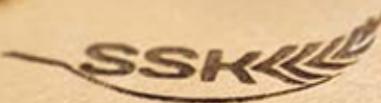




SSK

SENTRAAL-SUID

KOÖPERASIE • CO-OPERATIVE
BPK • LTD



SSK



SSK

2020

JAARVERSLAG • ANNUAL REPORT

Uitnodiging

U word hartlik uitgenooi na die Algemene Jaarvergadering van SSK op Vrydag, 24 Julie 2020 om 10h30, wat per elektroniese platform sal plaasvind.

Invitation

You are cordially invited to the Annual General Meeting of SSK to be held on Friday, 24 July 2020 at 10h30, which will be conducted via electronic platform.

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KENNISGEWING: ALGEMENE JAARVERGADERING EN SAKELYS

NOTICE: ANNUAL GENERAL MEETING AND AGENDA

Kennis geskied hiermee dat die Algemene Jaarvergadering van SSK op Vrydag, 24 Julie 2020 om 10h30, per elektroniese platform gehou sal word.

Notice is hereby given that the Annual General Meeting of SSK will be held on Friday, 24 July 2020 at 10h30, and will be conducted via electronic platform.

SAKELYS / AGENDA

- 1** Opening
- 2** Verwelkoming deur Voorsitter / Welcoming by Chairperson
- 3** Konstituering / Constitution
- 4** Roubeklag / Motion of Condolence
- 5** Goedkeuring van Notule van die Algemene Jaarvergadering 2019
Approval of the Minutes of the Annual General Meeting 2019
- 6** Behandeling en Goedkeuring van Finansiële State
Consideration and Approval 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 Besluite / Special Resolutions



J E de V van Veen

Sekretaris / Secretary

KOÖPERASIEBESONDERHEDE

DETAILS OF THE CO-OPERATIVE

Raad van Direkteure / Board of Directors

D H van Papendorp	- Voorsitter / Chairperson
S W Viljoen	- Ondervoorsitter / Vice-Chairperson
J N de Kock	J M Joubert
F J Lourens	M J Odendaal
M Pienaar	J E Robertson
A J Steyn	M S Streicher
P S Uys	

Bestuur / Management

E J Pelser	- Hoof Uitvoerende Beampte - Chief Executive Officer
J E de V van Veen	- Hoofbestuurder: Finansies en Administrasie - General Manager: Finance and Administration
C H de Beer	- Hoofbestuurder: Bedrywe - General Manager: Operations

Sekretaris / Secretary

J E de V van Veen

Geregistreerde Adres / Registered Address Posadres / Postal Address

Voortrekstraat 34 / 34 Voortrek Street	Posbus 12 / P.O. Box 12
Swellendam 6740	Swellendam 6740

Bankiers / Bankers

Eerste Nasionale Bank / First National Bank	Nedbank
Voortrekstraat 33 / 33 Voortrek Street Swellendam 6740	Voortrekstraat 29 / 29 Voortrek Street Swellendam 6740

Ouditeure / Auditors

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

SENTRAAL-SUID KOÖPERASIE BPK 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 afsonderlike en gekonsolideerde finansiële state van Sentraal-Suid Koöperasie Beperk. Die afsonderlike en gekonsolideerde finansiële state is opgestel in ooreenstemming met die '*International Financial Reporting Standard for Small and Medium-sized Entities*' en op die wyse soos vereis deur die Koöperasiewet en sluit bedrae in wat op die oordeel en ramings van Bestuur gegrond is. Die afsonderlike en gekonsolideerde finansiële state is gegrond op toepaslike rekeningkundige beleid wat in ooreenstemming is met die '*International Financial Reporting Standard for Small and Medium-sized Entities*' en met dié van die vorige jaar, 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 betrouwbaarheid van die afsonderlike en gekonsolideerde 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 wesenlike ineenstorting in die funksionering van hierdie kontroles, procedures en stelsels gedurende die jaar onder oorsig aandui nie.

Die lopende-saakgrondslag is met die opstel van die afsonderlike en gekonsolideerde 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 vooruitskatting en beskikbare kontant- en finansieringsbronne.

Die afsonderlike en gekonsolideerde finansiële state is geoudeert deur die onafhanklike ouditeure, PricewaterhouseCoopers Geïnk, 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 audit aan die onafhanklike ouditeure gemaak is, geldig en toepaslik was.

PricewaterhouseCoopers Geïnk se ouditeursverslag word aangebied op bladsy 8.

Die Direkteursverslag, afsonderlike en gekonsolideerde finansiële state, soos opgesom, en aanvullende skedules, soos uiteengesit op bladsye 10 tot 44, is deur die Direkteure goedgekeur.



D H van Papendorp – Voorsitter
30 Junie 2020



S W Viljoen – Ondervorsitter



Goedkeuring van finansiële state

Die opgesomde afsonderlike en gekonsolideerde finansiële state en aanvullende skedules soos uiteengesit op bladsye 10 tot 44 word hiermee in terme van Artikel 48 van die Koöperasiewet, 2005, (Wet No 14 van 2005) soos gewysig deur die Koöperatiewe Wysigingswet, 2013 (Wet No 6 van 2013), deur die Algemene Jaarvergadering aanvaar en deur die Voorsitter onderteken ter bevestiging daarvan.

Voorsitter – Swellendam

24 Julie 2020

Aantekening

Die Direkteure bied die opgesomde afsonderlike en gekonsolideerde finansiële state van Sentraal-Suid Koöperasie Beperk op 29 Februarie 2020 aan. Die opgesomde afsonderlike en gekonsolideerde finansiële state is opgestel vanuit die volledige geouditeerde afsonderlike en gekonsolideerde finansiële state vir die jaar geëindig 29 Februarie 2020, soos goedgekeur deur die Direkteure op 30 Junie 2020.

Die opgesomde afsonderlike en gekonsolideerde finansiële state bevat nie alle openbaarmakings soos vereis deur die *'International Financial Reporting Standard for Small and Medium-sized Entities'* en die vereistes van die Koöperasiewet van Suid-Afrika nie. Die lees van die opgesomde afsonderlike en gekonsolideerde finansiële state kan gevolglik nie as plaasvervanger vir die lees van die geouditeerde afsonderlike en gekonsolideerde finansiële state van Sentraal-Suid Koöperasie Beperk gesien word nie.

Die volledige geouditeerde afsonderlike en gekonsolideerde finansiële state is op aanvraag beskikbaar vir inspeksie deur Lede by die kantore van Sentraal-Suid Koöperasie Beperk, Posbus 12, Voortrekstraat 34, Swellendam, 6740.

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES DECLARATION 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 separate and consolidated financial statements of Sentraal-Suid Co-operative Limited. The separate and consolidated financial statements have been prepared in accordance with the *International Financial Reporting Standard for Small and Medium-sized Entities*, and in the manner required by the Co-operatives Act, and include amounts that are based on Management's judgement and estimates. The separate and consolidated financial statements are based on appropriate accounting policy in accordance with the *International Financial Reporting Standard for Small and Medium-sized Entities* and with that of the prior year, except where otherwise noted.

The Directors are also ultimately responsible 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 separate and consolidated 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 the preparation of the separate and consolidated financial statements. Based on forecasts 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 separate and consolidated financial statements have been audited by the independent auditors, PricewaterhouseCoopers Inc., 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 were valid and appropriate.

The audit report of PricewaterhouseCoopers Inc. is presented on page 9.

The Directors' report, separate and consolidated financial statements, as summarised, and ancillary schedules, as presented on pages 10 to 56, have been approved by the Board of Directors.



D H van Papendorp – Chairperson
30 June 2020



S W Viljoen – Vice-Chairperson



Approval of the financial statements

The summary separate and consolidated financial statements and ancillary schedules as presented on pages 10 to 56 are herewith in terms of section 48 of the Co-operatives Act, 2005 (Act No 14 of 2005) as amended by the Co-operative's Amendment Act, 2013 (Act No 6 of 2013) and signed by the Chairperson as confirmation thereof.

Chairperson – Swellendam

24 July 2020

Note

The Directors present the summary separate and consolidated financial statements of Sentraal-Suid Co-operative Limited for the year ended 29 February 2020. The summary separate and consolidated financial statements have been compiled from the full set of audited separate and consolidated financial statements for the year ended 29 February 2020, as approved by the Board of Directors on 30 June 2020.

The summary separate and consolidated financial statements do not contain all the disclosures required by the *International Financial Reporting Standard for Small and Medium-sized Entities* and the requirements of the Co-operatives Act of South Africa. Reading the summary separate and consolidated financial statements, therefore, is not a substitute for reading the audited separate and consolidated financial statements of Sentraal-Suid Co-operative Limited.

The complete audited separate and consolidated financial statements are available to Members for inspection, upon request, at the offices of Sentraal-Suid Co-operative Limited, P.O. Box 12, 34 Voortrek Street, Swellendam, 6740.

ONAFHANKLIKE OUDITEUR SE VERSLAG OOR DIE OPGESOMDE GEKONSOLIDEERDE EN AFSONDERLIKE FINANSIELIKE STATE AAN DIE LEDE VAN SENTRAAL-SUID KOÖPERASIE BEPERK

Mening

Die opgesomde gekonsolideerde en afsonderlike finansiële state van Sentraal-Suid Koöperasie Beperk (die Koöperasie) en sy filiale (tesame die Groep), soos uiteengesit op bladsye 20 tot 32, wat bestaan uit die opgesomde gekonsolideerde en afsonderlike state van finansiële posisie soos op 29 Februarie 2020, die opgesomde gekonsolideerde en afsonderlike state van omvattende inkomste en kontantvloeie vir die jaar wat op daardie datum geëindig het, en verwante aantekeninge, is opgestel vanuit die geouditeerde gekonsolideerde en afsonderlike finansiële state van Sentraal-Suid Koöperasie Beperk vir die jaar geëindig 29 Februarie 2020.

Na ons mening, is die meegaande opgesomde gekonsolideerde en afsonderlike finansiële state konsekwent, in alle wesenlike opsigte, met die geouditeerde gekonsolideerde en afsonderlike finansiële state, ooreenkomstig die grondslag wat beskryf is in Aantekening 1.

Opgesomde gekonsolideerde en afsonderlike finansiële state

Die opgesomde gekonsolideerde en afsonderlike finansiële state bevat nie alle openbaarmaking soos vereis deur die 'International Financial Reporting Standard for Small and Medium-Sized Entities' en die vereistes van die Koöperasiewet van Suid-Afrika soos van toepassing op finansiële state nie. Die lees van die opgesomde gekonsolideerde en afsonderlike finansiële state en die ouditeur se verslag daarop kan gevvolglik nie as plaasvervanger vir die lees van die geouditeerde gekonsolideerde en afsonderlike finansiële state en die ouditeur se verslag daarop gesien word nie.

Die geouditeerde gekonsolideerde en afsonderlike finansiële state en ons verslag daarop

Ons het 'n ongekwalificeerde auditmening uitgespreek op die geouditeerde gekonsolideerde en afsonderlike finansiële state in ons verslag gedateer 30 Junie 2020.

Direkteure se verantwoordelikheid vir die opgesomde gekonsolideerde en afsonderlike finansiële state

Die direkteure is verantwoordelik vir die opstel van die opgesomde gekonsolideerde en afsonderlike finansiële state ooreenkomstig die grondslag wat beskryf is in Aantekening 1.

Ouditeur se verantwoordelikheid

Ons verantwoordelikheid is om 'n mening uit te spreek of die opgesomde gekonsolideerde en afsonderlike finansiële state konsekwent is, in alle wesenlike opsigte, met die geouditeerde gekonsolideerde en afsonderlike finansiële state, gebaseer op ons procedures, wat ooreenkomstig die 'International Standard on Auditing (ISA) 810 (Revised)', "Engagements to Report on Summary Financial Statements", uitgevoer is.



PricewaterhouseCoopers Geïnk.

Direkteur: M J van Tonder

Geregistreerde Ouditeur

Worcester

30 Junie 2020

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE MEMBERS OF SENTRAAL-SUID CO-OPERATIVE LIMITED

Opinion

The summary consolidated and separate financial statements of Sentraal-Suid Co-operative Limited (the Co-operative) and its subsidiaries (together the Group), set out on pages 20 to 32, which comprise the summary consolidated and separate statements of financial position as at 29 February 2020, the summary consolidated and separate statements of comprehensive income and cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of Sentraal-Suid Co-operative Limited for the year ended 29 February 2020.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the basis of preparation as set out in Note 1.

Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by the International Financial Reporting Standards for Small and Medium-Sized Entities and the requirements of the Co-operative Act of South Africa as applicable to financial statements. Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon.

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 30 June 2020.

Director's responsibility for the summary consolidated and separate financial statements

The directors are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the basis of preparation as set out in Note 1.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: M J van Tonder

Registered Auditor

Worcester

30 June 2020

DIREKTEURSVERSLAG

vir die jaar geëindig 29 Februarie 2020

1. Aard van besigheid

Die Koöperasie doen besigheid in die Suid-Kaap, Overberg, Tuinroete, Karoo en Langkloof. Die hoofdoelstellings en aktiwiteite van die Koöperasie het oorwegend gedurende die jaar onder oorsig onveranderd gebly, en behels die volgende:

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

Daarbenewens is die Koöperasie, direk en indirek, betrokke by filiale, geassosieerde en 'n gesamentlike onderneming soos uiteengesit in 5, 7 en 8 hierna.

2. Lede

Twaalf Lede het ons aan die dood ontval. Ons innige meegevoel word aan hul naasbestaandes betuig.

Die ledetal het soos volg gewissel:

Ledetal aan begin van jaar		1 656
Min: Afgestorwe Lede	12	
Lede wat boerdery gestaak het	26	38
		1 618
Plus: Toetredings		125
Ledetal aan einde van jaar		1 743

3. Finansiële resultate

Die waarde van sake gedoen gedurende die jaar het R2 668 074 941 (2019 – R2 588 333 721) vir die Koöperasie en R4 526 727 477 (2019 – R4 270 476 096) vir die Groep beloop. Dit het tot 'n wins voor belasting vir die jaar van R51 952 138 (2019 – R49 793 371) vir die Koöperasie en R128 038 019 (2019 – R131 108 442) vir die Groep aanleiding gegee. Verdere besonderhede van die Groep se finansiële resultate word in die finansiële state behandel.

4. Aanwending van surplus

Dit is steeds die Koöperasie se beleid om bonusse aan Lede toe te deel ooreenkomsdig 'n distribusiekema ingevolge Artikel 89 van die Statuut.

Die Koöperasie het gedurende die jaar 'n Ledebonus van R16 000 000 (2019 – R5 000 000) verklaar. Die wins voor en na hierdie bonusse was soos volg:

	2020 R	2019 R
Wins voor Ledebonusse	67 952 138	54 793 371
Totale Ledebonusse verklaar	(16 000 000)	(5 000 000)
Uitgestel	(12 800 000)	(4 000 000)
Kontant	(3 200 000)	(1 000 000)
Wins voor belasting	51 952 138	49 793 371

In die huidige jaar is Ledefondse van R11 073 876 (2014 gehef) (2019 – R14 503 610 (2012 en 2013 gehef)) uitbetaal.

5. Filiale

Die Koöperasie het beleggings in die volgende filiale:

Direk	Belang 2020	Belang 2019	Hoofdoelstelling
a) Eureka Mills (Edms) Bpk	60%	60%	Vervaardiging van meel en verwante produkte.
b) Hessequa Abattoir (Edms) Bpk	52.78%	52.78%	Bedryf 'n slagpale in die Riversdal omgewing.
c) Sentraal-Suid Beleggings (Edms) Bpk	100%	100%	Beleggingsmaatskappy met verwante aktiwiteite.
d) Southern Oil (Edms) Bpk	60%	60%	Ekstraksie van olie uit hoofsaaklik canola-saad en die raffinering en bemarking van 'n gedifferensieerde reeks olies en proteineprodukte.
e) Swellen Mark (Edms) Bpk	68%	68%	Belegging en verhuring van eiendom
f) Technifarm (Edms) Bpk	50%	50%	Presisie-boerderydienste en verkoop van plaastoerusting.
g) Tuinroete Agri (Edms) Bpk	100%	100%	Belegging en verhuring van eiendom
h) Walts Malting (Edms) Bpk	100%	100%	Vervaardiging van mout vir hoofsaaklik die nasionale "craft" bier-mark.

Direk	Belang 2020	Belang 2019	Hoofdoelstelling
i) SSK Petro Retail (Edms) Bpk	100%	0%	Die maatskappy was dormant op jaareinde.
Indirek			
j) Southern Oil (Edms) Bpk	Tuinroete Agri besit: 0.45%	0.45%	Ekstraksie van olie uit hoofsaklik canola-saad en die raffinering en bemarking van 'n gedifferensieerde reeks olies en proteinprodukte.
k) Óleo do Sul Limitada	Southern Oil besit: 99%	99%	Ekstraksie van olie uit hoofsaklik kokosneute en die raffinering en bemarking van 'n gedifferensieerde reeks olies en proteinprodukte.
l) Energy Oil (Edms) Bpk Groep	Southern Oil besit: 100%	99%	Die maatskappy was dormant op jaareinde.
m) Blinkbeleg Vyftien (Edms) Bpk	Sentraal-Suid Beleggings besit: 100% 100%		Die maatskappy was dormant op jaareinde en sal na jaareinde gederegistreer word.
n) LBK Agri (Edms) Bpk	Tuinroete Agri besit: 100% 100%		Die maatskappy was dormant op jaareinde en sal na jaareinde gederegistreer word.

6. Finansiële bates beskikbaar vir verkoop

Finansiële bates beskikbaar vir verkoop het toegeneem met R63 550 580 (2019 – R124 241 629 afname) weens die billike waarde-aanpassing ingevolge die rekeningkundige standpunt *IFRS for SMEs*. Die wins/(verlies) is direk in die staat van ander omvattende inkomste verantwoord.

7. Belegging in gesamentlike onderneming

Softsolutions (Edms) Bpk

Die Koöperasie besit 'n 75% (2019 – 51%) belang in dié Maatskappy wat deur gesamentlike besluitneming bestuur word. Die Maatskappy lewer sagteware-ontwikkeling en ander dienste.

8. Belegging in geassosieerde

Riparian Investments Consortium 1 (Edms) Bpk

Die Koöperasie besit indirek deur Sentraal-Suid Beleggings (Edms) Bpk 'n 40% belang in dié Maatskappy. Die Maatskappy lewer dienste as 'n beleggingsmaatskappy. Die Maatskappy se belang in Pioneer Voedsel Bpk is gerealiseer gedurende die jaar.



Procuro Grain (Edms) Bpk

Sentraal-Suid Koöperasie Bpk besit 'n 50% (2019 – 33.33%) belang in dié Maatskappy wat deur gesamentlike besluitneming bestuur word. Die Maatskappy is in besit van 'n strategies geleë, Safex-geregistreerde silokompleks in Randfontein met die primêre fokus op graanopberging en waardetoevoeging vir sy aandeelhouers.

9. Aandelekapitaal

500 000 (2019 – 396 000) aandele is vanjaar uitgereik, terwyl 152 000 (2019 – 196 000) aandele ingetrek is, waarvan sommige deels opbetaalde aandele bedra.

10. Direkteure

Besonderhede van die Koöperasie se Direkteure, Sekretaris en geregistreerde kantoor verskyn by die Koöperasiebesonderhede op bladsy 3.

Direkteursvergoeding het R1 974 587 (2019 – R1 920 826) beloop.

11. Wesenlike gebeure na jaareinde

Op 19 Julie 2019 is die aandeelhouers van Pioneer Voedsel Bpk ingelig van die voorneme van PepsiCo Bpk om al die gewone aandele van Pioneer Voedsel Bpk te bekom, uitgesluit aandele wat deur Pioneer Voedsel Bpk se filiale besit word. Hierdie transaksie, ingevolge waarvan Sentraal-Suid Koöperasie Bpk al hul aandele in Pioneer Voedsel Bpk aan PepsiCo Bpk sal verkoop, is op 6 Maart 2020 gefinaliseer, met finale aflossing wat op 23 Maart 2020 plaasgevind het.

Op 22 Maart 2020 het Sentraal-Suid Koöperasie Bpk die aandele van Riparian Investments (Edms) Bpk en Fruit Workers Development Trust oorgekoop en effektiewelik 'n 100% belang in en beheer oor Riparian Investments Consortium 1 (Edms) Bpk verkry.

Op 1 Maart 2020 is Der Keldermeister as 'n lopende saak vanaf Sentraal-Suid Koöperasie Bpk aan Shoprite Checkers Bpk verkoop.

Op 23 Maart 2020 het die President van Suid-Afrika weens die COVID-19 pandemie 'n nasionale inperking vanaf 27 Maart 2020 aangekondig. Bestuur is van mening dat die aangeleentheid geen wesenlike impak op die finansiële state het nie, aangesien die Koöperasie gedurende hierdie periode voortgegaan het om sy Lede te bedien.

12. Waardering en dank

Die Raad van Direkteure wens om 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 Bestuur en Personeel verdien die Raad se innige dank vir hul aandeel in suksesse wat behaal is. Lof en eer aan ons Hemelse Vader wat ons op verskeie terreine onverdienstelik seën.

13. Ouditeure

PricewaterhouseCoopers Geïnkorporeer sal voortgaan om as ouditeure op te tree ooreenkomsdig Artikel 50 van die Koöperasiewet, 2005 (Wet No 14 van 2005) soos gewysig deur die Koöperatiewe Wysigingswet, 2013 (Wet No 6 van 2013).



DIRECTORS' REPORT

for the year ended 29 February 2020

1. Nature of business

The Co-operative operates mainly in the Southern Cape, Overberg, Garden Route, Karoo and Langkloof. The main objectives and activities of the Co-operative remained largely unchanged during the year under review, and consists of:

- supply of agricultural inputs, mechanisation, engineering and services to its Members and other clients;
- processing of grain seed;
- handling, storage and marketing of producers' grain products by means of silos;
- supplying insurance broker services;
- supplying services such as credit provision and agricultural management; and
- production of livestock feed.

In addition, the Co-operative is directly and indirectly involved in subsidiaries, associates and a joint venture, as set out in 5, 7 and 8 below.

2. Members

Twelve Members have passed away. Our sincere condolences to their next of kin.

The number of Members changed as follows:

Membership at the beginning of the year		1 656
Less: Deceased Members	12	
Members who stopped farming	26	38
		1 618
Plus: New Members		125
Membership at the end of the year		1 743

3. Financial results

The value of business conducted during the year amounted to R2 668 074 941 (2019 – R2 588 333 721) for the Co-operative and R4 526 727 477 (2019 – R4 270 476 096) for the Group. A profit before tax for the year of R51 952 138 (2019 – R49 793 371) for the Co-operative and R128 038 019 (2019 – R131 108 442) for the Group was realised. Further details of the Group's financial results are disclosed in the financial statements.

4. Appropriation of surplus

It is still the Co-operative's policy to award bonuses in accordance with a distribution scheme under Section 89 of the Articles.

The Co-operative has declared Member bonuses of R16 000 000 (2019 – R5 000 000) for the 2020 financial year. The profit before and after these bonuses was as follows:

	2020 R	2019 R
Profit before Member bonuses	67 952 138	54 793 371
Total Member bonuses declared	(16 000 000)	(5 000 000)
Deferred	(12 800 000)	(4 000 000)
Cash	(3 200 000)	(1 000 000)
Profit before tax	51 952 138	49 793 371

In the current year, accrued Members' funds of R11 073 876 (accrued in 2014) had been paid out (2019 – R14 503 610 (accrued in 2012 and 2013)).

5. Subsidiaries

The Co-operative has investments in the following subsidiaries:

Direct	Interest 2020	Interest 2019	Main Objectives
a) Eureka Mills (Pty) Ltd	60%	60%	Production of flour and related products.
b) Hessequa Abattoir (Pty) Ltd	52.78%	52.78%	Operating an abattoir in the Riversdale region.
c) Sentraal-Suid Beleggings (Pty) Ltd	100%	100%	Investment company with related activities.
d) Southern Oil (Pty) Ltd	60%	60%	Extraction of oil, mainly from canola seed, and the refinement and marketing of a differentiated series of oils and protein products.
e) Swellen Mark (Pty) Ltd	68%	68%	Investment in, and letting of property.
f) Technifarm (Pty) Ltd	50%	50%	Precision farming services and sale of farming equipment.
g) Tuinroete Agri (Pty) Ltd	100%	100%	Investment in, and letting of property.
h) Walts Malting (Pty) Ltd	100%	100%	Production of malt for the local craft beer market.

	Direct	Interest 2020	Interest 2019	Main Objectives
i)	SSK Petro Retail (Pty) Ltd	100%	–	This company was dormant at year end.
	Indirect			
j)	Southern Oil (Pty) Ltd	Tuinroete Agri owns: 0.45%	0.45%	Extraction of oil, mainly from canola seed, and the refinement and marketing of a differentiated series of oils and protein products.
k)	Óleo do Sul Limitada	Southern Oil owns: 99%	99%	Extraction of oil, mainly from coconuts, and the refinement and marketing of a differentiated series of oils and protein products.
l)	Energy Oil (Pty) Ltd Group	Southern Oil owns: 100%	99%	This company was dormant at year end.
m)	Blinkbeleg Vyftien (Pty) Ltd	Sentraal-Suid Beleggings owns: 100%	100%	This company was dormant at year end and will be deregistered subsequent to year end.
n)	LBK Agri (Pty) Ltd	Tuinroete Agri owns: 100%	100%	This company was dormant at year end and will be deregistered subsequent to year end.

6. Financial assets available for sale

Financial assets available for sale have increased by R63 550 580 (2019 – R124 241 629 decrease) due to the fair value adjustment in terms of accounting standard IFRS for SMEs. The profit/(loss) has been directly accounted for in the statement of comprehensive income.

7. Investment in joint venture

Softolutions (Pty) Ltd

The Co-operative owns a 75% (2019 – 51%) interest in this Company which is managed by joint decision-making. The Company delivers software development and other services.

8. Investment in associates

Riparian Investments Consortium 1 (Pty) Ltd

The Co-operative owns, indirectly through Sentraal-Suid Beleggings (Pty) Ltd, a 40% interest in this Company. This Company functions as an investment company. The Company's share in Pioneer Foods Ltd was disposed of during the year.



Procuro Grain (Pty) Ltd

Sentraal-Suid Co-operative Ltd owns a 50% (2019 – 33.33%) interest in this Company that is run by joint decision-making. The Company owns and operates a strategically located Safex-registered silo complex in Randfontein, with the primary focus on grain storage and adding value to its shareholders.

9. Share capital

500 000 (2019 – 396 000) shares were issued this year, while 152 000 (2019 – 196 000) shares were cancelled, some of which were partially paid-up shares.

10. Directors

Details of the Co-operative's Directors, Secretary and registered office appear in the section with the details of the Co-operative on page 3.

Directors' emoluments amounted to R1 974 587 (2019 – R1 920 826).

11. Material events after year end

On 19 July 2019 the shareholders of Pioneer Foods Ltd were informed of the intention of PepsiCo Ltd to acquire all the ordinary shares of Pioneer Foods Ltd, excluding shares owned by Pioneer Foods Ltd's subsidiaries. This transaction, in terms of which Sentraal-Suid Co-operative Ltd will sell all of its shares in Pioneer Foods Ltd to PepsiCo Ltd, was finalised on 6 March 2020, with the final disposal occurring on 23 March 2020.

On 22 March 2020 Sentraal-Suid Co-operative Ltd purchased the shares held by Riparian Investments (Pty) Ltd and Fruit Workers Development Trust and effectively acquired a 100% share in and control over Riparian Investments Consortium 1 (Pty) Ltd.

On 1 March 2020 Sentraal-Suid Co-operative Limited sold Der Keldermeister to Shoprite Checkers Ltd as a going concern.

On 23 March 2020 the President of South Africa announced, due to the COVID-19 pandemic, a national lockdown from 27 March 2020. Management is of the opinion that the matter has no material impact on the financial statements as the Co-operative continued to serve its Members during this period.

12. Appreciation and acknowledgement

The Board of Directors wishes to express its appreciation to Members who have loyally supported the Co-operative. Without their support the success that was achieved would not have been possible. The Management and Staff deserve the Board's sincere thanks for their share in the successes achieved. Praise and glory to our Heavenly Father who has blessed us without merit in various undertakings.

13. Auditors

PricewaterhouseCoopers Incorporated will continue to act as auditors in accordance with Section 50 of the Co-operatives Act, 2005 (Act 14 of 2005) as amended by the Co-operatives Amendment Act, 2013 (Act No 6 of 2013).



SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN FINANSIELLE POSISIE
soos op 29 Februarie 2020

GROEP		KOÖPERASIE	
2020 R'000	2019 R'000	2020 R'000	2019 R'000

BATES

Nie-bedryfsbates

Eiendom, aanleg en toerusting	642 992	636 646	303 351	294 246
Ontasbare bates	53 667	65 682	4 534	5 452
Beleggingseiendom	61 566	62 703	—	—
Belegging in filiale	—	—	234 524	234 835
Belegging in geassosieerde	4 948	4 134	7 501	5 000
Belegging in gesamentlike onderneming	4 554	1 735	6 300	1 500
Finansiële bates beskikbaar vir verkoop	18 461	214 854	17 692	213 878
Ander finansiële bates	134 047	139 013	125 808	139 907
Uitgestelde belastingbate	2 211	1 590	—	—
	922 446	1 126 357	699 710	894 818

Bedryfsbates

Voorraad	895 609	832 072	383 268	346 052
Handels- en ander debiteure	1 162 535	966 595	888 286	708 942
Finansiële bates beskikbaar vir verkoop	259 736	—	259 736	—
Korttermynlenings	8 538	18 871	20 748	52 767
Inkomstebelasting	1 724	3 876	444	2 233
Kontant en kontantekwivalente	50 087	45 208	7 310	8 588
	2 378 229	1 866 623	1 559 792	1 118 582
Totale bates	3 300 675	2 992 980	2 259 502	2 013 401

SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN FINANSIELLE POSISIE
soos op 29 Februarie 2020 (vervolg)

GROEP		KOÖPERASIE	
2020	R'000	2019	R'000

EKWITEIT EN AANSPREEKLIKHEDE

Kapitaal en reserwes

Reserwes	938 103	827 382	705 090	607 595
Aandelekapitaal	6 652	6 299	6 664	6 311
Ledefondse	56 437	54 508	56 679	54 954
Ledebelang	1 001 192	888 188	768 433	668 860
Nie-beherende belang	254 876	228 563	-	-
Totale ekwiteit	1 256 068	1 116 751	768 433	668 860

Nie-bedryfslaste

Langtermynlenings	222 061	244 720	191 179	209 034
Uitgestelde belastingaanspreeklikheid	92 160	69 952	62 353	46 404
Na-aftrede mediese voordele	3 720	4 960	3 307	4 547
	317 941	319 632	256 839	259 985

Bedryfslaste

Handels- en ander krediteure	351 374	377 828	223 551	226 864
Korttermynlenings	690 048	743 274	405 647	436 809
Bankoortrekking	684 173	434 996	605 032	420 882
Inkomstebelasting	1 071	500	-	-
	1 726 666	1 556 597	1 234 230	1 084 555
Totale ekwiteit en aanspreeklikhede	3 300 675	2 992 980	2 259 502	2 013 401

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF FINANCIAL POSITION
as at 29 February 2020

	GROUP		CO-OPERATIVE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
ASSETS				
Non-current assets				
Property, plant and equipment	642 992	636 646	303 351	294 246
Intangible assets	53 667	65 682	4 534	5 452
Investment property	61 566	62 703	—	—
Investment in subsidiaries	—	—	234 524	234 835
Investment in associates	4 948	4 134	7 501	5 000
Investment in joint venture	4 554	1 735	6 300	1 500
Financial assets available for sale	18 461	214 854	17 692	213 878
Other financial assets	134 047	139 013	125 808	139 907
Deferred tax asset	2 211	1 590	—	—
	922 446	1 126 357	699 710	894 818
Current assets				
Inventory	895 609	832 072	383 268	346 052
Trade and other receivables	1 162 535	966 595	888 286	708 942
Financial assets available for sale	259 736	—	259 736	—
Short-term loans	8 538	18 871	20 748	52 767
Income tax	1 724	3 876	444	2 233
Cash and cash equivalents	50 087	45 208	7 310	8 588
	2 378 229	1 866 623	1 559 792	1 118 582
Total assets	3 300 675	2 992 980	2 259 502	2 013 401

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF FINANCIAL POSITION
as at 29 February 2020 (continued)

	GROUP		CO-OPERATIVE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
EQUITY AND LIABILITIES				
Capital and reserves				
Reserves	938 103	827 382	705 090	607 595
Share capital	6 652	6 299	6 664	6 311
Members' funds	56 437	54 508	56 679	54 954
Members' interest	1 001 192	888 188	768 433	668 860
Non-controlling interest	254 876	228 563	-	-
Total equity	1 256 068	1 116 751	768 433	668 860
Non-current liabilities				
Long-term loans	222 061	244 720	191 179	209 034
Deferred tax liabilities	92 160	69 952	62 353	46 404
Post-retirement medical benefits	3 720	4 960	3 307	4 547
	317 941	319 632	256 839	259 985
Current liabilities				
Trade and other creditors	351 374	377 828	223 551	226 864
Short-term loans	690 048	743 274	405 647	436 809
Bank overdraft	684 173	434 996	605 032	420 882
Income tax	1 071	500	-	-
	1 726 666	1 556 597	1 234 230	1 084 555
Total equity and liabilities	3 300 675	2 992 980	2 259 502	2 013 401

**SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN OMVATTENDE INKOMSTE
vir die jaar geëindig 29 Februarie 2020**

	GROEP		KOÖPERASIE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Inkomste	3 741 188	3 635 213	1 882 535	1 953 070
Koste van verkoop	(3 066 803)	(3 028 054)	(1 537 477)	(1 636 632)
Ledebonusse verklaar	(16 000)	(5 000)	(16 000)	(5 000)
Bruto wins	658 385	602 159	329 058	311 438
Ander inkomste	114 136	97 599	146 462	131 020
Ander winste – netto	403	14 868	455	1 237
Administratiewe uitgawes	(204 339)	(172 949)	(102 606)	(91 013)
Ander bedryfsuitgawes	(319 685)	(301 032)	(226 866)	(219 384)
Bedryfswins	248 900	240 644	146 503	133 298
Finansieringsinkomste	1 693	2 186	1 867	4 807
Finansieringskoste	(119 266)	(111 329)	(96 418)	(88 312)
Wins voor ekwiteitsverdienste	131 328	131 502	51 952	49 793
Ekwiteitsverlies in geassosieerde gesamentlike onderneming	(3 290)	(393)	–	–
Wins voor belasting	128 038	131 108	51 952	49 793
Belasting	(40 803)	(41 614)	(4 549)	(3 834)
Wins vir die jaar	87 235	89 495	47 403	45 959

**SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN OMVATTENDE INKOMSTE
vir die jaar geëindig 29 Februarie 2020 (vervolg)**

	GROEP		KOÖPERASIE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Wins vir die jaar	87 235	89 495	47 403	45 959
Ander omvattende inkomste				
Items wat nie herklassifiseer sal word na wins en verlies nie				
Waardasie-aanpassing op na-aftrede mediese voordele	1 240	331	1 240	330
Uitgestelde belasting op waardasie-aanpassing op na-aftrede mediese voordele	(347)	(93)	(347)	(92)
Wisselkoersverskille op die omskakeling van buitelandse bedrywighede	(387)	141	-	-
Items wat herklassifiseer sal word na wins en verlies				
Billike waarde-aanpassing van finansiële bates beskikbaar vir verkoop	63 344	(124 136)	63 551	(124 242)
Uitgestelde belasting op billike waarde-aanpassing	(14 306)	27 724	(14 352)	27 727
Omvattende inkomste/(verlies) in geassosieerdees	1 061	(18 585)	-	-
Totale omvattende inkomste/(verlies) vir die jaar (netto van belasting)	137 840	(25 123)	97 495	(50 317)

Wins toeskryfbaar aan:

Lede	60 116	63 469	47 403	45 959
Nie-beherende belang	27 119	26 026	-	-
	87 235	89 495	47 403	45 959

Totale omvattende inkomste/(verlies) toeskryfbaar aan:

Lede	110 721	(51 149)	97 495	(50 317)
Nie-beherende belang	27 119	26 026	-	-
	137 840	(25 123)	97 495	(50 317)

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
for the year ended 29 February 2020

	GROUP		CO-OPERATIVE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Income	3 741 188	3 635 213	1 882 535	1 953 070
Cost of sales	(3 066 803)	(3 028 054)	(1 537 477)	(1 636 632)
Bonuses declared	(16 000)	(5 000)	(16 000)	(5 000)
 Gross profit	658 385	602 159	329 058	311 438
Other income	114 136	97 599	146 462	131 020
Other profits – nett	403	14 868	455	1 237
Administrative expenditure	(204 339)	(172 949)	(102 606)	(91 013)
Other operating expenses	(319 685)	(301 032)	(226 866)	(219 384)
 Operating profit	248 900	240 644	146 503	133 298
Finance income	1 693	2 186	1 867	4 807
Finance costs	(119 266)	(111 329)	(96 418)	(88 312)
 Profit before equity earnings	131 328	131 502	51 952	49 793
Equity loss in associates/joint venture	(3 290)	(393)	–	–
 Profit before tax	128 038	131 108	51 952	49 793
Tax	(40 803)	(41 614)	(4 549)	(3 834)
 Profit for the year	87 235	89 495	47 403	45 959

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
for the year ended 29 February 2020 (continued)

	GROUP		CO-OPERATIVE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Profit for the year	87 235	89 495	47 403	45 959
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Actuarial adjustment to post-retirement medical benefits	1 240	331	1 240	330
Deferred tax on actuarial adjustment to post-retirement medical benefits	(347)	(93)	(347)	(92)
Exchange differences on the conversion of foreign operations	(387)	141	-	-
Items that will be reclassified to profit and loss				
Fair value adjustment to financial assets available for sale	63 344	(124 136)	63 551	(124 242)
Deferred tax on fair value adjustments	(14 306)	27 724	(14 352)	27 727
Comprehensive income/(loss) in associates	1 061	(18 585)	-	-
Total comprehensive income/(loss) for the year (nett of tax)	137 840	(25 123)	97 495	(50 317)

Profit attributable to:

Members	60 116	63 469	47 403	45 959
Non-controlling interest	27 119	26 026	-	-
	87 235	89 495	47 403	45 959

Total comprehensive income/(loss) attributable to:

Members	110 721	(51 149)	97 495	(50 317)
Non-controlling interest	27 119	26 026	-	-
	137 840	(25 123)	97 495	(50 317)

**SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN KONTANTVLOEIE
vir die jaar geëindig 29 Februarie 2020**

	GROEP		KOÖPERASIE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000

Kontantvloei uit bedryfsaktiwiteite

Kontant (aangewend in)/voortgebring deur bedrywighede	58 479	173 830	(53 648)	6 515
Rente betaal	(119 266)	(111 329)	(96 418)	(88 312)
Belasting betaal	(31 145)	(37 311)	(1 510)	(1 765)
Netto kontant (aangewend in)/voortgebring deur bedryfsaktiwiteite	(91 932)	25 191	(151 575)	(83 562)

Kontantvloei uit beleggingsaktiwiteite

Toevoeging tot eiendom, aanleg en toerusting	(70 648)	(102 033)	(37 563)	(41 483)
Opbrengs met verkoop van eiendom, aanleg en toerusting	1 415	1 273	524	396
Toevoeging tot ontasbare bates	—	(22)	—	—
Lenings aan filiale terugontvang	—	—	24 703	1 589
Lenings aan filiale toegestaan	—	—	(3 054)	(28 937)
Verkryging van belang in filiaal	—	(101 000)	—	—
Verkryging van belegging in geassosieerde	(2 507)	—	(2 507)	—
Verkryging van belegging in gesamentlike onderneming	(4 800)	—	(4 800)	—
Lening vanaf gesamentlike onderneming	982	—	982	175
Lening aan geassosieerde terugontvang	7 314	—	—	63
Lening aan geassosieerde toegestaan	(301)	(653)	(301)	—
Korttermynbelegging terugontvang	702	—	40	3 548
Korttermynbelegging aangegaan	(6 802)	(1 161)	—	—
Rente ontvang	1 693	2 186	1 867	4 807
Dividende ontvang	8 769	11 328	46 970	46 068
Netto kontant (aangewend in)/gegenereerde beleggingsaktiwiteite	(64 177)	(190 083)	26 868	(13 773)

**SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN KONTANTVLOEIE
vir die jaar geëindig 29 Februarie 2020 (vervolg)**

GROEP		KOÖPERASIE	
2020	2019	2020	2019
R'000	R'000	R'000	R'000

Kontantvloei uit finansieringsaktiwiteite

Langtermynlenings terugbetaal	(20 727)	(25 461)	(15 549)	(18 936)
Langtermynlenings aangegaan	1 701	56 679	–	56 679
Korttermynlenings aangegaan	12 150	40 585	–	–
Korttermynlenings terugbetaal	(69 991)	–	(34 450)	(44 725)
Aandele ingetrek	(150)	(194)	(150)	(194)
Aandele uitgereik	500	408	500	436
Aandele opbetaal uit omsetbonus	2	–	2	–
Ledefondse uitbetaal	(10 871)	(13 905)	(11 074)	(14 504)
Dividende betaal aan nie-beherende belang	(806)	(946)	–	–
Netto kontant (aangewend in)/gegeneerdeur finansieringsaktiwiteite	(88 190)	57 167	(60 721)	(21 244)
Afname in kontant en kontantekwivalente	(244 299)	(107 725)	(185 428)	(118 579)
Kontant en kontantekwivalente aan begin van jaar	(389 787)	(282 062)	(412 294)	(293 715)
Kontant en kontantekwivalente aan einde van jaar	(634 086)	(389 787)	(597 722)	(412 294)

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF CASHFLOWS
for the year ended 29 February 2020

	GROUP		CO-OPERATIVE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Cash flow from operating activities				
Cash (utilised in)/generated from activities	58 479	173 830	(53 648)	6 515
Interest paid	(119 266)	(111 329)	(96 418)	(88 312)
Tax paid	(31 145)	(37 311)	(1 510)	(1 765)
Net cash (utilised in)/generated from operating activities	(91 932)	25 191	(151 575)	(83 562)
Cash flow from investment activities				
Additions to property, plant and equipment	(70 648)	(102 033)	(37 563)	(41 483)
Return on sale of property, plant and equipment	1 415	1 273	524	396
Additions to intangible assets	–	(22)	–	–
Loans to subsidiaries received	–	–	24 703	1 589
Loans granted to subsidiaries	–	–	(3 054)	(28 937)
Acquiring interest in subsidiary	–	(101 000)	–	–
Acquiring investment in associate	(2 507)	–	(2 507)	–
Acquiring investment in joint venture	(4 800)	–	(4 800)	–
Loan granted to joint venture received	982	–	982	175
Loan granted to associate received	7 314	–	–	63
Loan granted to associate	(301)	(653)	(301)	–
Short-term investment received	702	–	40	3 548
Short-term investment made	(6 802)	(1 161)	–	–
Interest received	1 693	2 186	1 867	4 807
Dividends received	8 769	11 328	46 970	46 068
Net cash (utilised in)/generated from investment activities	(64 177)	(190 083)	26 868	(13 773)

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF CASHFLOWS
for the year ended 29 February 2020 (continued)

	GROUP		CO-OPERATIVE	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Cash flow from financing activities				
Long-term loans repaid	(20 727)	(25 461)	(15 549)	(18 936)
Long-term loans obtained	1 701	56 679	–	56 679
Short-term loans obtained	12 150	40 585	–	–
Short-term loans repaid	(69 991)	–	(34 450)	(44 725)
Shares cancelled	(150)	(194)	(150)	(194)
Shares issued	500	408	500	436
Shares paid up by member bonuses	2	–	2	–
Members' funds repaid	(10 871)	(13 905)	(11 074)	(14 504)
Dividends paid to non-controlling interest	(806)	(946)	–	–
Net cash (utilised in)/generated from financing activities	(88 190)	57 167	(60 721)	(21 244)
Decrease in cash and cash equivalents	(244 299)	(107 725)	(185 428)	(118 579)
Cash and cash equivalents at beginning of year	(389 787)	(282 062)	(412 294)	(293 715)
Cash and cash equivalents at end of year	(634 086)	(389 787)	(597 722)	(412 294)

AANTEKENING 1

Basis van voorbereiding

Die opgesomde afsonderlike en gekonsolideerde finansiële state is opgestel vanuit die volledige geauditeerde afsonderlike en gekonsolideerde finansiële state vir die jaar geëindig 29 Februarie 2020.

Hierdie opgesomde afsonderlike en gekonsolideerde finansiële state vervat die afsonderlike en gekonsolideerde state van finansiële posisie en afsonderlike en gekonsolideerde state van omvattende inkomste en kontantvloeie soos vervat in die geauditeerde afsonderlike en gekonsolideerde finansiële state, sonder enige aansuiwerings of samevoegings.

NOTE 1

Basis of preparation

The summary separate and consolidated financial statements have been compiled from the full set of audited separate and consolidated financial statements for the year ended 29 February 2020.

The summary separate and consolidated financial statements, which comprise the separate and consolidated statements of financial position and separate and consolidated statements of comprehensive income and cash flows, are derived from the audited separate and consolidated financial statements, without any changes or off-setting.

SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE FINANSIELÉ BESTUURSOORSIG 2020

AGTERGROND

'n Mens kyk elke jaar terug en dink dat meer ongewone omstandighede sekerlik nie weer kan voorkom nie. Wel, 2020 het hier nie teleurgestel nie. Dit is veral die gebeure na jaareinde wat hier die grootste impak laat. Die impak van die COVID-19 pandemie op mense van oor die wêreld heen asook die globale ekonomiese insakkung wat dit veroorsaak het, is op almal se lippe. Hoe lank dit gaan neem om die effekte van hierdie pandemie te oorkom, is nou te vroeg om te raai, maar dat die uitwerking wesenlik gaan wees, is seker. Tesame hiermee, woed daar ten tyde van hierdie skrywe globale chaos, met optogte en oproer in die grootste stede in die wêreld wat ontloot is deur rassespanning in Amerika en die Amerikaanse polisie wat hulself hier in die middel van die storm bevind. Die tendens van demokratiese verkiesings wat outokratiese onkonvensionele leiers verkies, stoom gewoon voort en duï sekerlik aan dat die landsburgers van hierdie lande keelvol is vir die politieke status quo. Dat hierdie aksies gevaarlik is, is seker, soos gesien kan word in die leierskap van Pres. Jair Bolsonaro van Brasilië, Pres. Donald Trump van die VSA, asook Eerste Minister Boris Johnson van die Verenigde Koningryk. Laasgenoemde land het offisieel uit die EU getree en net tyd sal leer of hierdie besluit die regte roete is. Ekonomies is dit sekerlik nie. As ons 'n tree terug gee, is dit nie vergesog dat die pad wat nou gevolg word moontlik kan lei tot wesenlike konfrontasie in die afsienbare toekoms nie.

Die Rand was een van die groot verloorde van die COVID-19 pandemie, met Moodys wat hul tydsberekening van hul afgradering na rommelstatus nie slegter kon beplan het nie. Harde kommoditeitspryse (met die uitsondering van goud) het grotendeels onveranderd gebly gedurende die laaste jaar en die meeste mynhuise het hierdie situasie verwelkom om meer stabiliteit in hul aandeelprys te bring. Pres. Ramaphosa se inklusiewe leierskap word hewig gekritiseer, met baie ontleders wat voel dat sy voorkeur vir konsensus-besluitneming die effektiwiteit van sy leierskap oorskadu. Min vordering word getoon op die gebiede waar die nood die grootste is. Die ondersoeke na die korruksie wat plaasgevind het gedurende die termyn van oud-Pres. Jacob Zuma vorder teen 'n frustrerende slakkepas. Daar is min politieke wil om dit te dryf. SAL is in besigheidsredding en, met geen vliegtuie in die lug vir die laaste paar maande nie, is die vooruitsig baie donker. Daar is vordering by Eskom, maar of dit te laat is om die struikelende energieverskaffer te red, sal ons binnekort kan sien. Dat die wêreld, en veral Suid-Afrika, samewerking nou broodnodig het, is voor die hand liggend. Hoe anders gaan ons saam wen?

Die Rand se verswakking teen die Dollar was brutaal en dit verhandel tans (Junie 2020) teen R17.03 teen die Dollar. Dit is 15% swakker as verlede jaar hierdie tyd. Dit lei uiteraard tot verhoogde koste van invoere, met die gevolg dat die plaaslike ekonomie minder ingevoer het omdat die vraag na hierdie produkte en dienste afgeneem het. Die effek wat die onsekerheid oor voedselverskaffing in hierdie verwarrende omstandighede het, kan op die prys van landboukommoditeite gesien word. Dit het tot groot toenames in die prys van graankommoditeite geleid, met veral die prys van koring wat wesenlik gestyg het. Dit is 'n welkome vooruitsig vir die produsente van hierdie kommoditeite in Suid-Afrika, maar slechte nuus vir verbruikers van meel en ander gekoppelde landbouprodukte.

Daar was nog geen vordering met die voorgestelde wysiging van die grondwet om vir die onteiening van grond sonder vergoeding voorsiening te maak nie. Die implementering hiervan, en die bewoording van hierdie wysiging, is steeds nie bekend gemaak nie. Hierdie onsekerheid het tot gevolg dat landbouers en ander besighede in die landbouwaardeketting huiwerig is om grootskaalse kapitale investering aan te gaan.

SSK se bedieningsgebied het weer 'n jaar van uiterste ongunstige weerstoestande beleef, met veral lae reënvalsyfers wat wydverspreid gerapporteer is. Damvlakke is steeds onder druk en veral veeboere loop gebukkend onder die addisionele koste van voer om hul kernkuddes in stand te hou. Die nuwe plantseisoen is nou afgehandel en daar het welkome reën eind Mei en begin Junie in die Suid-Kaap gevall. Die graanopkoms is goed, en die snerpende koue wat tans ervaar word, is uitstekend vir die graan op hierdie groeistadium.

Vooruitsigte dui tans op verhoogde plaaslike koring- en canolapryse. Daar is egter onsekerheid oor die vraag na moutgars. Die impak van die alkoholverbod tydens die nasionale inperking het AB InBev se garsverbruik 'n nekslag toegedien. Vooruitsigte vir van die ander landbousektore is soos volg:

- Die suiwelbedryf het 'n moeilike jaar beleef, alhoewel voerprysse meerendeels stabiel gebly het. Die watertekort a.g.v. die droogte het weidings onder druk geplaas.
- Die vrugte- en wynbedrywe het gemiddelde oeste ervaar, veral gegewe die watertekort wat geleei het tot beskermende boerderypraktyke, met gevolglike laer opbrengste. Internasionale prysse van vrugte het gedaal, maar die massiewe verswakking in die wisselkoers het hierdie laer prysse teengewerk. Die prys vir wyndruwe toon egter steeds belowende verbetering.
- Die volstruisbedryf lig stadig maar seker sy kop op. Die nou voltooide samesmelting van Klein Karoo Internasionaal en Mosstrich gaan hopelik lei tot verbeterde bedryfstoestande vir die produsente in hierdie bedryf.
- Vleisprysse het hierdie jaar effens teruggesak namate verbruikers weerstand gebied het teen hoë vleisprysse. Selfs die lae beskikbaarheid van skaap en bees vir die slagmark kon hierdie daling nie teenwerk nie.
- Die wol- en bokhaarbedryf het steeds gesukkel met uitvoer, alhoewel die protokol vir die hantering van wol ten einde die risiko vir die oordrag van bek-en-klouseer te verhoed die deur vir uitvoere weer kon oopkry.
- Die groentebedryf het ook 'n tydperk van bestendige prysse ervaar ten opsigte van meeste kontantgewasse.

SSK het ondanks die voortgesette droogte 'n goeie finansiële jaar beleef. Al het oorlaatskuld die hoogte ingeskiet, is oninbare skulde steeds die laagste van al ons konkurrente. Ons is baie dankbaar hiervoor. Daar word dinamies planne beraam om aan elkeen van ons Lede se unieke finansieringsbehoeftes te voldoen en die samewerking wat ons in hierdie verband van sommige handelsbanke ontvang, is prysenswaardig. Die verkoop van SSK se Pioneer Voedsel-aandele het na jaareinde plaasgevind

en die strategie vir die aanwending van hierdie fondse is reeds in plek en word dienooreenkomsdig uitgevoer. Op Groepvlak is die netto resultate in lyn met die vorige jaar en SOILL het weer wesenlik bygedra tot hierdie syfer. Ongelukkig het Walts Malting se verlies vir die jaar SSK en die Groep se resultate weereens negatief beïnvloed. Behalwe vir Walts Malting, het Eureka Mills, Procuro Grain, Softlutions en Blinkbeleg Vyftien ook netto verliese gerealiseer. Die vooruitsigte vir hierdie filiale blyk wel goed te wees en ons hoop op wesenlik verbeterde syfers vir die 2021 finansiële jaar. SSK se finansiële posisie is steeds gesond en ons prestasie goed onder moeilike omstandighede. Ons kon ook weereens met gemak voldoende finansiering vir ons en ons Lede se bedrywigheid verkry. Die meeste bedryfsafdelings het goeie resultate gelewer. Die Graan-, Saad-, Versekerings-, Veevoervervaardigers- en Handelsafdelings was almal winsgewend, met slegs die Meganisasie-afdeling wat weer 'n verlies gerealiseer het. Grootstaalse herstrukturering het in die laaste gedeelte van die jaar by Meganisasie plaasgevind.

Ledetalle groei steeds voortdurend, met veral landbouers van die Tuinroete, Karoo en Oos-Kaap wat die voordele van lidmaatskap wil geniet. Soos laasjaar gemeld, word slegs die bruto wins van direkte verkope sedert 1 Maart 2017 as omset getoon. Hierdie verandering het slegs SSK se syfers t.o.v. omset en koste van verkope afwaarts aangepas, met geen effek op die bruto wins nie. Die waarde van sake gedoen op Groepvlak is die hoogste ooit, teen meer as R4.5 miljard.

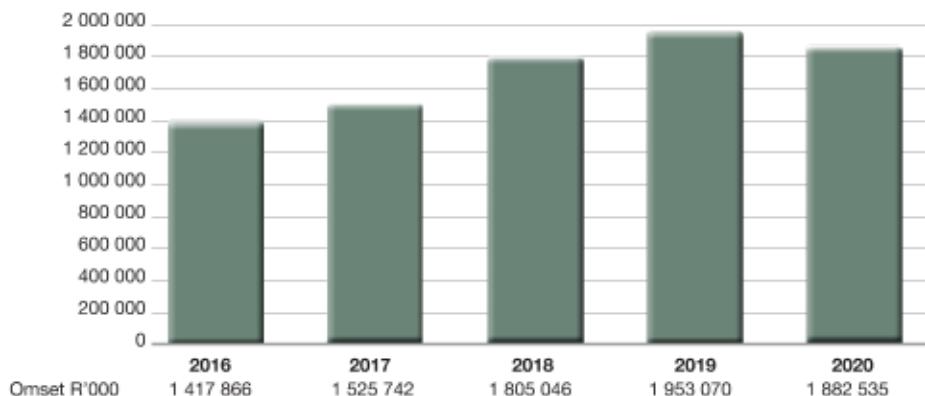
Op 'n tegnologiese vlak is gebou op die goeie infrastruktuur en argitektuur van SSK se sagteware- en hardewarestruktuur. 'n VOIP-stelsel is firmawyd met groot sukses uitgerol. Wesenlike besparings word gerealiseer deur die funksionaliteit van die voorraadbestelprogram, met veral onnodige voorraadhouding en gevolglik drakoste wat hier noemenswaardig afgeneem het. Wesenlike koste word aan ons inligting- en tegnologie-infrastruktuur spandeer en ons glo u, as Lid, kan reeds die rendement op hierdie spandering tasbaar geniet.

Gegewe die uitgerekte droogte wat steeds gedurende die 2020 finansiële jaar ondervind is, is die resultate van SSK uitstekend. Onder moeilike omstandighede vir beide SSK se Lede en die organisasie is die finansiële posisie van die onderneming uitgebou en verbeter. Die bydrae van SSK se filiale om die diversifikasie van SSK se oorhoofse besigheidsrisiko's te bewerkstellig, het in sommige gevalle nog skaafwerk nodig, maar SSK neem berekende risiko's met ons doelstellings altyd as primêre dryfveer. Die Direksie, Bestuur en Personeel het deurlopend 'n positiewe ingesteldheid gehandhaaf en het gepoog om deurentyd hul fokus op die behoeftes van ons Lede en kliënte te hou. SSK se Lede, Direksie, Bestuur en Personeel het hard saamgewerk om hierdie resultate moontlik te maak onder moeilike omstandighede en ons wil almal vir hul bydrae hiertoe bedank. **Werk saam, wen saam!** SSK se Direksie, Bestuur en Personeel bly toegewyd tot die ondersteuning van ons Lede en hul onderskeie boerderye en is dankbaar vir die ondersteuning wat ons Lede ons bied. Ons bly nederig dankbaar teenoor ons Hemelse Vader vir al die seëninge wat ons onverdienstelik uit Sy hande ontvang het.

TOTALE OMSET

Die totale omset met Lede en klante het afgeneem vanaf R1 953 070 352 in die 2019 finansiële jaar tot R1 882 535 127 in die 2020 finansiële jaar – 'n afname van 3.6%. Die afname is inlyn met die moeilike natuur- en handelstoestande wat ondervind is. Die waarde van sake gedoen het egter marginaal met 3.1% gestyg vanaf R2 588 333 721 in 2019 tot R2 668 074 941 in 2020.

TOTALE OMSET



NETTO INKOMSTE / VERDELING VAN SURPLUS

Die Koöperasie se bedrywighede het 'n netto inkomste voor belasting vir die jaar van R51 952 138 (2019 – R49 793 371) tot gevolg gehad. Ingesluit in hierdie syfers is 'n dividend van R28 000 000 van Tuinroete Agri vir beide finansiële jare, asook 'n eenmalige dividend vanaf Blinkbeleg Vyftien (via Sentraal-Suid Beleggings) ten bedrae van R1 400 000 in die huidige jaar as deel van die proses om die onderneming te ontbind. Daar is ook 'n R1 440 000 dividend ontvang vanaf Riparian Investments Consortium 1 (via Sentraal-Suid Beleggings) na die verkoop van dié onderneming se belang in Pioneer Foods en Quantum Foods Holdings.

Inkomstebelasting beloop R3 298 961 (2019 – R1 273 509) en die toename in die voorsiening vir uitgestelde belasting beloop R1 250 038 (2019 – R2 560 130). Die netto inkomste na belasting, maar voor bonusse, beloop dus R63 403 139 (2019 – R50 959 732). Die surplus word soos volg verdeel:

Ledebonusse	R16 000 000
Uitgestel	R12 800 000
Kontant	R3 200 000
Reserwes	R47 403 139

BEDRYFSREKENINGE

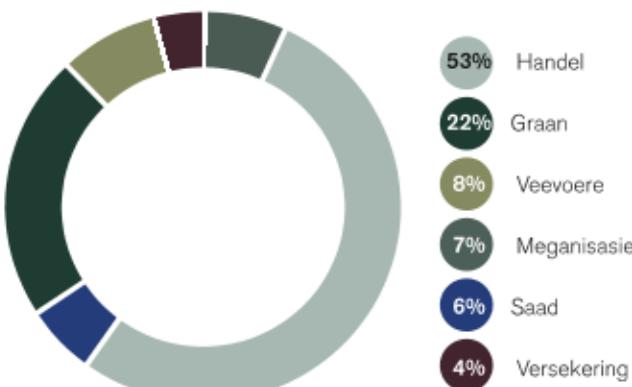
2020

2019

	Omset R	Bruto wins R	Bruto wins %	Netto wins/ (verlies) na belasting	Omset R	Bruto wins/ (verlies) R	Bruto wins %	Netto wins/ (verlies) na belasting
Werkswinkels	21 172 370	13 210 626	62%	(13 306 881)	28 583 681	16 147 968	56%	(11 308 812)
Versekerings	12 888 775	12 888 612	100%	2 903 588	11 591 321	11 590 522	100%	2 166 488
Handel	1 241 914 870	181 659 487	15%	26 544 081	1 254 583 380	163 276 744	13%	10 598 625
Meganisasië bemarking	102 754 687	5 754 542	6%	(4 576 474)	117 490 053	6 834 171	6%	(5 031 756)
Onderdele	29 906 600	5 398 285	18%	(2 055 650)	30 857 537	4 909 993	16%	(1 542 101)
Saad	89 261 839	20 200 553	23%	8 325 734	90 767 589	20 853 852	23%	9 263 969
Graan	217 472 336	77 161 897	35%	5 712 489	274 933 619	67 337 081	24%	2 450 011
Veevoere	169 102 810	29 006 433	17%	5 620 990	144 940 867	25 700 796	18%	6 585 964
Administrasie	(939 160)	(222 309)	Nvt	34 235 252	(677 695)	(213 218)	Nvt	37 777 342
Netto wins na belasting voor Ledebonusse				63 403 139				50 959 732
Ledebonusse verklaar				(16 000 000)				(5 000 000)
Totaal	1 882 535 127	345 058 127	18%	47 403 139	1 953 070 351	316 437 910	16%	45 959 732

BRUTO WINS PER DOELSTELLING

Die verhouding van bruto wins per doelstelling tot die totale bruto wins voor Ledebonusse ten bedrae van R345 058 127 (2019 – R316 437 910) (uitgesluit die bruto wins van Administrasie) is soos volg:



TOTALE UITGAWES

Totale uitgawes (administratiewe- en bedryfsuitgawes) het in die jaar onder oorsig met 6.15% gestyg. Dit is in ooreenstemming met die begrote syfers en is grotendeels gedryf deur die verhoogde koste verbonde aan voertuig-herstelkoste en brandstof, bedryfshire, water en elektrisiteit, waardevermindering, voorsiening vir die waardedaling van korttermynlenings, slechte skuld, versekerings, verpakkingsmateriaal en personeelkoste.

WAARDETOEVOEGING TOT BELANGHEBBENDES

	%	2020 R	2019 R	%
Omset		1 882 535 127	1 953 070 352	
Netto kosprys van produkte en dienste		1 475 169 437	1 564 359 065	
Waarde toegevoeg		407 365 690	388 711 287	

Soos volg aangewend:

Werknemers	43.40	176 785 566	169 247 011	43.54
Lone/Salarisse	40.63	165 519 699	156 020 134	40.14
Aansporingsbonusse	3.07	12 505 867	13 556 877	3.49
Na-aftrede mediese koste	(0.30)	(1 240 000)	(330 000)	(0.08)
 Kapitaalverskaffers	24.45	99 617 622	89 312 350	22.98
Rente	23.67	96 417 622	88 312 350	22.72
Bonusse uitbetaal	0.79	3 200 000	1 000 000	0.26
 Toevoeging van bates	9.22	37 563 324	41 482 798	10.67
Waardevermindering	6.81	27 754 241	23 228 326	5.98
 Herbelê in besigheid	15.00	61 095 939	61 607 163	15.85
Reserwes	11.86	48 295 939	57 607 163	11.88
Bonusse uitgestel	3.14	12 800 000	4 000 000	1.03
 Inkomstebelasting	1.12	4 548 998	3 833 639	0.99
		407 365 690	388 711 287	

DEBITEURE

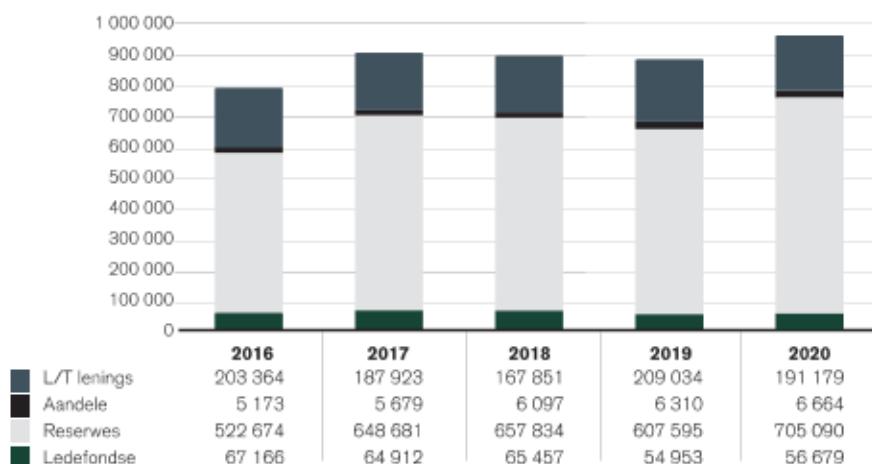
Oorlaatskuld het aansienlik toegeneem tot R486 659 571 (2019 – R311 500 936). Die toename kan toegeskryf word aan die natuurtoestande wat in die breër bedieningsgebied geheers het gedurende die periode. Die wydverspreide droogte het druk geplaas op die opbrengste van alle landbouprodukte. Daar is vanjaar debiteure ten bedrae van R1 462 935 (2019 – R384 689) as oninbaar afgeskryf. Die totale voorsiening vir twyfelagtige skuld was op jaareinde R2 136 558 (2019 – R1 977 806). Hierdie goeie syfers is noemenswaardig gegewe die omvang van die debiteureboek.

BELANGRIKE FINANSIEËLE VERHOUDINGS

Die volgende verhoudings is belangrike maatstawwe waarmee die finansiële toestand gemeet kan word:

	2020	2019
Netto winsgewendheid	2.52%	2.35%
Opbrengs op ekwiteit	6.17%	6.87%
Skuld : Ekwiteit	1.94	2.01
Rentedraende skuld : Ekwiteit	1.56	1.59
Bedryfskapitaal	1.26	1.03

KAPITAALBRONNE



FILIALE

Die prestasie van die filiaalmaatskappye (direkte en indirekte belang), die gesamentlike onderneming en geassosieerde maatskappye vir die jaar onder oorsig, is soos volg:

	Omset	Bruto wins/ (verlies)	Netto wins
Blinkbeleg Vyftien (Edms) Bpk	127 971	127 971	(22 625)
Eureka Mills (Edms) Bpk	51 129 853	10 115 962	(1 632 931)
Hessequa Abattoir (Edms) Bpk	272 221 711	15 460 010	571 835
Procuro Grain (Edms) Bpk	12 125 144	8 193 398	(1 064 375)
Riparian Investments Consortium 1 (Edms) Bpk	–	–	2 446 690
Sentraal-Suid Beleggings (Edms) Bpk	722 223	722 223	5 245 904
Softlutions (Edms) Bpk	3 888 001	3 888 001	(2 797 471)
Southern Oil (Edms) Bpk Groep	1 570 715 312	301 632 129	67 760 249
Swellen Mark (Edms) Bpk	11 688 030	11 688 030	2 582 123
Technifarm (Edms) Bpk	11 103 099	3 957 627	626 838
Tuinroete Agri (Edms) Bpk	–	–	9 847 953
Walts Malting (Edms) Bpk	10 551 721	1 584 229	(5 266 786)
2019			
Blinkbeleg Vyftien (Edms) Bpk	577 800	577 800	274 202
Eureka Mills (Edms) Bpk	45 578 261	8 873 133	258 958
Hessequa Abattoir (Edms) Bpk	250 205 122	11 877 936	162 111
Procuro Grain (Edms) Bpk	9 121 856	9 096 760	(572 336)
Riparian Investments Consortium 1 (Edms) Bpk	–	–	(44 526 905)
Sentraal-Suid Beleggings (Edms) Bpk	178 200	178 200	47 052
Softlutions (Edms) Bpk	4 502 656	4 502 656	514 730
Southern Oil (Edms) Bpk	1 443 850 483	250 511 799	61 876 296
Swellen Mark (Edms) Bpk	10 784 986	10 784 986	2 967 509
Technifarm (Edms) Bpk	14 501 809	5 252 500	1 243 495
Tuinroete Agri (Edms) Bpk	–	–	16 218 220
Walts Malting (Edms) Bpk	5 338 298	(861 910)	(11 076 169)

GRAAN

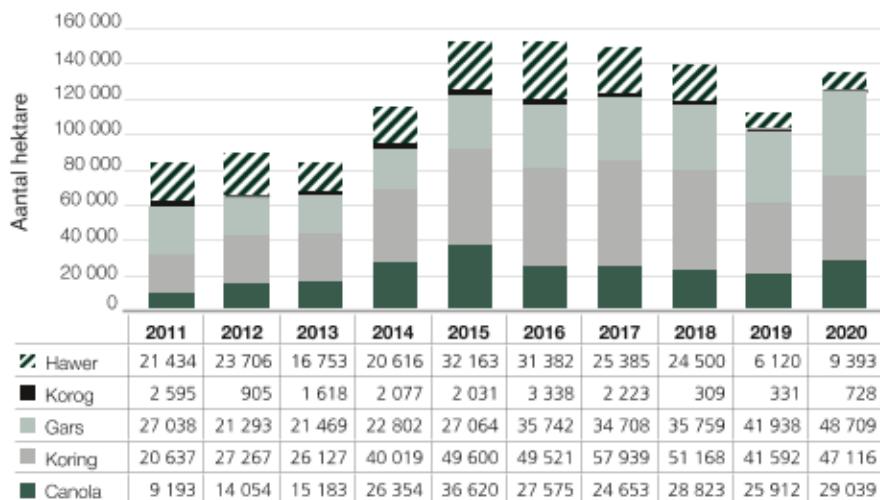
Graanaanplantings in die 2019/20 finansiële jaar het vir die eerste keer in 'n paar jaar weer toegeneem na redelike gunstige omgewingstoestande tydens planttyd.

Min reën en abnormale hitte, gepaardgaande met warm droë winde, het egter veroorsaak dat toestande algaande verswak het. Hierdie omstandighede het regdeur die winter voorgekom en Augustus en September tydens kritiese aarvulling was basies reënloos. Dit het opbrengspotensiaal en kwaliteit oor die hele SSK-gebied 'n baie groot knou gegee.

HEKTARE GEPLANT

Hektare in SSK bedieningsgebied geplant (vanaf 2015 word Riversdal, Albertinia en Herold ingesluit).

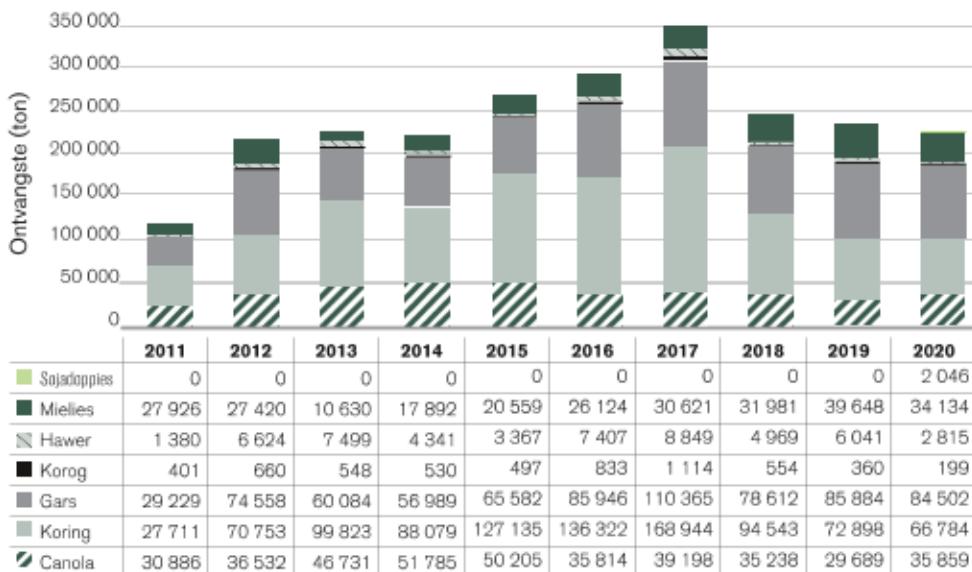
HEKTARE GEPLANT



GRAANONTVANGSTES

Graanontvangstes in SSK silo's (vanaf 2015 word Riversdal, Albertinia en Herold ingesluit).

GRAANONTVANGSTES

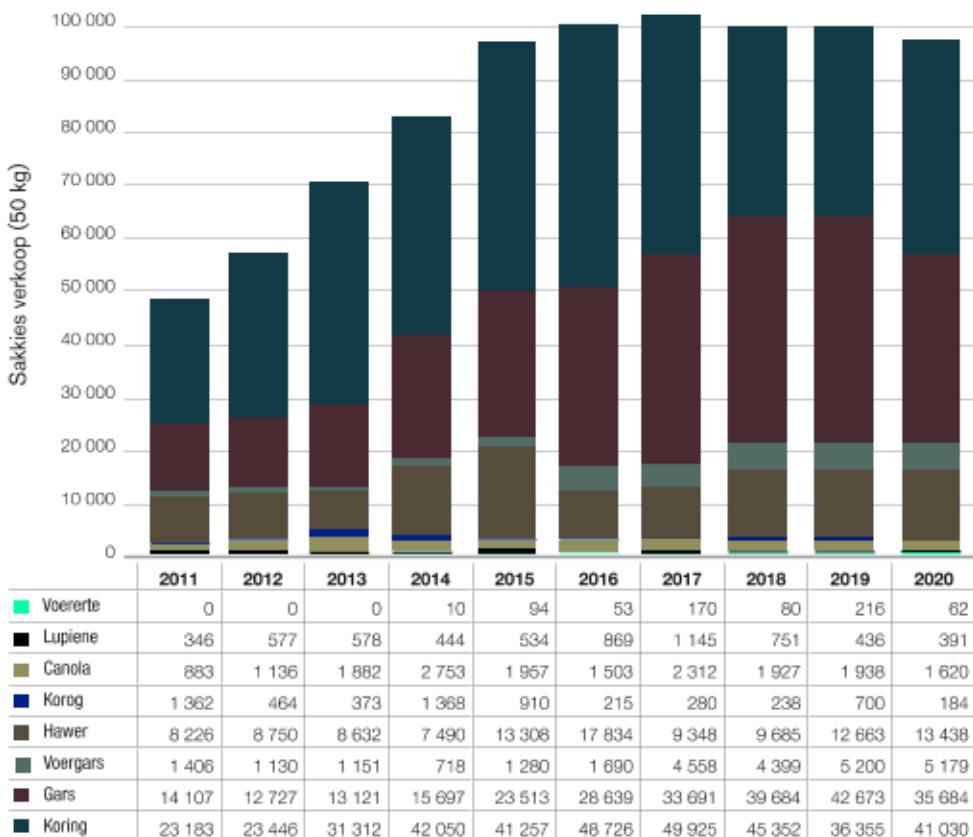


Graanlewering was van so 'n omvang dat SSK se opbergingsfasiliteite baie swak benut was. Dit het geleenthede beperk en baie druk geplaas op die Graanafdeling wat uit die aard van die saak 'n baie hoë vastekoste-element het om te onderhou.

SAAD

SSK se saadverkope gaan steeds van krag tot krag. Kompeterende pryse, goeie diens, beskikbaarheid van kultivars en goeie kwaliteit saad verseker ondersteuning van kliënte oor 'n wye front en 'n beduidende deel van die afdeling se omset is deesdae van buite SSK se normale bedieningsgebied.

SAADVERKOPE



TOEKOMSBLIK

SSK se Lede het nog 'n moeilike jaar beleef weens ongunstige weerstoestande en lae reënvalsyfers. Die landbou-sektor in SSK se bedieningsgebied se ekonomiese weerbaarheid is die afgelope jaar verder afgetakel deur die droogte en ook die ekonomiese insinking. Die onsekerheid van hoe lank dit gaan neem vir die ekonomie om te herstel weens die COVID-19 pandemie is seker 'n verdere vraag wat niemand kan antwoord nie. Landbou se winsgewendheid is reeds die afgelope drie jaar aan die daal en die skuldverhouding verswak skerp. Die risiko is dat wanneer rentekoerse oor 'n jaar of drie in 'n stygfase inbeweeg, gaan sake knyp. Dit is dus belangrik om jou skuldas sover moontlik goed te bestuur en te poog om jou skuld opvlakte te hou waarop die boerdery dit kan diens. 'n Strategiese fokus vir SSK is steeds, en sal ook in die komende jaar wees, om ons Lede se skuldas saam met hulle te bestuur.

Sterk ekonomiese groei is 'n voorvereiste vir werk en welvaartskepping wat besteding aan voedsel, drank en klerasie sal stimuleer en landbou direk sal bevoordeel. Dit is wat landbou nodig het.

Nader aan ons eie besigheid, SSK het ondanks die voortgesette droogte 'n goeie finansiële jaar beleef. Oorlaatskuld van ons Lede het in die finansiële state onder oorsig, weens ekonomiese omstandighede drasties toegeneem. Oninbare skulde is egter steeds op baie lae vlakke. Die meeste bedryfsafdelings het goeie resultate gelewer vir die jaar onder oorsig. SSK sal in die komende jaar ook voortbou daarop om uitgawes tot die minimum te beperk, maar nie ten koste van diens aan ons Lede nie.

SSK se finansiële posisie is gesond. Die waarde van sake gedoen op Groepvlak is die hoogste ooit, teen meer as R4.5 miljard. Die vooruitsigte vir ons filiale is goed en ons sien uit na verdere verbeterde resultate vir die 2021 finansiële jaar.

SSK se Direksie en Bestuur is steeds oortuig dat die koöperatiewe model die mees relevante besigheidsvorm is om langtermyn-volhoubaarheid in die landbou te verseker. Ledetalte groei steeds, veral vanuit die Tuinroete, Karoo en Oos-Kaap gebiede.

SSK se Direksie, Bestuur en Personeel sien met vertroue uit na die komende jaar en erken met nederigheid ons afhanklikheid teenoor ons Hemelse Vader.

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES FINANCIAL MANAGEMENT REVIEW 2020

BACKGROUND

Every year one looks back, thinking that more unusual circumstances could most certainly not occur again. Well, 2020 did not disappoint here, particularly the events after year end. The impact of the COVID-19 pandemic on people around the world as well as the global economic downturn it has caused is the topic of the day. How long it will take to overcome the effects of this pandemic is still too early to guess, but that the effect is going to be substantial, is a certainty. Along with this, at the time of writing, global chaos is raging, with protests and riots a daily occurrence in the largest cities in the world, unleashed by racial tensions in America and the US police positioned in the midst of the storm. The trend of democratic elections favouring autocratic unconventional leaders is simply continuing and is surely an indication that the citizens of many countries are fed up with the political status quo. That these actions are dangerous is certain, as can be seen in the leadership of Pres. Jair Bolsonaro of Brazil, Pres. Donald Trump of the US and Prime Minister Boris Johnson of the United Kingdom. The latter country has officially left the EU and only time will tell whether this decision has been the right one. Economically it is evident that it is not. If we take a step back, it is not far-fetched that the path being followed could possibly lead to material confrontation in the foreseeable future.

The Rand was one of the big losers of the COVID-19 pandemic, with Moodys who could not have planned their downgrade to junk status at a more inopportune time. Hard commodity prices (with the exception of gold) have remained largely unchanged over the past year and most mining houses have welcomed this situation to bring more stability to their share prices. Pres. Ramaphosa's inclusive leadership is heavily criticised, with many analysts saying that his preference for consensus decision-making overshadows the effectiveness of his leadership. Little progress is shown in areas where the need is greatest. The investigations into the corruption that took place during the term of former Pres. Jacob Zuma are progressing at a frustratingly slow pace. There is little political will to drive it. SAA is in business rescue and with no aircraft in the air for the last few months the outlook is indeed very bleak. There is some progress at Eskom, but whether it is too late to save the faltering energy supplier, we will soon be able to see. That the world, and South Africa in particular, is now in dire need of co-operation, is obvious. How else are we going to win together?

The Rand's weakening against the Dollar was brutal and it is currently trading (June 2020) at R17.03 against the Dollar. It is 15% weaker than last year this time. This, naturally, leads to increased cost of imports, with the result that the local economy has imported less because the demand for these products and services has decreased significantly. The effect of the uncertainty over food supply in these confusing times can be seen in the prices of agricultural commodities. This led to large increases in the prices of grain commodities, with the price of wheat in particular rising substantially. This is a welcome prospect for the producers of these commodities in South Africa, but bad news for consumers of flour and other linked agricultural products.

No progress has been made with the proposed amendment of the constitution to provide for expropriation of land without compensation. The implementation of this, and the wording of this amendment, still need to be announced. This uncertainty results in farmers and other businesses in the agricultural value chain being reluctant to engage in large-scale capital investment.

SSK's service area experienced yet another year of extremely adverse weather conditions, with particularly low rainfall being widely reported. Dam levels are still under pressure and livestock farmers in particular are suffering from the additional feed cost to maintain their core herds. The new grain planting season has now been completed and welcome rain fell in the Southern Cape at the end of May and early June. The grain germination has been good, and the biting cold that is currently being experienced is excellent for the grain at this stage of growth.

Prospects currently indicate increased local wheat and canola prices. However, there is uncertainty about the demand for malting barley. The impact of the alcohol ban during the national lockdown was a blow to AB InBev's barley consumption. Prospects for some of the other agricultural sectors are as follows:

- The dairy industry had a difficult year, although feed prices remained mostly stable. The water shortages due to the drought have put pastures under pressure.
- The fruit and wine industries experienced average crops, especially given the water shortage that led to protective farming practices, resulting in lower yields. International fruit prices have dropped, but the massive weakening in the exchange rate has offset these lower prices. The price for wine grapes, however, still shows promising improvement.
- The ostrich industry is slowly but surely lifting its head. It is hoped that the now completed merger of Klein Karoo International and Mosstrich will lead to improved trading conditions for producers in this industry.
- Meat prices fell slightly this year as consumers resisted high meat prices. Even the low availability of sheep and cattle for the slaughter market could not neutralise this decline.
- The wool and mohair industry continued to struggle with exports, although the protocol for handling wool to prevent the risk of foot-and-mouth disease could re-open the door for exports.
- The vegetable industry also experienced a period of steady prices for most cash crops.

In spite of the ongoing drought, SSK experienced a good financial year. Even though carry-over debt has skyrocketed, bad debts are still the lowest of all our competitors. We are very grateful for this. There are dynamic plans in place to meet each of our Members' unique financing needs and the co-operation we received here from some commercial banks is commendable. The sale of SSK's Pioneer Foods Group shares took place after year end and the strategy for the utilisation of these funds is already in place and is being implemented accordingly. At Group level the net results are in line with the previous year and SOILL again contributed substantially to this figure. Unfortunately, Walts Malting's loss for the year once again had a negative impact on SSK and the Group's results. In addition to Walts Malting, Eureka Mills,



Procurop Grain, Softlutions and Blinkbeleg Vyftien also realised net losses. The outlook for most of these subsidiaries appears to be good and we hope for substantially improved results for the 2021 financial year. SSK's financial position is still sound and our performance strong under difficult circumstances. Once again, we were able to obtain sufficient funding for our and our Members' operations with ease. Most operating divisions delivered good results. The Grain, Seed, Insurance, Feed Manufacturers and Retail divisions were all profitable, with only the Mechanisation division again realising a loss. Large-scale restructuring took place at Mechanisation during the latter part of the financial year.

Membership continues to grow, with farmers from the Garden Route, Karoo and Eastern Cape areas in particular looking to enjoy the benefits of membership. As reported last year, since 1 March 2017 only the gross profit from direct sales is shown as turnover. This change only adjusted SSK's turnover and cost of sales figures downwards, with no effect on gross profit. The value of business conducted at Group level is the highest ever, at more than R4.5 billion.

On a technological level, more improvements have been made to the good infrastructure and sound architecture of SSK's software and hardware structure. A VOIP system has been rolled out throughout the firm with great success. Significant savings are being realised through the inventory ordering program's functionality, with unnecessary inventory holding and consequently carrying costs decreasing significantly. Significant investments have been made in our information and technology infrastructure and we believe that you, as Member, have already started to enjoy a tangible return on this.

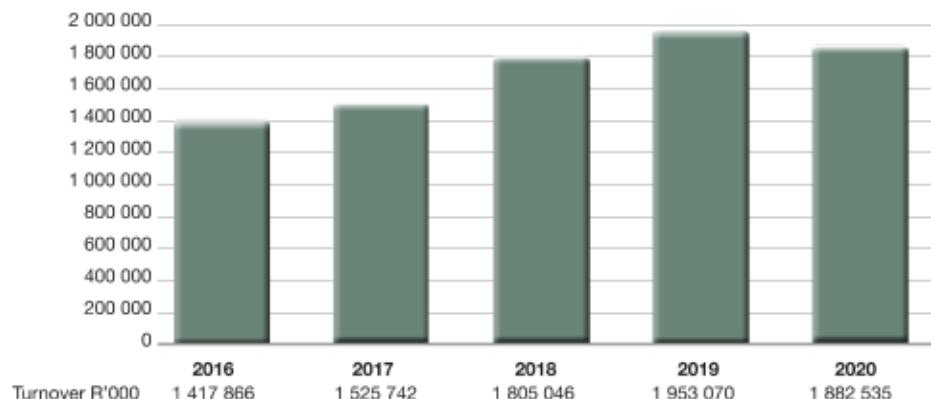
Given the prolonged drought that was experienced during the 2020 financial year, SSK's results are excellent. Under difficult circumstances for both SSK's Members and the organisation, the financial position of the Company was expanded and improved. The contribution of SSK's subsidiaries to the diversification of SSK's overall business risks is in some cases a work-in-progress, but SSK always takes calculated risks, with our over-arching goals as the primary driver. The Board of Directors, Management and Staff have maintained a positive attitude throughout and have endeavored to continuously focus on the needs of our Members and clients. SSK's Members, Board of Directors, Management and Staff have worked hard to make these results possible under difficult circumstances and we would like to thank everyone for their contribution. **Work together, win together!**

SSK's Board of Directors, Management and Staff remain dedicated in their support of our Members and their respective farming operations and are grateful for the loyal support of our Members. We humbly remain grateful to our Heavenly Father for all the blessings we have received so undeservedly from His hands.

TOTAL TURNOVER

The total turnover with Members and customers decreased from R1 953 070 352 in the 2019 financial year to R1 882 535 127 in the 2020 financial year. This represents a decrease of approximately 3.6%. The decrease is representative of the climatic and trading conditions experienced. The value of business conducted, however, marginally increased by 3.1% from R2 588 333 721 in 2019 to R2 668 074 941 in 2020.

TOTAL TURNOVER



NET INCOME / APPROPRIATION OF SURPLUS

The Co-operative's operations resulted in a net income before tax for the year of R51 952 138 (2019 – R49 793 371). Included in this figure is a dividend of R28 000 000 from Tuinroete Agri in both of the financial years, as well as a once-off dividend of R1 400 000 from Blinkbeleg Vyftien (via Sentraal-Suid Beleggings) in the current year as part of the process to unwind the business. A dividend of R1 440 000 was also received from Riparian Investments Consortium 1 (via Sentraal-Suid Beleggings) after the sale of its holdings in both Pioneer Foods and Quantum Foods Holdings.

Income tax amounted to R3 298 961 (2019 – R1 273 509) and the increase in deferred tax provision amounted to R1 250 038 (2019 – R2 560 130). The net income after tax, but before Member bonuses, amounted to R63 403 139 (2019 – R50 959 732). The surplus was divided as follows:

Member bonuses	R16 000 000
Deferred	R12 800 000
Cash	R3 200 000
Reserves	R47 403 139

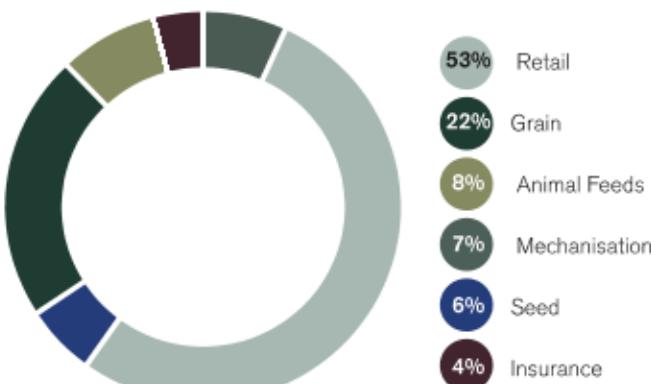
OPERATIONAL ACCOUNTS

	2020				2019			
	Turnover R	Gross profit R	Gross profit %	Net profit/ (loss) after tax	Turnover R	Gross profit R	Gross profit %	Net profit/ (loss) after tax
Workshops	21 172 370	13 210 626	62%	(13 306 881)	28 583 681	16 147 968	56%	(11 308 812)
Insurance	12 888 775	12 888 612	100%	2 903 598	11 591 321	11 590 522	100%	2 168 489
Retail	1 241 914 870	181 659 487	15%	26 544 081	1 254 583 380	163 276 744	13%	10 598 625
Mechanisation marketing	102 754 687	5 754 542	6%	(4 576 474)	117 490 053	6 834 171	6%	(5 031 756)
Spares	29 906 600	5 398 265	18%	(2 055 650)	30 857 537	4 909 993	16%	(1 542 101)
Seed	88 261 839	20 200 553	23%	8 325 734	90 767 589	20 853 852	23%	9 263 969
Grain	217 472 336	77 161 897	35%	5 712 489	274 933 619	67 337 081	24%	2 450 011
Animal feeds	169 102 810	29 006 433	17%	5 620 990	144 940 867	25 700 796	18%	6 585 964
Administration	(939 160)	(222 309)	N/a	34 235 252	(677 695)	(213 218)	N/a	37 777 342
Net profit after tax before bonuses				63 403 139				50 959 732
Member bonuses declared				(16 000 000)				(5 000 000)
Total	1 882 535 127	345 058 127	18%	47 403 139	1 953 070 351	316 437 910	16%	45 959 732

GROSS PROFIT PER DIVISION

The ratio of gross profit per division to the total gross profit before Member bonuses in the amount of R345 058 127 (2019 – R316 437 910) (excluding the gross profit of administration) was as follows:

TOTAL EXPENDITURE



Total expenditure (administrative and operational) has increased by 6.15% during the year under review. This is in line with budgeted figures, with the majority of the increases originating from the increased cost in vehicle repairs and fuel costs, operating leases, water and electricity, depreciation, provision for the fair value impairment of short-term loans, bad debts, insurance, packaging and personnel costs.

VALUE ADDED TO STAKEHOLDERS

	%	2020 R	2019 R	%
Turnover		1 882 535 127	1 953 070 352	
Net cost price of products and services		1 475 169 437	1 564 359 065	
Value added		407 365 690	388 711 287	

Utilised as follows:

Employees	43.40	176 785 566	169 247 011	43.54
Wages/Salaries	40.63	165 519 699	156 020 134	40.14
Incentive bonuses	3.07	12 505 867	13 556 877	3.49
Post-retirement medical cost	(0.30)	(1 240 000)	(330 000)	(0.08)
Capital providers	24.45	99 617 622	89 312 350	22.98
Interest	23.67	96 417 622	88 312 350	22.72
Bonuses paid out	0.79	3 200 000	1 000 000	0.26
Addition of assets	9.22	37 563 324	41 482 798	10.67
Depreciation	6.81	27 754 241	23 228 326	5.98
Re-invest in business	15.00	61 095 939	61 607 163	15.85
Reserves	11.86	48 295 939	57 607 163	11.88
Deferred bonuses	3.14	12 800 000	4 000 000	1.03
Income tax	1.12	4 548 998	3 833 639	0.99
		407 365 690	388 711 287	

DEBTORS

Carry-over debt increased significantly to R486 659 571 (2019 – R311 500 936). The increase can be attributed to the climatic conditions prevalent throughout the greater service area during the year under review. The widespread drought has put pressure on the yields of all agricultural products. Debtors amounting to R1 462 935 (2019 – R384 689) have been written off as irrecoverable. The total provision for doubtful debts was R2 136 558 (2019 – R1 977 806) at year end. These good results are significant given the size of the debtors' book.

IMPORTANT FINANCIAL RATIOS

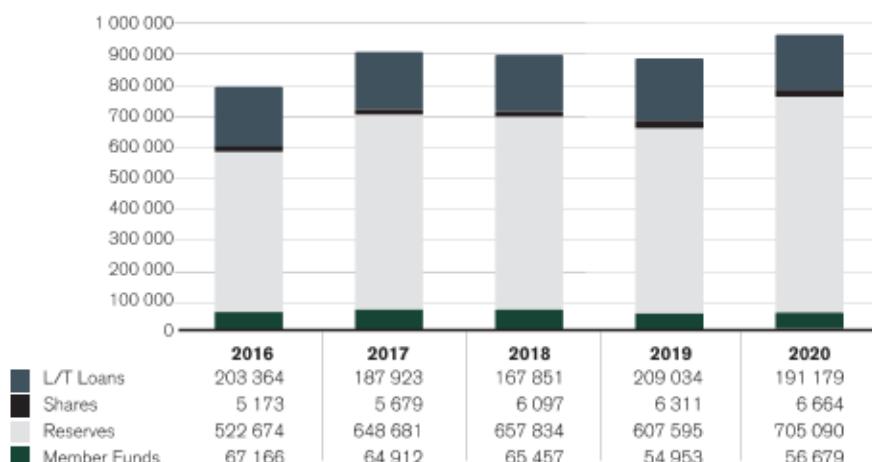
The following ratios are important measurements with which the financial condition can be measured:

	2020	2019
Net profitability	2.52%	2.35%
Return on equity	6.17%	6.87%
Debt : Equity	1.94	2.01
Interest-bearing debt : Equity	1.56	1.59
Current ratio	1.26	1.03

CAPITAL SOURCES

SOURCES OF CAPITAL

SUBSIDIARIES



The performance of the subsidiary companies (direct and indirect interest), joint venture and an associated company for the year under review was as follows:

	Turnover	Gross profit/ (loss)	Net profit/ (loss)
Blinkbeleg Vyftien (Pty) Ltd	127 971	127 971	(22 625)
Eureka Mills (Pty) Ltd	51 129 853	10 115 962	(1 632 931)
Hessequa Abattoir (Pty) Ltd	272 221 711	15 460 010	571 835
Procuro Grain (Pty) Ltd	12 125 144	8 193 398	(1 064 375)
Riparian Investments Consortium 1 (Pty) Ltd	–	–	2 446 690
Sentraal-Suid Beleggings (Pty) Ltd	722 223	722 223	5 245 904
Softlutions (Pty) Ltd	3 888 001	3 888 001	(2 797 471)
Southern Oil (Pty) Ltd Group	1 570 715 312	301 632 129	67 760 249
Swollen Mark (Pty) Ltd	11 688 030	11 688 030	2 582 123
Technifarm (Pty) Ltd	11 103 099	3 957 627	626 838
Tuinroete Agri (Pty) Ltd	–	–	9 847 953
Walts Malting (Pty) Ltd	10 551 721	1 584 229	(5 266 786)
2019			
Blinkbeleg Vyftien (Pty) Ltd	577 800	577 800	274 202
Eureka Mills (Pty) Ltd	45 578 261	8 873 133	258 958
Hessequa Abattoir (Pty) Ltd	250 205 122	11 877 936	162 111
Procuro Grain (Pty) Ltd	9 121 856	9 096 760	(572 336)
Riparian Investments Consortium 1 (Pty) Ltd	–	–	(44 526 905)
Sentraal-Suid Beleggings (Pty) Ltd	178 200	178 200	47 052
Softlutions (Pty) Ltd	4 502 656	4 502 656	514 730
Southern Oil (Pty) Ltd	1 443 850 483	250 511 799	61 876 296
Swollen Mark (Pty) Ltd	10 784 986	10 784 986	2 967 509
Technifarm (Pty) Ltd	14 501 809	5 252 500	1 243 495
Tuinroete Agri (Pty) Ltd	–	–	16 218 220
Walts Malting (Pty) Ltd	5 338 298	(861 910)	(11 076 169)

GRAIN

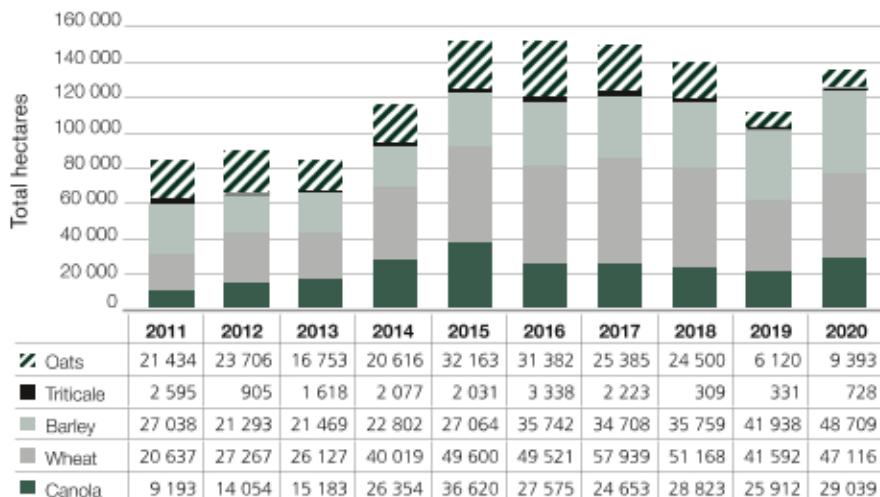
For the first time in a few years, grain hectares planted in the 2019/20 financial year increased again to reasonably favourable environmental conditions during planting.

However, little rain and abnormal heat accompanied by hot dry winds caused conditions to deteriorate gradually. These conditions occurred throughout the winter and during August and September, during critical vein filling, it was basically rainless. This had a negative impact on yield potential and quality throughout SSK's service area.

HECTARES PLANTED

Hectares sowed/planted in SSK's service area (since 2015 Riversdale, Albertinia and Herold are included).

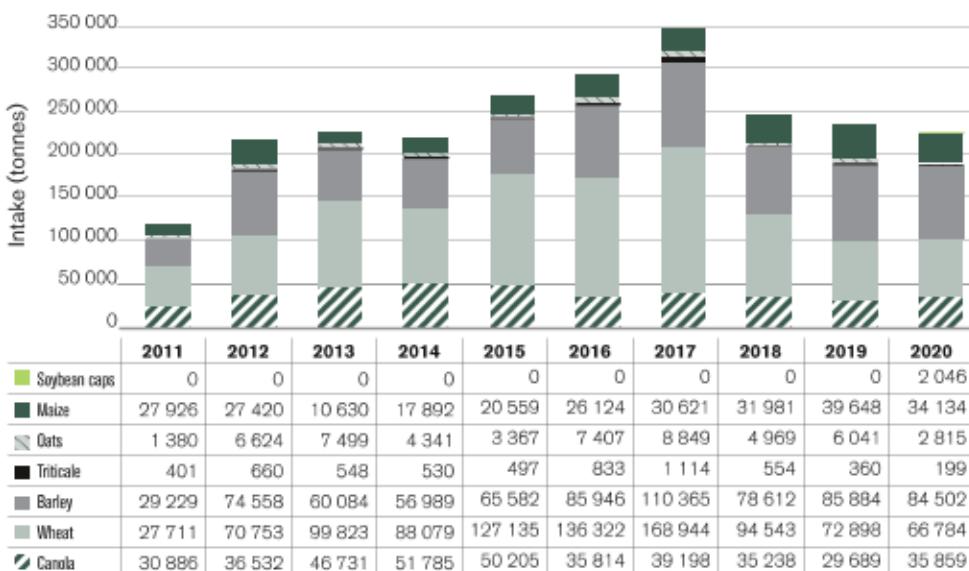
HECTARES PLANTED



GRAIN INTAKE

Grain intake in SSK's Silos (since 2015 Riversdale, Albertinia and Herold are included).

GRAIN INTAKE

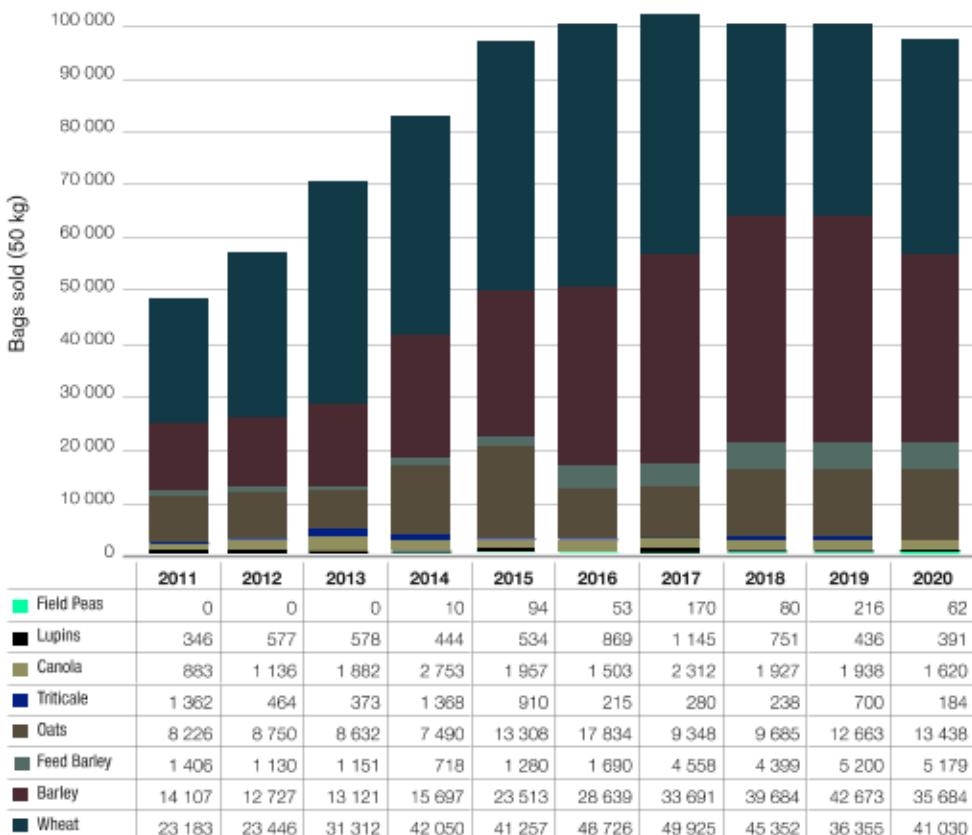


Grain yields were of such a magnitude that SSK's storage facilities were underutilised for a second year in a row. Only Swellendam and, to a lesser extent Heidelberg Silo, experienced grain intakes that were close to its existing storage capacity.

SEED

SSK's seed sales are still going from strength to strength. Competitive prices, good service, availability of cultivars and good quality seed ensure customer support over a wide front and a significant part of the division's turnover is nowadays outside of the normal service area of SSK.

SEED SALES





FUTURE VIEW

SSK's members had another difficult year due to adverse weather conditions and low rainfall. The economic resilience of the agricultural sector in SSK's greater service area has been further dismantled in recent years by the drought and also the economic slump. The uncertainty of how long it will take for the economy to recover from the COVID-19 pandemic is another question no-one can answer. Agriculture's profitability has been declining for the past three years and the debt ratio has deteriorated sharply. The risk is that when interest rates move into a rising phase over a year or three, the pinch will be felt.

It is therefore important to manage your debt burden as much as possible and to try to keep your debt at levels which the farming operations can service. A strategic focus for SSK remains, and will continue to be, to manage our Members' debt burden with them in the coming year.

Strong economic growth is a pre-requisite for job and wealth creation that will again stimulate spending on food, liquor and clothing and directly benefit agriculture. This is what agriculture needs.

Closer to our own business, SSK experienced a good financial year despite the ongoing drought. Carry-over debt of our Members has increased dramatically in the financial year under review due to economic and climatic conditions. However, bad debts are still at very low levels. SSK's financial position is sound. Most operating divisions delivered good results for the year under review and in the coming year, SSK will also build on minimising expenses, but not at the expense of service to our Members.

The value of doing business at Group level is the highest ever, at over R4.5 billion. The outlook for our subsidiaries is good and we look forward to further improved results for the 2021 financial year.

SSK's Board of Directors and Management are still convinced that the co-operative model is the most relevant business form to ensure long-term sustainability in agriculture. Membership numbers continue to grow, especially from the Garden Route, Karoo and Eastern Cape areas.

SSK's Board of Directors, Management and staff look forward with confidence to the coming year and humbly acknowledge our dependence on our Heavenly Father.



SSK het 'n wesenlike belang in die volgende entiteite:

SSK has a material interest in the following entities:

