbaar</b>				
<b>Lede</b>				
Ontvangbaar binne een jaar	25 173	18 205	25 173	18 205
Ontvangbaar in twee tot tien jaar	48 043	46 766	48 043	46 766
<b>Filiaal</b>				
Ontvangbaar binne een jaar			211	359
Ontvangbaar in twee tot tien jaar			473	684
	<b>73 216</b>	64 971	<b>73 900</b>	66 014
Korttermyngedeelte oorgedra na produksielenings en ander debiteure (aantekening 6)	<b>(25 173)</b>	(18 205)	<b>(25 384)</b>	(18 564)
	<b>48 043</b>	46 766	<b>48 516</b>	47 450

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 14% en 17.50% per jaar.

Alle bedrae ontvangbaar is aan Landbank en Eerste Nasionale Bank gesedeer om te dien as sekuriteit vir lenings toegestaan, soos per aantekening 11.

	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>5 Voorraad</b>				
Boerderybenodigdhede	27 518	23 793	27 518	23 793
Canola saad	108 504	62 661	-	-
Saadgraan	12 131	9 792	7 041	4 982
Implemente	3 888	5 233	3 888	5 233
Verbruiksmateriaal	805	502	131	147
Produkte	51 758	47 448	51 758	47,448
Grondstowwe	4 129	3 355	-	-
Klaarprodukte	9 157	5 988	-	-
	<b>217 890</b>	158 772	<b>90 336</b>	81 603

Die voorraad is aan Landbank en Eerste Nasionale Bank verpand as sekuriteit vir lenings toegestaan, soos per aantekening 11.

Die eienaarskap van die moutgars is oorgedra na Rand Merchant Bank as sekuriteit vir die korttermynlening. Verwys aantekening 13.



	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>6 Produksielenings en ander debiteure</b>				
Lede	151 780	117 387	114 211	91 830
Lopende produksiekrediet	128 907	82 692	91 338	57 135
Oordrag skuld	22 873	34 695	22 873	34 695
Produksie	17 478	26 921	17 478	26 921
Huurkoep	5 395	7 774	5 395	7 774
Huurkoop - Filiaal	-	-	211	359
Filiale	-	-	2 978	2 101
Nie-lede	14 118	8 459	13 921	8 183
Diverse	13 089	23 712	7 596	20 407
	<b>178 987</b>	<b>149 558</b>	<b>138 917</b>	<b>122 880</b>

Alle bedrae ontvangbaar is aan Landbank en Eerste Nasionale Bank gesedeer om te dien as sekuriteit vir lenings toegestaan, soos per aantekening 11.

	2008 R'000	2007 R'000
<b>7 Korttermynlenings - filiale</b>		
Voorraadfinansiering	75 088	38 731
Die lenings dra rente teen 13.50% per jaar.		

	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>8 Kontant en kontantekwivalente</b>				
Kontant op hande	14	15	9	9
Kleinkas	1	1	1	1
Banksaldo's	7 372	2 396	3 961	635
	<b>7 387</b>	<b>2 412</b>	<b>3 971</b>	<b>645</b>
<b>9 Aandelekapitaal</b>				
<b>Groep</b>				
<b>9.1 Opbetaalde aandele</b>				
Bruto	2 599	2 395	2 600	2 395
Min Tesourie-aandele gehou deur filiale	(12)	(12)	-	-
	<b>2 587</b>	<b>2 383</b>	<b>2 600</b>	<b>2 395</b>
<b>Koöperasie</b>				
<b>9.2 Uitgereikte aandele van R1 elk</b>			<b>3 297</b>	<b>3 204</b>

- 9.3 Die onopbetaalde aandelekapitaal en alle verdere aandele wat uitgereik mag word, dien as sekuriteit vir lenings wat van tyd tot tyd aangegaan word by Landbank, soos per aantekening 11

	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>10 Ledefondse</b>				
<b>10.1 Ledebelangefonds</b>				
Saldo aan die begin van die jaar	58 697	53 219	59,700	53,733
Beweging gedurende die jaar				
Toevoegings uit surplusse	10 800	10 200	10 800	10 200
Terugbetalings	(3 203)	(4 233)	(3 202)	(4 233)
Belang gehou deur filiale	(511)	(488)		
	<b>65 783</b>	58 698	<b>67 298</b>	59 700
<b>10.2 Ledebelangefonds</b>				

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

- 10.3 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.

## 11 Langtermynlenings

### Groep

#### 11.1 Versekerde lenings

##### Landbank

Totale bedrag uitstaande

Min Betaalbaar binne een jaar

	2008 R'000	2007 R'000
	4 127	10 421
	4 986	12 621
	(859)	(2 200)

Die lenings se rente wissel tussen 12.75% en 13.50% per jaar. Die lenings is aanvanklik aangegaan vir termyne van 8 tot 36 jaar.

Hierdie lenings is verseker deur:



## Koöperasie

- Verband oor eiendomme van die koöperasie. Verwys aantekening 1.
- Notariële kollaterale verband oor die koöperasie se roerende eiendom. Verwys aantekeninge 1 en 5.
- Sessie van alle bedrae verskuldig aan die koöperasie. Verwys aantekeninge 4 en 6.
- Sessie van onbetaalde aandelekapitaal en die bedrag van enige voorwaardelike aanspreeklikheid ten aansien van aandele uitgereik aan lede. Verwys aantekening 9.
- Sessie van korttermyn versekeringspolis.
- Sessie van Pioneer aandele. Verwys aantekening 3.
- Sessie van alle bedrae wat aan Southern Oil Beperk verskuldig is of later verskuldig mag word.
- Pandreg op alle landbouprodukte en artikels, vervaardig uit die lening wat gefinansier is.
- Borgstelling verskaf deur Southern Oil Beperk.

### Eerste Nasionale Bank Mediumtermynlening

Totale bedrag uitstaande  
 Min Betaalbaar binne een jaar  
 Hierdie lening is terugbetaalbaar oor 'n termyn van 7 jaar.  
 Rentekoers op jaareinde bedra 12.50%.

### Filiaal - Southern Oil Beperk

Die volgende dien as sekuriteit vir die bankoortrekking en medium-termynlening:

- Beperkte borgskap van Sentraal-Suid Koöperasie Beperk ten bedrae van R30 miljoen.
- Verband oor vaste eiendom. (Verwys aantekening 1).
- Sessie van korttermynversekering.
- Sessie van debiteure. (Verwys aantekening 6).
- Algemene notariële verband oor die roerende eiendom. (Verwys aantekeninge 1 en 5).

### 11.2 Ander lenings

Buite-aandeelhouders  
 Die aandeelhouderslening is rentevry en daar bestaan geen terugbetalingsvoorwaardes nie.

### 11.3 Huurkoopverpligting

Wesbank  
 Totale bedrag uitstaande  
 Min Lopende gedeelte oorgedra na bedryfslaste

	2008 R'000	2007 R'000
<b>Eerste Nasionale Bank Mediumtermynlening</b>	<b>4,732</b>	-
Totale bedrag uitstaande	5,518	-
Min Betaalbaar binne een jaar	(786)	-
<b>Filiaal - Southern Oil Beperk</b>		
Buite-aandeelhouders	125	125
<b>11.3 Huurkoopverpligting</b>		
Wesbank	54	63
Totale bedrag uitstaande	64	73
Min Lopende gedeelte oorgedra na bedryfslaste	10	10



Die huurkoopverpligting is terugbetaalbaar in 39 gelyke maandelikse paaieimente ten opsigte van kapitaal ten bedrae van R1 697.88 plus rente teen 'n rentekoers van 14.96%, met 'n finale paaieiment van R17 194.85.

	2008 R'000	2007 R'000
<b>11.4 Totaal</b>	<b>9 038</b>	10 609
<b>Koöperasie</b>		
<b>11.5 Versekerde lenings</b>		
Landbank		
Totale bedrag uitstaande	<b>4 986</b>	5 938
Min Betaalbaar binne een jaar	<b>(859)</b>	(942)
	<b>4 127</b>	4 996

Die lenings dra rente tussen 12.75% en 13.50% per jaar. Die lenings is aanvanklik aangegaan vir termynne van 10 tot 36 jaar.

Hierdie lenings is verseker soos vermeld in aantekening 11.1

	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>12 Handels- en ander krediteure</b>				
Handelskrediteure	<b>43 583</b>	24 068	<b>26 750</b>	13 079
Filiale			<b>6 066</b>	2 667
Kontantbonus	<b>1 200</b>	1 800	<b>1 200</b>	1 800
Ander krediteure	<b>24 571</b>	7 100	<b>4 878</b>	3 344
Langtermynlenings binne een jaar betaalbaar	<b>1 655</b>	2 210	<b>859</b>	942
	<b>71 009</b>	35 178	<b>39 753</b>	21 832
<b>13 Korttermynlenings</b>				
Ledelenings	<b>187 545</b>	97 122	<b>187 599</b>	97 157
Landbank		122 651		73 786
Lopende produksievoorraad	-	60 302	-	11 437
Ledeskuld	-	62 349	-	62 349
Rand Merchant Bank – Garsfinansiering	<b>36 634</b>	15 583	<b>36 634</b>	15 583
	<b>224 179</b>	235 356	<b>224 233</b>	186 526

Die lening van Rand Merchant Bank dra rente teen 12.15% per jaar. Die lening is verseker deur Moutgars voorraad ingesluit onder produkte. Verwys aantekening 5.





	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>14 Bankoortrekking</b>	<b>33 890</b>	4	-	-
Verwys na aantekening 11.1 vir sekuriteite van die bankoortrekking.				
<b>15 Bedryfswins</b>				
Bedryfswins is bereken na inagneming van die volgende items:				
<b>Inkomste</b>				
Dividende ontvang	2 393	2 036	2 393	2 036
Kapitale wins met verkoop van vaste bates	40	31	6	-
Likwidasiëdividende ontvang	1	25	1	25
Wins met die verkoop van beleggings beskikbaar vir verkoop	-	5	-	5
Valutawins	26	-	-	-
Waardevermindering verhaal	65	3	1	3
Huur ontvang	346	297	361	341
Rente ontvang – debiteure	14 598	16 652	18 628	16 590
Geakkumuleerde winste op vreemde belegging oorgedra vanaf billike waarde reserwe	4	1	4	1
Terugskrywing vir verlies van filiaal	-	-	108	415
<b>Uitgawes</b>				
Besoldiging - Nie-uitvoerende direkteure			821	476
Dienste as direkteur				
- Fooie			634	313
- Toelaes			187	163
Bedryfshuurbetalings				
Eiendom	544	488	436	390
Toerusting	14	1	-	-
Ouditeursvergoeding	632	482	382	355
Huidige jaar	498	426	342	313
Uitgawes / Ander dienste	134	56	40	42
Slegte skulde afgeskryf	5	-	5	-
Verlies met verkoop van vaste bates	51	24	51	-
Verhoging in voorsiening van na-aftrede mediese voordele	991	92	999	89
Verhoging in voorsiening vir waardedaling van debiteure	129	19	90	-



	Groep		Koöperasie	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Foos aan nie-werknemers				
Bestuursdienste	306	181	293	171
Regsdienste	106	110	15	66
Waardevermindering op eiendom, aanleg en toerusting	6 517	5 682	2 719	2 705
<b>Personeelkoste</b>				
Totale koste van indiensname	37 011	32 681	29 288	26 392
Lone	2 018	1 606	2 018	1 606
Na-aftrede mediese koste	991	92	999	89
Aansporingsbonusse	1 836	1 087	1 836	1 087
	<b>41 856</b>	<b>35 466</b>	<b>34 141</b>	<b>29 174</b>
<b>16 Finansieringsinkomste</b>				
Rente ontvang				
Bank	158	24	120	-
Filiale	-	-	4 281	1 848
Ander	3 126	602	3 118	596
	<b>3 284</b>	<b>626</b>	<b>7 519</b>	<b>2 444</b>
<b>17 Finansieringskoste</b>				
Rente betaal				
Rentedraende lenings				
Landbank	9 612	11 372	5 379	5 551
Ledeleninge	13 731	7 471	13 731	7 471
Rand Merchant Bank	1 458	956	1 458	956
Banklenings en oortrekkings	763	81	52	52
Filiale	-	-	60	22
Ander	166	124	122	76
	<b>25 730</b>	<b>20 004</b>	<b>20 802</b>	<b>14 128</b>
<b>18 Kapitaaluitgawes goedgekeur</b>				
Kapitaaluitgawes goedgekeur				
Nie gekontrakteer	6 966	8 026	3 640	7 279

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

## 19 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 geadminestrer, 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.

## 20 Voorwaardelike aanspreeklikhede

**20.1** Voorwaardelike aanspreeklikheid weens 'n beperkte waarborgstelling ten opsigte van die filiaal Technifarm (Proprietary) Limited ten bedrae van R6 050 bedra. Die uitstaande verpligting het op 29 Februarie 2008 R6 050 bedra.

**20.2** 'n Borgakke aan Eerste Nasionale Bank ten opsigte van 'n lening aan die filiaal, Southern Oil Beperk ten bedrae van R5 518 082 bedra. Die uitstaande verpligting het op 29 Februarie 2008 R5 518 082 bedra.

**20.3** Besendingsvoorraad

**20.4** 'n Borgakke aan Eerste Nasionale Bank ten opsigte van 'n lening aan die filiaal, Southern Oil Beperk ten bedrae van

2008 R'000	2007 R'000
600	600
30 000	-
658	658
-	10 000

## 21 Na-balansstaat gebeurde

Die koöperasie was in 'n regsgeeding 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.

Southern Oil Beperk het hom ten doel gestel om ekonomiese transformasie te bevorder. Om dit te bewerkstellig is daar besluit om 'n skema te implementeer waardeur die houermaatskappy die minderheidsbelang van Die Nywerheids Ontwikkelings Korporasie sal koop. Deur die herstrukturering van die maatskappy, wat onder andere behels die distribusie van alle reserwes, die toekenning van gewone aandele aan trusts vir die ontwikkeling van plaaswerkers en werknemers, Mnr Mohammad Karaan en 'n uitgifte van voorkeuraandele aan die houermaatskappy, sal die vereiste aandeelverspreiding bewerkstellig word.

**SENTRAAL-SUID CO-OPERATIVE and its affiliates**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 29 February 2008

	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>1 Property, plant and equipment</b>				
<b>1.1 Composition</b>				
Land, buildings and grain silos	27 677	21 859	21 257	16 010
Cost price	31 005	24 718	23 368	17 787
Accumulated depreciation	(3 328)	(2 859)	(2 111)	(1 777)
Grain silo machinery	1 877	2 594	1 877	2 594
Cost price	29 591	29 388	29 591	29 388
Accumulated depreciation	(27 714)	(26 794)	(27 714)	(26 794)
Machinery and tools	25 234	26 292	1 342	1 207
Cost price	45 275	43 316	7 483	6 900
Accumulated depreciation	(20 041)	(17 024)	(6 141)	(5 693)
Vehicles	6 920	7 021	3 333	2 754
Cost price	13 071	12 149	5 640	4 806
Accumulated depreciation	(6 151)	(5 128)	(2 307)	(2 052)
Laboratory equipment	144	74	-	-
Cost	270	169	-	-
Accumulated depreciation	(126)	(95)	-	-
Office equipment	2 227	2 192	1 302	1 453
Cost price	8 488	7 709	6 702	6 250
Accumulated depreciation	(6 261)	(5 517)	(5 400)	(4 797)
Total fixed assets at book value	64 079	60 032	29 111	24 018

1.2 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.

	2008 R'000	2007 R'000
<b>2 Investments in subsidiaries</b>		
<b>2.1 Southern Oil Limited</b>		
Ordinary shares at cost	5 685	5 685
<b>2.2 SSK Vervaardigers (Proprietary) Limited</b>		
Ordinary shares at cost	1 500	1 500
<b>2.3 Technifarm (Proprietary) Limited</b>		
Ordinary shares at cost	100	100
Loan	3 989	3 989
Less: Provision for losses of subsidiary	(1 277)	(1 386)
<b>2.4 Profert Suid-Kaap (Proprietary) Limited</b>		
Ordinary shares at cost	-	-
	<b>9 997</b>	<b>9 888</b>

A portion of the loan to Technifarm (Proprietary) Limited bears interest at 13% per annum. There are no repayment conditions.

Due to the shareholders' deficit at the subsidiary, amounting to R1 403 523 (2007 - R1 511 896), the co-operative undertook to take up further shares up to at least this deficit in order to fund the subsidiary for future activities.

	<b>2008 R'000</b>	<b>2007 R'000</b>
<b>2.5 Total investment in subsidiaries</b>		
Shares	7 335	7 285
Loans	2 712	2 603
Debtors	2 978	2 101
Short-term loans	75 088	38 731
Leases	684	1 043
Creditors	(6 066)	(2 667)
Members' loans	(54)	(34)
Members' interest fund	(1 513)	(1 002)
	<b>81 164</b>	<b>48 060</b>
<b>2.6 Interest in after-tax profits/(losses) of subsidiaries</b>		
Southern Oil Limited (SOILL)	12 505	4 615
SSK Manufacturers (Proprietary) Limited	415	851
Technifarm (Proprietary) Limited	75	290
Langeberg Kunsmis (Proprietary) Limited	-	(125)
Swartland Oliepers (Proprietary) Limited	732	315
	<b>13 727</b>	<b>5 946</b>
<b>3 Investments available-for-sale</b>		
<b>Group and Co-operative</b>		
<b>Reconciliation</b>		
Balance beginning of year	75 357	75 889
Valuation of investments available-for-sale under IAS 39	(10,184)	(465)
Sale of shares	(6)	(67)
Balance end of year	<b>65 167</b>	<b>75 357</b>
The investments consist of the following:		
Ordinary shares in a co-operative	-	-
Ordinary listed shares in companies	1	7
Ordinary unlisted shares in companies	<b>65 166</b>	75 350
	<b>65 167</b>	<b>75 357</b>



	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>4 Instalment sale agreements</b>				
<b>Gross receivables</b>				
<b>Members</b>				
Receivable within one year	25 173	18 205	25 173	18 205
Receivable in two to ten years	48 043	46 766	48 043	46 766
<b>Subsidiary</b>				
Receivable within one year			211	359
Receivable in two to ten years			473	684
	<b>73 216</b>	64 971	<b>73 900</b>	66 014
Short-term portion carried forward to production loans and other debtors (note 6)	<b>(25 173)</b>	(18 205)	<b>(25 384)</b>	(18 564)
	<b>48 043</b>	46 766	<b>48 516</b>	47 450

In terms of contractual provisions of the agreements, instalment sale agreements are repayable in equal annual instalments over two to ten years.

The agreements were concluded at fixed interest rates varying between 14% and 17.50% per annum at balance sheet date.

All amounts receivable have been ceded to Land Bank and First National Bank to serve as security for loans granted, as per note 11.

	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>5 Stock</b>				
Farming requisites	27 518	23 793	27 518	23 793
Canola seed	108 504	62 661	-	-
Seed grain	12 131	9 792	7 041	4 982
Implements	3 888	5 233	3 888	5 233
Consumables	805	502	131	147
Products	51 758	47 448	51 758	47 448
Raw materials	4 129	3 355	-	-
Finished products	9 157	5 988	-	-
	<b>217 890</b>	158 772	<b>90 336</b>	81 603

The stock was pledged to Land Bank and First National Bank as security for loans granted, as per note 11.

The ownership of the malting barley was transferred to Rand Merchant Bank as security for the short-term loan. Refer note 13.





	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>6 Production loans and other debtors</b>				
Members	151 780	117 387	114 211	91 830
Current production credit	128 907	82 692	91 338	57 135
Transfer debt	22 873	34 695	22 873	34 695
Production Leases	17 478 5 395	26 921 7 774	17 478 5 395	26 921 7 774
Hire-purchase – subsidiary	-	-	211	359
Subsidiaries	-	-	2 978	2 101
Non-members	14 118	8 459	13 921	8 183
Sundries	13 089	23 712	7 596	20 407
	<b>178 987</b>	<b>149 558</b>	<b>138 917</b>	<b>122 880</b>

All amounts receivable have been ceded to Land Bank and First National Bank to serve as security for loans granted, as per note 11.

	2008 R'000	2007 R'000
<b>7 Short-term loans - subsidiaries</b>		
Stock financing	75 088	38 731

The loans bear interest at 13.50% per annum.

	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>8 Cash and cash equivalents</b>				
Cash on hand	14	15	9	9
Petty cash	1	1	1	1
Bank balances	7 372	2 396	3 961	635
	<b>7 387</b>	<b>2 412</b>	<b>3 971</b>	<b>645</b>
<b>9 Share capital</b>				
<b>Group</b>				
<b>9.1 Paid up shares</b>				
Gross	2 599	2 395	2 600	2 395
Less Treasury shares held by Subsidiaries	(12)	(12)	-	-
	<b>2 587</b>	<b>2 383</b>	<b>2 600</b>	<b>2 395</b>
<b>Co-operative</b>				
<b>9.2 Issued shares of R1 each</b>			<b>3 297</b>	<b>3 204</b>

9.3 The unpaid-up share capital and all further shares that may be issued serve as security for loans incurred from time to time at the Land Bank, as per note 11.

	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>10 Members' funds</b>				
<b>10.1 Members' interests fund</b>				
Balance at the beginning of the year	58 697	53 219	59,700	53,733
Movements during the year				
Additions from surpluses	10 800	10 200	10 800	10 200
Repayments	(3 203)	(4 233)	(3 202)	(4 233)
Interest held by Subsidiaries	(511)	(488)	-	-
	<b>65 783</b>	<b>58 698</b>	<b>67 298</b>	<b>59 700</b>
<b>10.2 Members' interests fund</b>				

This fund consists of the transfers of surpluses arising from the operations of the Co-operative.

10.3 Disbursements of funds occur under the following conditions, provided that the Co-operative is, subject to the discretion of the board, able to do so.

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

## 11 Long-term loans

### Group

#### 11.1 Insured loans

#### Land Bank

	2008 R'000	2007 R'000
Total amount outstanding	4 986	12 621
Less Repayable within one year	(859)	(2 200)

The loans' interest varies from 12.75% to 13.50% per annum.  
The loans were initially incurred for terms of 8 to 36 years.

The loans are insured by:

### Co-operative



- Mortgage over properties of the Co-operative. Refer note 1.
- Notarial collateral bond over the Co-operative's moveable property. Refer notes 1 and 5.
- Cession of all amounts due to the Co-operative. Refer notes 4 and 6.
- Cession of unpaid share capital and the amount of any contingent liability in respect of shares issued to members. Refer note 9.
- Cession of short-term insurance policy.
- Cession of Pioneer shares. Refer note 3.
- Cession of all amounts owing to Southern Oil Limited or that may later become owing to it.
- Lien on all agricultural products and articles manufactured with financed loan.
- Suretyship provided by Southern Oil Limited.

	2008 R'000	2007 R'000
<b>First National Bank Medium-term loan</b>	<b>4,732</b>	-
Total amount outstanding	5,518	-
Less Payable within one year	(786)	-
This loan is repayable over a term of 7 years. Interest rate at year end amounted to 12.50%.		
<b>Subsidiary - Southern Oil Limited</b>		
The following serve as security for the bank overdraft and medium-term loan:		
<ul style="list-style-type: none"> <li>- Limited surety of Sentraal-Suid Co-operative Limited in the amount of R30 million.</li> <li>- Mortgage over fixed property. (Refer note 1).</li> <li>- Cession of short-term insurance.</li> <li>- Cession of debtors. (Refer note 6).</li> <li>- General collateral bond over the moveable property. (Refer notes 1 and 5).</li> </ul>		
<b>11.2 Other loans</b>		
Outside shareholders	<b>125</b>	125
The shareholders' loan is interest-free with no repayment conditions.		
<b>11.3 Hire-purchase liability</b>		
Wesbank	<b>54</b>	63
Total amount outstanding	<b>64</b>	73
Less Current portion carried forward to current liabilities	<b>10</b>	10



The hire-purchase liability is repayable in 39 equal monthly instalments in respect of capital in the amount of R1 697.88 plus interest at a rate of 14.96%, with a final instalment of R17 194.85.

	2008 R'000	2007 R'000
<b>11.4 Total</b>	<b>9 038</b>	10 609
<b>Co-operative</b>		
<b>11.5 Insured loans</b>		
Land Bank		
Total amount outstanding	<b>4 986</b>	5 938
Less Payable within one year	<b>(859)</b>	(942)
	<b>4 127</b>	4 996

The loans bear interest between 12.75% and 13.50% per annum. The loans were initially incurred for terms of 10 to 36 years

These loans are insured as stated in note 11.1

	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>12 Trade and other creditors</b>				
Trade creditors	<b>43 583</b>	24 068	<b>26 750</b>	13 079
Subsidiaries	<b>1 200</b>	1 800	<b>6 066</b>	2 667
Cash bonus	<b>24 571</b>	7 100	<b>1 200</b>	1 800
Other creditors	<b>1 655</b>	2 210	<b>859</b>	942
Long-term loans repayable within one year	<b>71 009</b>	35 178	<b>39 753</b>	21 832
<b>13 Short-term loans</b>				
Members' loans	<b>187 545</b>	97 122	<b>187 599</b>	97 157
Land Bank	<b>-</b>	122 651	<b>-</b>	73 786
Current production stock	<b>-</b>	60 302	<b>-</b>	11 437
Members' debt	<b>-</b>	62 349	<b>-</b>	62 349
Rand Merchant Bank – Barley financing	<b>36 634</b>	15 583	<b>36 634</b>	15 583
	<b>224 179</b>	235 356	<b>224 233</b>	186 526

The loan from Rand Merchant Bank bears interest at 12.15% per annum. The loan is insured by malting barley stock included under products. Refer note 5.



	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
<b>14 Bank overdraft</b>	<b>33 890</b>	4	-	-
Refer to note 11.1 for securities of the bank overdraft.				
<b>15 Operating profit</b>				
Operating profit was calculated taking into account the following items:				
<b>Income</b>				
Dividends received	2 393	2 036	2 393	2 036
Capital profit on sale of fixed assets	40	31	6	-
Liquidation dividends received	1	25	1	25
Profit on available-for-sale investments	-	5	-	5
Foreign exchange profit	26	-	-	-
Decrease in value recovered	65	3	1	3
Rent received	346	297	361	341
Rent received – debtors	14 598	16 652	18 628	16 590
Accumulated profits on disposed investment carried over from fair-value reserve	4	1	4	1
Writeback for loss of subsidiary	-	-	108	415
<b>Expenditure</b>				
Remuneration - non-executive directors			821	476
Services as director				
- Fees	-	-	634	313
- Allowances	-	-	187	163
Operating lease payments				
Property	544	488	436	390
Equipment	14	1	-	-
Auditors' remuneration	632	482	382	355
Current year	498	426	342	313
Expenditure / Other services	134	56	40	42
Bad debt written off	5	-	5	-
Loss on sale of fixed assets	51	24	51	-
Increase in provision for post-retirement medical benefits	991	92	999	89
Increase in provision for decrease in value of debtors	129	19	90	-



	Group		Co-operative	
	2008 R'000	2007 R'000	2008 R'000	2007 R'000
Fees to non-employees				
Management services	306	181	293	171
Legal services	106	110	15	66
Decrease in value on property, plant and equipment	6 517	5 682	2 719	2 705
<b>Personnel costs</b>				
Total cost of employment	37 011	32 681	29 288	26 392
Wages	2 018	1 606	2 018	1 606
Post-retirement medical costs	991	92	999	89
Incentive bonuses	1 836	1 087	1 836	1 087
	<u>41 856</u>	<u>35 466</u>	<u>34 141</u>	<u>29 174</u>
<b>16 Financing income</b>				
Interest received				
Bank	158	24	120	-
Subsidiaries	-	-	4 281	1 848
Other	3 126	602	3 118	596
	<u>3 284</u>	<u>626</u>	<u>7 519</u>	<u>2 444</u>
<b>17 Financing costs</b>				
Interest paid				
Interest-bearing loans				
Land Bank	9 612	11 372	5 379	5 551
Members' loans	13 731	7 471	13 731	7 471
Rand Merchant Bank	1 458	956	1 458	956
Bank loans and overdrafts	763	81	52	52
Subsidiaries	-	-	60	22
Other	166	124	122	76
	<u>25 730</u>	<u>20 004</u>	<u>20 802</u>	<u>14 128</u>
<b>18 Capital expenditure approved</b>				
Capital expenditure approved				
Not contracted	6 966	8 026	3 640	7 279

The liability was approved by the various boards. The liabilities will be financed from own funds.



## 19 Pension scheme arrangements

Employees of the Co-operative and the Group contribute to the Sentraal-Suid Co-operative Retirement Fund and Steel and Industry Pension Fund respectively. 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 to all employees of the Co-operative and the Group, subject to the provisions of the respective regulations.

## 20 Contingent liabilities

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

On 29 February 2008 the outstanding liability amounted to R6 050.

**20.2** A surety bond to First National Bank in respect of a loan to the subsidiary, Southern Oil Limited in the amount of

On 29 February 2008 the outstanding liability amounted to R5 518 082.

**20.3** Consignment stock

**20.4** A surety bond to First National Bank in respect of a loan to the subsidiary, Southern Oil Limited in the amount of

	2008 R'000	2007 R'000
	600	600
	30 000	-
	658	658
	-	10 000

## 21 Post-balance sheet events

The Co-operative was involved in a court case due to silos giving way. The appeal case judgement was partly in favour of the Co-operative. The claim is currently being taxed and the extent thereof is unknown as at the date of these statements.

Southern Oil Limited has set itself the objective of promoting economic transformation. To achieve this, it was decided to implement a scheme whereby the holding company will purchase the minority interest of the Industrial Development Corporation. The required share distribution will be achieved by restructuring the company, involving inter alia the distribution of all reserves, the allotment of ordinary shares to trusts for the development of farm workers and employees, Mr Mohammad Karaan and an issue of preference shares to the holding company.

# SPESIALE BESLUIE

## 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 (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 voortspuit, 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 sedeer 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.

### 2. Lening vir kapitale uitgawes

# SPECIAL RESOLUTIONS

## 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.

### 2. Loan for capital expenditure