



2021
JAARVERSLAG
ANNUAL REPORT





Uitnodiging

*U word hartlik uitgenooi
na die Algemene Jaarvergadering
van SSK op Vrydag, 30 Julie 2021
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,
30 July 2021 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, 30 Julie 2021 om 10h30 per elektroniese kommunikasie gehou sal word.

Notice is hereby given that the Annual General Meeting of SSK will be held on Friday, 30 July 2021 at 10h30 and will be conducted via electronic communication.

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 2020
Approval of the Minutes of the Annual General Meeting 2020
- 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** Spesiale Besluite / Special Resolutions
- 10** Bespreking van Algemene Sake / Discussion of General Matters

J.E. de V. van Veen
Sekretaris / Secretary

KOÖPERASIEBESONDERHEDE

DETAILS OF THE CO-OPERATIVE



Raad van Direkteure / Board of Directors

DH van Papendorp	- Voorsitter / Chairperson
SW Viljoen	- Ondervoorsitter / Vice-Chairperson
JH Barry	JM Joubert
MG Lourens	MJ Odendaal
MPienaar	JE Robertson
AJ Steyn	MS Streicher
PS Uys	

Bestuur / Management

EJ Pelser	- Hoof Uitvoerende Beämpte - Chief Executive Officer
JE de V van Veen	- Hoofbestuurder: Finansies en Administrasie - General Manager: Finance and Administration
CH de Beer	- Hoofbestuurder: Bedrywe - General Manager: Operations

Sekretaris / Secretary

JE de V van Veen

Geregistreerde Adres / Registered Address

Voortrekstraat 34 / 34 Voortrek Street
Swellendam
6740

Posadres / Postal Address

Posbus 12 / P.O. Box 12
Swellendam
6740

Bankiers / Bankers

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

Nedbank
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 gegronde is. Die afsonderlike en gekonsolideerde finansiële state is gegronde 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-saak grondslag 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, gegronde op vooruitskattingen 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 42 is deur die Direkteure goedgekeur:

D H van Papendorp – *Voorsitter*
8 Julie 2021

S W Viljoen – *Ondervoorsitter*



Goedkeuring van finansiële state

Die opgesomde afsonderlike en gekonsolideerde finansiële state en aanvullende skedules soos uiteengesit op bladsye 10 tot 42 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

30 Julie 2021

Aantekening

Die Direkteure bied die opgesomde afsonderlike en gekonsolideerde finansiële state van Sentraal-Suid Koöperasie Beperk op 28 Februarie 2021 aan. Die opgesomde afsonderlike en gekonsolideerde finansiële state is opgestel vanuit die volledige geouditeerde afsonderlike en gekonsolideerde finansiële state vir die jaar geëindig 28 Februarie 2021, soos goedgekeur deur die Direkteure op 8 Julie 2021.

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 gevvolglik 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 director's report, separate and consolidated financial statements, as summarised, and ancillary schedules, as presented on pages 10 to 54, have been approved by the Board of Directors.

A handwritten signature in black ink, appearing to read "D H van Papendorp".

D H van Papendorp – Chairperson
8 July 2021

A handwritten signature in black ink, appearing to read "S W Viljoen".

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 54, are herewith approved in terms of section 48 of the Co-operatives Act, 2005 (Act No. 14 of 2005) as amended by the Co-operatives Amendment Act, 2013 (Act No. 6 of 2013), by the Annual General Meeting and signed by the Chairperson as confirmation thereof.

Chairperson – Swellendam

30 July 2021

Note

The Directors present the summary separate and consolidated financial statements of Sentraal-Suid Co-operative Limited for the year ended 28 February 2021. 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 28 February 2021, as approved by the Board of Directors on 8 July 2021.

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 FINANSIELE 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 18 tot 30, wat bestaan uit die opgesomde gekonsolideerde en afsonderlike state van finansiële posisie soos op 28 Februarie 2021, die opgesomde gekonsolideerde en afsonderlike state van omvattende inkomste en kontantvloeie vir die jaar geëindig, en verwante aantekeninge, is opgestel vanuit die geouditeerde gekonsolideerde en afsonderlike finansiële state van Sentraal-Suid Koöperasie Beperk vir die jaar geëindig 28 Februarie 2021.

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 ongekwalifieerde auditmening uitgespreek op die geouditeerde gekonsolideerde en afsonderlike finansiële state in ons verslag gedateer 8 Julie 2021.

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

8 Julie 2021

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 Cooperative) and its subsidiaries (together the Group), set out on pages 18 to 30, which comprise the summary consolidated and separate statements of financial position as at 28 February 2021, 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 28 February 2021.

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 8 July 2021.

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.

Director: M J van Tonder

Registered Auditor

Worcester

8 July 2021

DIREKTEURSVERSLAG vir die jaar geëindig 28 Februarie 2021



Die Direkteure se jaarverslag, wat deel vorm van die geouditeerde finansiële state van die Groep en die Koöperasie ("SSK") vir die jaar geëindig 28 Februarie 2021, word hieronder aangebied.

1. Aard van besigheid

Die Koöperasie doen grotendeels 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, opberging 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, 'n 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		1743
Min: Afgestorwe Lede	12	
Lede wat boerdery gestaak het	83	95
		1648
Plus: Toetredings		93
Ledetal aan einde van jaar		1741

3. Finansiële resultate

Die waarde van sake gedoen gedurende die jaar het R2 905 458 004 (2020 – R2 668 074 941) vir die Koöperasie en R5 163 376 393 (2020 – R4 526 727 477) vir die Groep beloop. Dit het tot 'n wins voor belasting vir die jaar van R85 227 637 (2020 – R51 952 138) vir die Koöperasie en R190 368 396 (2020 – R128 038 019) 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 toe te deel ooreenkomsdig 'n distribusieskema ingevolge Artikel 25 van die Statuut.

Die Koöperasie het gedurende die jaar 'n bonus van R29 000 000 (2020 – R16 000 000) vir die 2021 finansiële jaar verklaar. Die wins voor en ná hierdie bonusse was as volg:

	2021 R	2020 R
Wins voor Ledebonusse	114 227 637	67 952 138
Totalle Ledebonusse verklaar	(29 000 000)	(16 000 000)
Uitgestel	(23 200 000)	(12 800 000)
Kontant	(5 800 000)	(3 200 000)
Wins voor belasting	85 227 637	51 952 138

In die huidige jaar is Ledefondse van R7 129 510 (2015 gehef) (2020 – R11 073 876 (2014 gehef)) uitbetaal.

5. Filiale

Die Koöperasie het beleggings in die volgende filiale:

Direk	Belang 2021	Belang 2020	Hoofdoelstelling
a) Eureka Mills (Edms) Bpk	68%	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 kanola-saad en die raffinering en bemarking van 'n gedifferensieerde reeks olies en proteinprodukte.
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 2021	Belang 2020	Hoofdoelstelling
i)	SSK Petro Retail (Edms) Bpk	74%	100%	Brandstof-vulstasie in Heidelberg.
	Indirek			
j)	Southern Oil (Edms) Bpk	Tuinroete Agri besit: 0.45% 0.45%		Ekstraksie van olie uit hoofsaklik kanola-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% 100%		Die maatskappy was dormant op jaareinde.
m)	Blinkbeleg Vyftien (Edms) Bpk	Sentraal-Suid Beleggings besit: 100% 100%		Die maatskappy was dormant op jaareinde.
n)	LBK Agri (Edms) Bpk	Tuinroete Agri besit: 100% 100%		Die maatskappy was dormant op jaareinde.
o)	Riparian Investment Consortium 1 (Edms) Bpk	Sentraal-Suid Beleggings besit: 100% 40%		Beleggingsmaatskappy met verwante aktiwiteite.

6. Finansiële bates beskikbaar vir verkoop

Finansiële bates beskikbaar vir verkoop het toegeneem met R17 002 595 (2020 – R63 550 580 toegeneem) vir die Koöperasie en met R17 134 491 (2020 – R63 343 867 toegeneem) vir die Groep, 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

Softolutions (Edms) Bpk

Die Koöperasie besit 'n 75% (2020 – 75%) belang in dié Maatskappy wat deur gesamentlike besluitneming bestuur word. Die Maatskappy lewer sagteware-ontwikkeling en verwante dienste.

8. Belegging in geassosieerde

Procuro Grain (Edms) Bpk

Sentraal-Suid Koöperasie Beperk besit 'n 50% (2020 – 50%) 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

372 000 (2020 – 500 000) aandele is vanjaar uitgereik, terwyl 380 000 (2020 – 152 000) 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.

Die volgende Direkteure is aangestel gedurende die jaar:

M G Lourens (aangestel 24 Julie 2020)

J H Barry (aangestel 24 Julie 2020)

J N de Kock en F J Lourens het op 24 Julie 2020 bedank.

Direkteursvergoeding het R1 865 877 (2020 – R1 974 586) beloop.

11. Wesenlike gebeure na jaareinde

Daar is na die beste wete van die Direkteure geen wesentlike fout, omstandigheid, gebeurtenis of aangeleenthed wat tussen die rapporteringsdatum en die datum van die goedkeuring van die finansiële state ontstaan of plaasgevind het, wat die beoordeling van die Koöperasie se finansiële state behoort te beïnvloed nie.

12. Waardering en dank

Die Raad van Direkteure wens om sy waardering uit te spreek teenoor Lede wat die Koöperasie loaal 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 Geïnk. 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 28 February 2021



The Directors' report, which forms part of the audited financial statements of the Group and the Co-operative ("SSK") for the year ended 28 February 2021, is presented below:

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, namely:

- 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, an associate 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		1743
Less: Deceased Members	12	
Members who stopped farming	83	95
	1648	
Plus: New Members		93
Membership at the end of the year		1741

3. Financial results

The value of business conducted during the year amounted to R2 905 458 004 (2020 – R2 668 074 941) for the Co-operative and R5 163 376 393 (2020 – R4 526 727 477) for the Group. A profit before tax for the year of R85 227 637 (2020 – R51 952 138) for the Co-operative and R190 368 396 (2020 – R128 038 018) 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 25 of the Articles.

The Co-operative has declared a bonus of R29 000 000 (2020 – R16 000 000) for the 2021 financial year. The profit before and after these bonuses was as follows:

	2021 R	2020 R
Profit before Member bonuses	114 227 637	67 952 138
Total Member bonuses declared	(29 000 000)	(16 000 000)
Deferred	(23 200 000)	(12 800 000)
Cash	(5 800 000)	(3 200 000)
Profit before tax	85 227 637	51 952 138

In the current year, accrued Members' funds of R7 129 510 (accrued in 2015) had been paid out (2020 – R11 073 876 (accrued in 2014)).

5. Subsidiaries

The Co-operative has investments in the following subsidiaries:

Direct	Interest 2021	Interest 2020	Main Objectives
a) Eureka Mills (Pty) Ltd	68%	60%	Production of flour and related products.
b) Hessequa Abattoir (Pty) Ltd	52.78%	52.78%	Operating an abattoir in the Riversdale region.
c) Sentral-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.



	Direct	Interest 2021	Interest 2020	Main Objectives
h)	Walts Malting (Pty) Ltd	100%	100%	Production of malt for the local craft beer market.
i)	SSK Petro Retail (Pty) Ltd	74%	100%	Fuel station in Heidelberg.
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%	100%	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.
n)	LBK Agri (Pty) Ltd	Tuinroete Agri owns: 100%	100%	This company was dormant at year end.
o)	Riparian Investments Consortium 1 (Pty) Ltd	Sentraal-Suid Beleggings owns: 100%	40%	Investment company with related activities.

6. Financial assets available for sale

Financial assets available for sale have increased by R17 002 595 (2020 – R63 550 580 increase) for the Co-operative and R17 134 491 (2020 – R63 343 867 increase) for the Group, due to the fair value adjustment in terms of accounting statement *IFRS for SMEs*. The profit/(loss) has been directly accounted for in the Statement of Comprehensive Income.

7. Investment in joint venture

Softsolutions (Pty) Ltd

The Co-operative owns a 75% (2020 – 75%) interest in this Company which is managed by joint decision-making. The Company delivers software development and related services.



8. Investment in associate

Procurop Grain (Pty) Ltd

Sentraal-Suid Co-operative Ltd owns a 50% (2020 – 50%) interest in this Company which 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

372 000 (2020 – 500 000) shares were issued this year, while 380 000 (2020 – 152 000) 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.

The following directors were appointed during the year:

M G Lourens (appointed 24 July 2020)

J H Barry (appointed 24 July 2020)

J N de Kock and F J Lourens resigned on 24 July 2020.

Directors' emoluments amounted to R1 865 877 (2020 – R1 974 586).

11. Material events after year end

The Directors are not aware of any material error, event or matter arising or occurring in the accounting period between the accounting date and the date of approval of the financial statements, that should influence the assessment of the Group's financial statements.

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 No. 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 28 Februarie 2021



GROEP		KOÖPERASIE	
2021 R'000	2020 R'000	2021 R'000	2020 R'000

BATES

Nie-bedryfsbates

Eiendom, aanleg en toerusting	650 372	642 992	295 199	303 351
Ontasbare bates	41 788	53 667	–	4 534
Beleggingseiendom	58 997	61 566	–	–
Belegging in filiale	–	–	236 773	234 524
Belegging in geassosieerde	5 435	4 948	5 435	7 501
Belegging in gesamentlike onderneming	–	4 554	–	6 300
Finansiële bates beskikbaar vir verkoop	25 966	18 461	22 932	17 692
Ander finansiële bates	135 486	134 047	130 043	125 808
Uitgestelde belastingbate	2 524	2 211	–	–
	920 568	922 446	690 382	699 710

Bedryfsbates

Voorraad	1 465 848	895 609	370 386	383 268
Handels- en ander debiteure	1 237 818	1 162 535	832 809	888 286
Finansiële bates beskikbaar vir verkoop	–	259 736	–	259 736
Korttermynlenings	7 769	8 538	16 763	20 748
Inkomstebelasting	8 706	1 724	8 440	444
Kontant en kontantekwivalente	125 283	50 087	8 791	7 310
	2 845 424	2 378 229	1 237 190	1 559 792
Totale bates	3 765 992	3 300 675	1 927 572	2 259 502

SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN FINANSIELLE POSISIE
soos op 28 Februarie 2021 (vervolg)



GROEP		KOÖPERASIE	
2021 R'000	2020 R'000	2021 R'000	2020 R'000

EKWITEIT EN AANSPREEKLIKHEDE

Kapitaal en reserwes

Reserwes	1 068 079	938 103	806 649	705 090
Aandelekapitaal	6 777	6 652	6 790	6 664
Legefondse	72 611	56 437	72 750	56 679
Ledebelang	1 147 468	1 001 192	886 189	768 433
Nie-beherende belang	289 548	254 876	-	-
Totale ekwiteit	1 437 016	1 256 068	886 189	768 433

Nie-bedryfslaste

Langtermynlenings	166 152	222 061	162 117	191 179
Uitgestelde belastingaanspreeklikheid	44 853	92 160	12 148	62 353
Na-aftrede mediese voordele	2 564	3 720	2 150	3 307
	213 569	317 941	176 415	256 839

Bedryfslaste

Handels- en ander krediteure	551 834	351 374	293 106	223 551
Korttermynlenings	1 345 683	690 048	506 821	405 647
Bankoortrekking	212 590	684 173	65 041	605 032
Inkomstebelasting	5 300	1 071	-	-
	2 115 407	1 726 666	864 968	1 234 230
Totale ekwiteit en aanspreeklikhede	3 765 992	3 300 675	1 927 572	2 259 502

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF FINANCIAL POSITION
as at 28 February 2021



GROUP		CO-OPERATIVE	
2021 R'000	2020 R'000	2021 R'000	2020 R'000

ASSETS

Non-current assets

Property, plant and equipment	650 372	642 992	295 199	303 351
Intangible assets	41 788	53 667	–	4 534
Investment property	58 997	61 566	–	–
Investment in subsidiaries	–	–	236 773	234 524
Investment in associate	5 435	4 948	5 435	7 501
Investment in joint venture	–	4 554	–	6 300
Financial assets available for sale	25 966	18 461	22 932	17 692
Other financial assets	135 486	134 047	130 043	125 808
Deferred tax asset	2 524	2 211	–	–
	920 568	922 446	690 382	699 710

Current assets

Inventory	1 465 848	895 609	370 386	383 268
Trade and other receivables	1 237 818	1 162 535	832 809	888 286
Financial assets available for sale	–	259 736	–	259 736
Short-term loans	7 769	8 538	16 763	20 748
Income tax	8 706	1 724	8 440	444
Cash and cash equivalents	125 283	50 087	8 791	7 310
	2 845 424	2 378 229	1 237 190	1 559 792
Total assets	3 765 992	3 300 675	1 927 572	2 259 502

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF FINANCIAL POSITION
as at 28 February 2021 (continued)



GROUP		CO-OPERATIVE	
2021 R'000	2020 R'000	2021 R'000	2020 R'000

EQUITY AND LIABILITIES

Capital and reserves

Reserves	1 068 079	938 103	806 649	705 090
Share capital	6 777	6 652	6 790	6 664
Members' funds	72 611	56 437	72 750	56 679
Members' interest	1 147 468	1 001 192	886 189	768 433
Non-controlling interest	289 548	254 876	-	-
Total equity	1 437 016	1 256 068	886 189	768 433

Non-current liabilities

Long-term loans	166 152	222 061	162 117	191 179
Deferred tax liabilities	44 853	92 160	12 148	62 353
Post-retirement medical benefits	2 564	3 720	2 150	3 307
	213 569	317 941	176 415	256 839

Current liabilities

Trade and other creditors	551 834	351 374	293 106	223 551
Short-term loans	1 345 683	690 048	506 821	405 647
Bank overdraft	212 590	684 173	65 041	605 032
Income tax	5 300	1 071	-	-
	2 115 407	1 726 666	864 968	1 234 230
Total equity and liabilities	3 765 992	3 300 675	1 927 572	2 259 502

SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN OMVATTENDE INKOMSTE
vir die jaar geëindig 28 Februarie 2021



	GROEP		KOÖPERASIE	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Inkomste	4 318 606	3 741 188	2 060 688	1 882 535
Koste van verkope	(3 516 933)	(3 066 803)	(1 677 761)	(1 537 477)
Ledebonusse verklaar	(29 000)	(16 000)	(29 000)	(16 000)
Bruto wins	772 673	658 385	353 927	329 058
Ander inkomste	97 493	114 136	124 232	146 462
Ander winste/(verliese) – netto	(18 324)	403	15 362	455
Administratiewe en bedryfsuitgawes	(585 878)	(524 024)	(349 897)	(329 472)
Bedryfswins	265 964	248 900	143 624	146 503
Finansieringsinkomste	2 308	1 693	2 428	1 867
Finansieringskoste	(73 928)	(119 266)	(52 459)	(96 418)
Wins voor ekwiteitsverdienste	194 344	131 328	93 593	51 952
Ekwiteitsverlies in geassosieerde/ gesamentlike onderneming	(3 977)	(3 290)	(8 366)	–
Wins voor belasting	190 367	128 038	85 227	51 952
Belasting	(40 904)	(40 803)	2 409	(4 549)
Wins vir die jaar	149 464	87 235	87 637	47 403

SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN OMVATTENDE INKOMSTE
vir die jaar geëindig 28 Februarie 2021 (vervolg)



	GROEP		KOÖPERASIE	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000

Ander omvattende inkomste

Items wat nie herklassifiseer sal word na wins en verlies nie

Waardasie-aanpassing op na-aftrede mediese voordele	1 156	1 240	1 157	1 240
Uitgestelde belasting op waardasie-aanpassing op na-aftrede mediese voordele	(323)	(347)	(324)	(347)
Wisselkoersverskille op die omskakeling van buitelandse bedrywighede	2 019	(387)	-	-

Items wat herklassifiseer sal word na wins en verlies

Billike waarde-aanpassing van finansiële bates beskikbaar vir verkoop	17 134	63 343	17 002	63 551
Uitgestelde belasting op billike waarde-aanpassing	(3 943)	(14 306)	(3 913)	(14 352)
Omvattende inkomste in geassosieerde	-	1 061	-	-
Totale omvattende inkomste vir die jaar (netto van belasting)	165 507	137 840	101 559	97 495

Wins toeskryfbaar aan:

Lede	113 756	60 116	87 637	47 403
Nie-beherende belang	35 708	27 119	-	-
	149 464	87 235	87 637	47 403

Totale omvattende inkomste toeskryfbaar aan:

Lede	129 799	110 721	101 559	97 495
Nie-beherende belang	35 708	27 119	-	-
	165 507	137 840	101 559	97 495

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2021



	GROUP		CO-OPERATIVE	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Income	4 318 606	3 741 188	2 060 688	1 882 535
Cost of sales	(3 516 933)	(3 066 803)	(1 677 761)	(1 537 477)
Bonuses declared	(29 000)	(16 000)	(29 000)	(16 000)
Gross profit	772 673	658 385	353 927	329 058
Other income	97 493	114 136	124 232	146 462
Other profits/(losses) – net	(18 324)	403	15 362	455
Administrative and operating expenses	(585 878)	(524 024)	(349 897)	(329 472)
Operating profit	265 964	248 900	143 624	146 503
Finance income	2 308	1 693	2 428	1 867
Finance costs	(73 928)	(119 266)	(52 459)	(96 418)
Profit before equity earnings	194 344	131 328	93 593	51 952
Equity loss in associate/joint venture	(3 977)	(3 290)	(8 366)	–
Profit before tax	190 367	128 038	85 227	51 952
Tax	(40 904)	(40 803)	2 409	(4 549)
Profit for the year	149 464	87 235	87 637	47 403

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2021 (continued)



GROUP		CO-OPERATIVE	
2021 R'000	2020 R'000	2021 R'000	2020 R'000

Other comprehensive income

Items that will not be reclassified to profit and loss

Actuarial adjustment to post-retirement medical benefits	1 156	1 240	1 157	1 240
Deferred tax on actuarial adjustment to post-retirement medical benefits	(323)	(347)	(324)	(347)
Exchange differences on the conversion of foreign operations	2 019	(387)	–	–

Items that will be reclassified to profit and loss

Fair value adjustment to financial assets available for sale	17 134	63 343	17 002	63 551
Deferred tax on fair value adjustments	(3 943)	(14 306)	(3 913)	(14 352)
Comprehensive income in associates	–	1 061	–	–
Total comprehensive income for the year (net of tax)	165 507	137 840	101 559	97 495

Profit attributable to:

Members	113 756	60 116	87 637	47 403
Non-controlling interest	35 708	27 119	–	–
	149 464	87 235	87 637	47 403

Total comprehensive income attributable to:

Members	129 799	110 721	101 559	97 495
Non-controlling interest	35 708	27 119	–	–
	165 507	137 840	101 559	97 495

SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN KONTANTVLOEIE
vir die jaar geëindig 28 Februarie 2021



	GROEP		KOÖPERASIE	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Kontantvloei uit bedryfsaktiwiteite				
Kontant (aangewend in)/voortgebring deur bedrywighede	(86 150)	58 478	294 794	(53 648)
Rente betaal	(73 928)	(119 266)	(52 459)	(96 418)
Belasting betaal	(95 544)	(31 145)	(60 029)	(1 510)
Netto kontant (aangewend in)/voortgebring deur bedryfsaktiwiteite	(255 622)	(91 932)	182 306	(151 575)
Kontantvloei uit beleggingsaktiwiteite				
Toevoeging tot eiendom, aanleg en toerusting	(68 543)	(70 648)	(16 542)	(37 563)
Toevoeging tot ontasbare bates	(132)	–	–	–
Opbrengs met verkoop van eiendom, aanleg en toerusting	3 337	1 415	2 433	524
Opbrengs met verkoop van ontasbare bates	–	–	4 495	–
Lenings aan filiale terugontvang	–	–	261	24 703
Lenings aan filiale toegestaan	–	–	(4 527)	(3 054)
Verkryging van belang in filiaal	–	–	(2 501)	–
Verkryging van belegging in geassosieerde	–	2 501	–	(2 501)
Verkryging van belegging in gesamentlike onderneming	–	(4 800)	–	(4 800)
Verkryging van finansiële bates beskikbaar vir verkoop	(11 813)	–	(9 680)	–
Opbrengs met verkoop van finansiële bates beskikbaar vir verkoop	281 179	–	281 179	–
Lening vanaf gesamentlike onderneming	–	982	–	982
Lening aan gesamentlike onderneming	(4 464)	–	(4 464)	–
Lening aan geassosieerde terugontvang	13	7 314	13	–
Lening aan geassosieerde toegestaan	–	(301)	–	(301)
Korttermynbelegging terugontvang	5 895	702	–	40
Korttermynbelegging aangegaan	(197)	(6 802)	(197)	–
Rente ontvang	2 308	1 693	2 428	1 867
Dividende ontvang	683	8 769	39 164	46 970
Netto kontant (aangewend in)/gegenereer deur beleggingsaktiwiteite	208 266	(64 177)	292 062	26 868

SENTRAAL-SUID KOÖPERASIE BPK EN SY FILIALE
OPGESOMDE STAAT VAN KONTANTVLOEIE
vir die jaar geëindig 28 Februarie 2021 (vervolg)



GROEP		KOÖPERASIE	
2021 R'000	2020 R'000	2021 R'000	2020 R'000

Kontantvloei uit finansieringsaktiwiteite

Langtermynlenings terugbetaal	(28 351)	(20 727)	(22 592)	(15 549)
Langtermynlenings aangegaan	-	1 701	-	-
Korttermynlenings aangegaan	642 222	12 150	96 699	-
Korttermynlenings terugbetaal	(12 150)	(69 991)	-	(34 450)
Aandele ingetrek	(264)	(150)	(264)	(150)
Aandele uitgereik	372	500	372	500
Verkryging van belang in filiaal	174	-	-	-
Aandele opbetaal uit omsetbonus	18	2	18	2
Ledefondse uitbetaal	(7 026)	(10 871)	(7 129)	(11 074)
Dividende betaal aan nie-beherende belang	(859)	(806)	-	-
Netto kontant (aangewend in)/gegeneer deur finansieringsaktiwiteite	594 136	(88 190)	67 104	(60 721)

Toename/(afname) in kontant en kontant-ekwivalente

Toename/(afname) in kontant en kontant-ekwivalente	546 780	(244 299)	541 472	(185 428)
Kontant en kontantekwivalente aan begin van jaar	(634 086)	(389 787)	(597 722)	(412 294)
Kontant en kontantekwivalente aan einde van jaar	(87 306)	(634 086)	(56 250)	(597 722)

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF CASHFLOWS
for the year ended 28 February 2021



	GROUP		CO-OPERATIVE	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Cash flow from operating activities				
Cash (utilised in)/generated from activities	(86 150)	58 478	294 794	(53 648)
Interest paid	(73 928)	(119 266)	(52 459)	(96 418)
Tax paid	(95 544)	(31 145)	(60 029)	(1 510)
Net cash (utilised in)/generated from operating activities	(255 622)	(91 932)	182 306	(151 575)
Cash flow from investment activities				
Addition to property, plant and equipment	(68 543)	(70 648)	(16 542)	(37 563)
Addition to intangible assets	(132)	–	–	–
Return on sale of property, plant and equipment	3 337	1 415	2 433	524
Return on sale of intangible assets	–	–	4 495	–
Loans granted to subsidiaries received	–	–	261	24 703
Loans granted to subsidiaries	–	–	(4 527)	(3 054)
Acquiring interest in subsidiary	–	–	(2 501)	–
Acquiring investment in associate	–	2 501	–	(2 501)
Acquiring investment in joint venture	–	(4 800)	–	(4 800)
Acquiring financial assets available for sale	(11 813)	–	(9 680)	–
Return on sale of financial assets available for sale	281 179	–	281 179	–
Loan granted to joint venture received	–	982	–	982
Loan granted to joint venture	(4 464)	–	(4 464)	–
Loan granted to associate received	13	7 314	13	–
Loan granted to associate	–	(301)	–	(301)
Short-term investment received	5 895	702	–	40
Short-term investment made	(197)	(6 802)	(197)	–
Interest received	2 308	1 693	2 428	1 867
Dividends received	683	8 769	39 164	46 970
Net cash (utilised in)/generated from investment activities	208 266	(64 177)	292 062	26 868

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES
SUMMARY STATEMENT OF CASHFLOWS
for the year ended 28 February 2021 (continued)



	GROUP		CO-OPERATIVE	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Cash flow from financing activities				
Long-term loans repaid	(28 351)	(20 727)	(22 592)	(15 549)
Long-term loans obtained	-	1 701	-	-
Short-term loans obtained	642 222	12 150	96 699	-
Short-term loans repaid	(12 150)	(69 991)	-	(34 450)
Shares cancelled	(264)	(150)	(264)	(150)
Shares issued	372	500	372	500
Acquiring interest in subsidiary	174	-	-	-
Shares paid up by member bonuses	18	2	18	2
Members' funds repaid	(7 026)	(10 871)	(7 129)	(11 074)
Dividends paid to non-controlling interest	(859)	(806)	-	-
Net cash (utilised in)/generated from financing activities	594 136	(88 190)	67 104	(60 721)
Increase/(decrease) in cash and cash equivalents	546 780	(244 299)	541 472	(185 428)
Cash and cash equivalents at beginning of year	(634 086)	(389 787)	(597 722)	(412 294)
Cash and cash equivalents at end of year	(87 306)	(634 086)	(56 250)	(597 722)



AANTEKENING 1

Basis van voorbereiding

Die opgesomde afsonderlike en gekonsolideerde finansiële state is opgestel vanuit die volledige geouditeerde afsonderlike en gekonsolideerde finansiële state vir die jaar geëindig 28 Februarie 2021 en voldoen aan die erkenning- en metingsvereistes van die *'International Financial Reporting Standard for Small and Medium-sized Entities'*.

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 geouditeerde 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 28 February 2021 and adheres to the recognition and measurement requirements of the *International Financial Reporting Standard for Small and Medium-sized Entities*.

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 FINANSIELLE BESTUURSOORSIG 2021



AGTERGROND

Die jaar onder oorsig is vir ewig gebrandmerk in ons kollektiewe geheue as die pandemiejaar. COVID-19 het letterlik die wêreld tot stilstand gedwing. Op die piek van die internasionale inperking was byna 18 000 van die geskatte 24 000 kommersiële vliegtuie in die wêreld tydelik uit diens gestel. Internasionale reise, verskeping van produkte, levering van dienste was in 'n oogwink gestaak. Werkers, behalwe dié wat in noodsaaklike dienste en -sektore werk, is wêrelwyd huis toe gestuur. 'n Virtuele werksomgewing is bykans oornag geskep – die impak wat 'n deurlopende leerproses blyk te wees. Baie mense het oornag hul vermoë om 'n inkomste te genereer verloor, en sekere sektore, veral toerisme en gasvryheid (restuarante, verblyf en vermaak), het ten tyde van hierdie skrywe nog nie eens tekens van herstel begin toon nie. Die globale dryf vir inentings van die entstof is egter nou goed op dreef, met China wat alreeds 1 miljard inentings toegedien het. Eerste-wêreld lande is reeds ver gevorder met hul inentingsprogramme, alhoewel daar wel teenkanting teen inentings ervaar word, veral in die VSA. Die VSA, onder leiding van die nuut verkose president, Joe Biden, probeer tans om die wêreld se grootste ekonomie weer op dreef te kry, maar infeksie-uitbrekkings vind steeds plaas. Dit is die geval in meeste lande, selfs dié met hoë inentingsvlakte. Alhoewel sekere sektore van die ekonomie hard getref is, het ander weer goeie handelstoestande en -groei ervaar. Aanlyndienste en -produkverskaffers, sowel as beide harde en sagte kommoditeite, het hier voordeel getrek.

Die Rand het verbasend goed herstel vanaf die laagtepunte wat aan die begin van die pandemie ervaar is, en het ten tyde van hierdie skrywe reeds gesak tot R14.36/\$1 vanaf baie sterk vlakke (tot R13.42/\$1) wat in Junie 2021 ervaar is. Die lae rentekoersomgewing (met die prima uitleenkoers wat oor die grootste gedeelte van die jaar stabiel was op 7%) het 'n stimulerende impak op die ekonomie gehad, veral wat betrek huispryse, wat goed herstel het. Polities is Suid-Afrika op dun ys, met die Zondo Kommissie se sittings wat daagliks net verdere korruksie en staatskaping openbaar. Ongelukkig blyk dit dat die politieke wil om die vervolging te dryf, ontbreek. Deurlopende beurtkrag (selfs inaggenome die laer industriële uitsette) frustreer 'n sukkelende ekonomie. Wanadministrasie, korruksie, gebrek aan kundigheid en leierskapuitdagings word by byna alle staatsinstellings ervaar, met die Landbank se likiditeitskrisis wat groot sistemiese risiko op die plaaslike landbousektor geplaas het, en steeds plaas.

Die Suid-Afrikaanse landbousektor het grotendeels 'n suksesvolle jaar beleef, met kommoditeitspryse (veral grane) wat die hoogte ingeskiet het. Daar was nog geen wesenlike 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 gefinaliseer 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 'n jaar van gunstige weerstoestande beleef, met goed verspreide reënval, temperature en selfs wind wat in die korrekte mates op die korrekte tye ervaar is. Al was reënvalsfers redelik laag, was die tydsberekening perfek. Gevolglik is damvlakke steeds onder druk en kon veeboere nog nie die volle impak van die goeie oeste en omstandighede ervaar nie, maar sal dit sekerlik in die nuwe



jaar, met wesenlik laer voerkoste beleef. Die nuwe plantseisoen is nou afgehandel en wydverspreide reën het middel en einde Mei in die Suid-Kaap geval, alhoewel dit in sommige areas (Gouritsriviermond, Napkysmond, Malgas, Riviersonderend, Caledon, Greyton, ens.) tot grootskaalse vloede gelei het. Daar is in baie gevalle oorgeplant en daar is bykans by elke graanboer dele van kampe, veral die laagliggende gedeeltes, wat nie geplant kon word nie. Die graanopkoms is egter uitstekend, en alhoewel die temperatuur in Junie redelik warm was, is weinig skade aan die graan gerapporteer.

Vooruitsigte dui tans op stabiele, hoë plaaslike koring- en kanolapryse gegewe die konstante internasionale vraag en pryse. Die vraag na moutgars blyk wel baie afgeneem het, en aansienlik minder moutgars is in die 2021 kalenderjaar as in 2020 geplant. Die impak van die alkoholverbod tydens die nasionale inperking het ABInBev se garsverbruik 'n nekslag toegedien. Daar is ook sprake van 'n traie herstel in die vraag na bierprodukte sedert die opheffing van die alkoholverbod. Vooruitsigte vir van die ander landbousektore is soos volg:

- Die suiwelbedryf se vooruitsigte lyk beter, met hoér melkpryse en die impak van hoér kuilvoervlakke en beter weidings (a.g.v. die gunstige natuurstoestande wat geheers het en wat steeds heers) wat nou begin ervaar word. Hoë voerpryse sal voortgaan om groei te beperk. Besproeiingsplase wat geskiedkundig as melkphase bedryf is, word egter op 'n noemenswaardige skaal omgeskakel na vrugtephase.
- Die vrugte- en wynbedrywe het goeie oeste ervaar, met beskikbaarheid van vraghouers en skepe wat die vrugtebedryf gekniehalter het, en die alkoholverbod wat rampspoedig was vir die wynbedryf. Internasionale pryse van vrugte het stabiel gebly, maar die versterking in die wisselkoers het baie vrugteboere bekommert. Die prys vir wyndruwe toon egter steeds belowende verbetering en die groei in aanlynwynverkope blyk die vraag na wyn te ondersteun.
- Die volstruisbedryf het 'n baie swaar jaar beleef, met die vraag na vere en leer wat byna tot stilstand gekom het. Alhoewel vleispryse stabiel is, is die vooruitsigte vir leer, maar veral vere, nog onseker.
- Vleispryse het steeds goed gebly, met skaapvleis wat 'n goeie styging na jaareinde ervaar het. Die vooruitsigte dui op 'n lae aanbod van vleis, met gevoldlike goeie pryse soos wat kuddes in areas, veral in die noordelike en oostelike Noord-Kaap, aangevul word.
- Die wol- en bokhaarbedryf toon tekens van herstel en natuurlike vesel kan hopelik verder by verbruikers aanklank vind. Bek-en-klouseer word tot dusver suksesvol bekamp, maar die risiko vir die staking van uitvoere bly steeds onderliggend.
- Die groentebedryf het ook 'n tydperk van bestendige pryse ervaar ten opsigte van meeste kontantgewasse, met sommige gewasse met 'n bewese gesondheidsaanwending (bv. gemmer en knoffel) wat ongekende vraag ervaar het, en moontlik steeds sal, namate die pandemie voortduur.

SSK het 'n uitstekende finansiële jaar beleef, met rekord graaninnames, waarde van sake gedoen, omset, netto wins en Ledebonusse wat gerealiseer is. Gegewe die goeie graanoeste, asook die gunstige pryse vir hierdie kommoditeite, het oorlaatskuld wesenlik afgeneem. Oninbare skulde (uitgesluit dié afgeskryf ten opsigte van Walts Malting) is steeds besonder laag en is toeskryfbaar aan verantwoordelike en meelewende kredietbestuur. Daar word dinamies planne beraam om aan elkeen van die Lede se unieke



finansieringsbehoeftes te voldoen en die samewerking wat vanaf die meeste handelsbanke ontvang is, is prysenswaardig.

Die verkoop van SSK se Pioneer Foods Groep aandele het aan die begin van die finansiële jaar plaasgevind en die strategie vir die aanwending van hierdie fondse word reeds uitgevoer. SSK se belang in Quantum Foods is kort hierna ook verkoop, omrede gunstige pryse daarvoor gerealiseer kon word. SSK het ook 'n rekordjaar op Groepvlak ervaar, met SOILL wat weereens wesenlik hertoeg bygedra het. Alle filiale het netto winste gerealiseer, met die uitsondering van Softlutions (wat tans 'n uitbreidingsstrategie uitvoer) en Walts Malting (wat gegewe die alkoholverbod en ongunstige handelstoestande hul bedrywighede gestaak het). SSK se finansiële posisie is baie gesond en die finansiële prestasie uitstekend onder moeilike en kompeterende omstandighede. Daar kon ook weereens met gemak voldoende finansiering vir SSK en sy Lede se bedrywighede verkry word.

Die bedryfsafdelings het uitstekende resultate gelewer. Die Graan-, Saad-, Versekerings-, Veevoer-vervaardigers- en Handelsafdelings was almal winsgewend, met slegs die Meganasisie-afdeling wat 'n verlies gerealiseer het. Dit is egter bemoedigend dat Meganasisie se netto verlies met R12.7m verklein het na afloop van die herstrukturering aan die einde van die 2020 finansiële jaar.

Ledetalle het byna onveranderd gebly al het SSK baie nuwe Lede verwelkom. SSK het in die jaar onder oorsig begin om nie-aktiewe Lede aan te moedig om te bedank, gegewe daar geen wedersydse voordeel van lidmaatskap geniet word nie. SSK se swart aandeelhouding het reeds beduidend gegroei (alhoewel vanaf 'n lae basis), met meer as 6% van die Lede wat uit voorheen benadeelde groeperings afkomstig is.

Op tegnologiese vlak pluk SSK nou die vrugte van 'n weldeurdagte langtermyn-informasie- en tegnologie-strategie. Die rekenkundige asook bedryfsagteware funksioneer uitstekend en is gebruikersvriendelik. Die data wat tot beskikking gestel word vir Lede en besigheidsvennote is eenvoudig, pasgemaak en toeganklik. SSK beskik ook oor 'n goeie balans van interne kennis en ondervinding, asook kundige eksterne diensverskaffers. Die netwerk, telefoonstelsel, e-possiesteem, toegangsbeheer asook bediener-infrastruktur is wêreldklas en word deurlopend verder verbeter en vernuwe. SSK is reeds goed geposioneer om die impak van die POPI-wetgewing op die organisasie te kan aanspreek. Die Lede, kliënte, verskaffers en Personeel se data is, en was nog altyd, vir SSK krities belangrik en word deurentyd beskerm. Wesenlike besparings word steeds gerealiseer deur die funksionaliteit van die voorraadbestelprogram, met veral onnodige voorraadhouding en gevolglik drakoste wat hier noemenswaardig afgeneem het.

Van uiters moeilike omstandighede in 2020 was 2021 'n welkome verandering. SSK se finansiële en operasionele prestasie was merkwaardig en ons is nederig dankbaar vir die omstandighede wat dit moontlik gemaak het. Tot voordeel van beide Lede en die organisasie is die finansiële posisie verder uitgebou en verbeter. Die bydrae van SSK se filiale om die diversifikasie van SSK se oorhoofse besigheidsrisiko's te bewerkstellig, vorder uitstekend en word weerspieël in die uitstekende resultate by meeste van die Groepsentiteite.

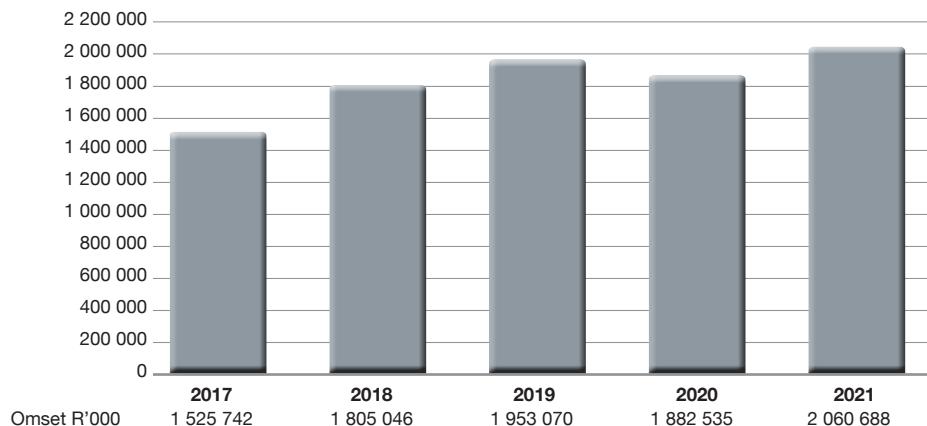


Die Direksie, Bestuur en Personeel het deur moeilike omstandighede (veral gegewe die nasionale inperking) deurlopend 'n positiewe ingesteldheid gehandhaaf en het gepoog om deurentyd hul fokus op die behoeftes van die Lede en kliënte te hou. Die motivering en ywer waarmee hul dagtake aangepak is, is 'n sprekende illustrasie van die lojale en toegewyde span wat SSK hul werktuiste maak. SSK se Lede, Direksie, Bestuur en Personeel het hard saamgewerk om hierdie resultate moontlik te maak onder uitdagende 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 die Lede en hul onderskeie boerderye en is dankbaar vir die ondersteuning wat SSK se Lede aan die organisasie bied. Alle eer aan ons Hemelse Vader vir die seënning wat onverdienstelik uit Sy hande ontvang is.

TOTALE OMSET

Die totale omset met Lede en klante het toegeneem vanaf R1 882 535 127 in die 2020 finansiële jaar tot R2 060 688 032 in die 2021 finansiële jaar – 'n toename van 9.46%. Die toename is verrassend, veral gegewe die impak van die inperking op die handelstoestande, veral in die eerste paar maande van die finansiële jaar. Die uitstekende natuurstoetstande het egter geleei tot 'n rekord-oes wat grootliks vir hierdie stygging verantwoordelik was. Die waarde van sake gedoen het met 8.89% gestyg vanaf R2 668 074 941 in 2020 tot R2 905 458 004 in 2021.

TOTALE OMSET



NETTO INKOMSTE / VERDELING VAN SURPLUS

Die Koöperasie se bedrywighede het 'n netto inkomste voor belasting vir die jaar van R93 593 226 (2020 – R51 952 138) tot gevolg gehad. Ingelus in hierdie syfers is 'n dividend van R28 000 000 van Tuinroete Agri vir beide finansiële jare.



Inkomstebelasting beloop R52 033 227 (2020 – R3 298 961) en die afname in die voorsiening vir uitgestelde belasting beloop R54 442 588 (2020 – R1250 038). Die netto inkomste na belasting maar voor bonusse beloop dus R116 636 998 (2020 – R63 403 139). Die surplus word soos volg verdeel:

Ledebonusse	R29 000 000
Kontant	R23 200 000
Uitgestel	R5 800 000
Reserwes	R87 636 998

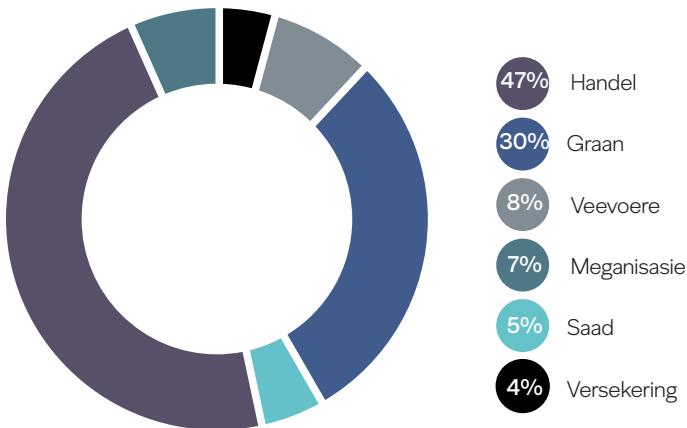
BEDRYFSREKENINGE

	2021				2020			
	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	16 432 578	11 005 543	67%	(7 065 289)	21 172 370	13 210 626	62%	(13 306 881)
Versekerings	14 052 358	14 052 286	100%	2 945 193	12 888 775	12 888 612	100%	2 903 598
Handel	1115 936 159	181 388 012	16%	33 179 804	12 419 14 870	18 165 9 487	15%	26 544 081
Meganisasie bemarking	158 021 909	7 847 271	5%	236 047	102 754 687	5 754 542	6%	(4 576 474)
Onderdele	40 075 797	6 165 728	15%	(347 312)	29 906 600	5 398 285	18%	(2 055 650)
Saad	92 361 173	17 407 824	19%	5 839 853	88 261 839	20 200 553	23%	8 325 734
Graan	450 414 290	113 397 296	25%	29 976 656	217 472 336	77 161 897	35%	5 712 489
Veevoere	174 518 262	32 500 922	19%	7 532 178	169 102 810	29 006 433	17%	5 620 990
Administrasie	(1124 494)	(838 247)	Nvt	44 339 868	(939 160)	(222 309)	Nvt	34 235 252
Netto wins na belasting voor Ledebonusse				116 636 998				63 403 139
Ledebonusse verklaar				(29 000 000)				(16 000 000)
Totaal	2 060 688 032	382 926 636	19%	87 636 998	1 882 535 127	345 058 127	18%	47 403 139



BRUTO WINS PER DOELSTELLING

Die verhouding van bruto wins per doelstelling tot die totale bruto wins voor Ledebonusse ten bedrae van R382 926 636 (2020 – R345 058 127) is soos volg:



TOTALE UITGAWES

Totale uitgawes (administratiewe- en bedryfsuitgawes) het in die jaar onder oorsig met 6.2% gestyg. Dit is in ooreenstemming met die begrote syfers en is grotendeels gedryf deur die verhoogde koste verbonden aan bestuursdienste, herstelwerk en onderhoud, water en elektrisiteit, slegte skuld, versekering, brandstof-droërs en verpakkingsmateriaal. Daar was afnames in advertensies, bedryfshure, reis en verblyf asook waardevermindering.

DEBITEURE

Oorlaatskuld het wesenlik afgeneem tot R291 776 903 (2020 – R486 659 571). Die afname kan toegeskryf word aan die gunstige natuurtoestande wat in die breër bedieningsgebied, maar veral die graanproduserende areas geheers het gedurende die periode. Daar is vanjaar debiteure ten bedrae van R37 281 349 (2020 – R1 278 321) as oninbaar afgeskryf. Slegs R30 188 hiervan is ten opsigte van handelsdebiteure, met die restant wat afkomstig is van die afskrywing van korttermynlenings aan Walts Malting asook die verwanteparty-debiteur van hierdie filiaal. Die totale bedrag van hierdie afskrywing is R37 251 161. Die totale voorsiening vir twyfelagtige skuld was op jaareinde R2 928 998 (2020 – R2 136 558). Die lae afskrywings van handelsdebiteure is noemenswaardig gegewe die omvang van die debiteureboek.



WAARDETOEVOEGING TOT BELANGHEBBENDES

	2021 R	2020 R
Omset	2 060 688 032	1 882 535 127
Netto kosprys van produkte en dienste	1 683 599 685	1 475 169 437
Waarde toegevoeg	377 088 347	407 365 690

Soos volg aangewend:

Werknemers	44.77	168 819 648	176 785 566	43.40
Lone/Salarisse	42.21	159 157 616	165 519 699	40.63
Aansporingsbonusse	2.87	15 819 032	12 505 867	3.07
Na-aftrede mediese koste	(0.31)	(1157 000)	(1240 000)	(0.30)
Kapitaalverskaffers	15.45	58 259 424	99 617 622	24.45
Rente	13.91	52 459 424	96 417 622	23.67
Bonusse uitbetaal	1.54	5 800 000	3 200 000	0.79
Toevoeging van bates	4.39	16 541 605	37 563 324	9.22
Waardevermindering	6.42	24 206 993	27 754 241	6.81
Herbelê in besigheid	29.61	111 670 038	61 095 939	15.00
Reserwes	23.46	88 470 038	48 295 939	11.86
Bonusse uitgestel	6.15	23 200 000	12 800 000	3.14
Inkomstebelasting	(0.64)	(2 409 361)	4 548 998	1.12
		377 088 347	407 365 690	

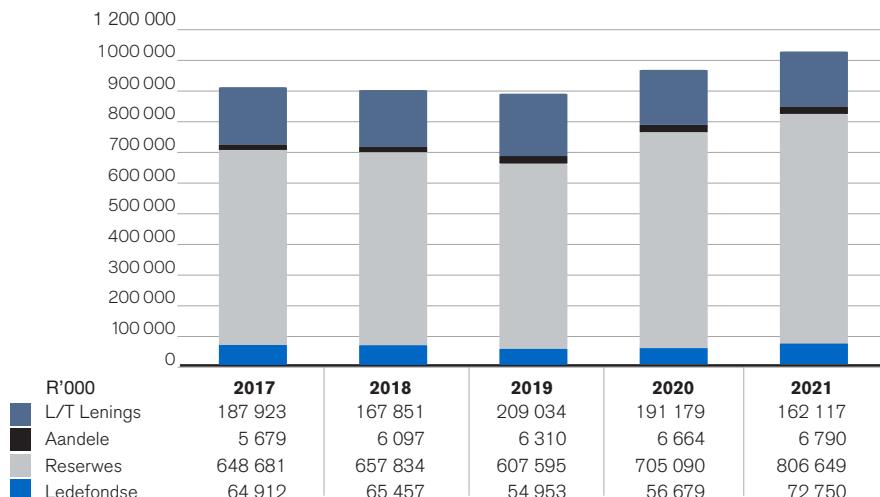


BELANGRIKE FINANSIELE VERHOUDINGS

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

	2021	2020
Netto winsgewendheid	4.25%	2.52%
Opbrengs op ekwiteit	9.89%	6.17%
Skuld : Ekwiteit	1.18	1.94
Rentedraende skuld : Ekwiteit	0.83	1.56
Bedryfskapitaal	1.43	1.26

KAPITAALBRONNE





FILIALE

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

	Omset	2021 Bruto wins/ (verlies)	Netto wins/ (verlies)
Blinkbeleg Vyftien (Edms) Bpk	–	–	–
Eureka Mills (Edms) Bpk	67 080 920	18 993 546	2 673 373
Hessequa Abattoir (Edms) Bpk	300 574 574	18 665 335	2 366 260
Procuro Grain (Edms) Bpk	10 987 053	10 429 716	1 014 249
Riparian Investments Consortium 1(Edms) Bpk	–	–	3 191 691
Sentraal-Suid Beleggings (Edms) Bpk	557 712	557 712	3 452 393
Softlutions (Edms) Bpk	4 036 535	4 036 535	(6 158 601)
Southern Oil (Edms) Bpk Groep	1947 880 859	361 494 890	78 358 098
Swellen Mark (Edms) Bpk	11 646 230	11 646 230	3 840 345
Technifarm (Edms) Bpk	15 029 633	6 001 428	2 083 565
Tuinroete Agri (Edms) Bpk	14 235 048	10 515 283	9 021 685
Walts Malting (Edms) Bpk	1 866 668	(1699 557)	25 510 149
	Omset	2020 Bruto wins/ (verlies)	Netto wins/ (verlies)
Blinkbeleg Vyftien (Edms) Bpk	127 971	127 971	(22 625)
Eureka Mills (Edms) Bpk	51 129 853	10 115 962	(1632 931)
Hessequa Abattoir (Edms) Bpk	272 221 711	15 460 010	571 835
Procuro Grain (Edms) Bpk	13 394 169	8 193 398	(1064 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	(2797 471)
Southern Oil (Edms) Bpk	1570 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	14 880 865	10 782 581	9 847 953
Walts Malting (Edms) Bpk	10 551 721	1 584 229	(5 266 786)



GRAAN

Graan aanplantings (hektare) in die 2020/2021 finansiële jaar was redelik normaal. Die toenemende moutgarsaanplantings ten koste van koringaanplantings was steeds aanwesig.

Reënvalverspreiding en 'n lang koue winter was baie gunstig vir graanproduksie in die hele SSK-graanproduksiegebied en dit het uitstekende opbrengste tot gevolg gehad. Alhoewel die aanvang van die produksiejaar nie besonder gunstig was nie, het toestande in die laaste paar maande van oestyd net beter en beter geword en die oesverwagtinge daarmee saam net groter en groter. In baie gevalle was die resultaat die beste opbrengs nog en as sulks by verre die meeste graan wat SSK nog in een seisoen hanteer het. Dit was die grootste hoeveelheid gars asook die grootste hoeveelheid kanola wat SSK nog van een oes ontvang het.

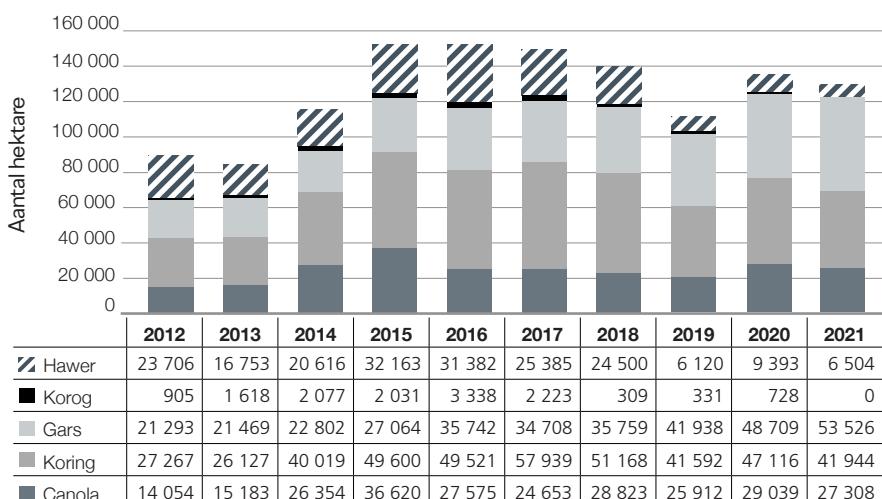
Reën net voor en tydens oestyd het ongelukkig veroorsaak dat 'n relatiewe groot volume gars as gevolg van 'gebarste pitte' van mout- na voergraad afgekeur moes word. Dit het grootliks daar toe bygedra dat 67 747 ton van die gelewerde 159 014 ton gars, voergraad was.

Uitgelooste pitte was ook 'n probleem in koring in seker streke en dit het gradering vir individuele produente negatief beïnvloed.

HEKTARE GEPLANT

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

HEKTARE GEPLANT

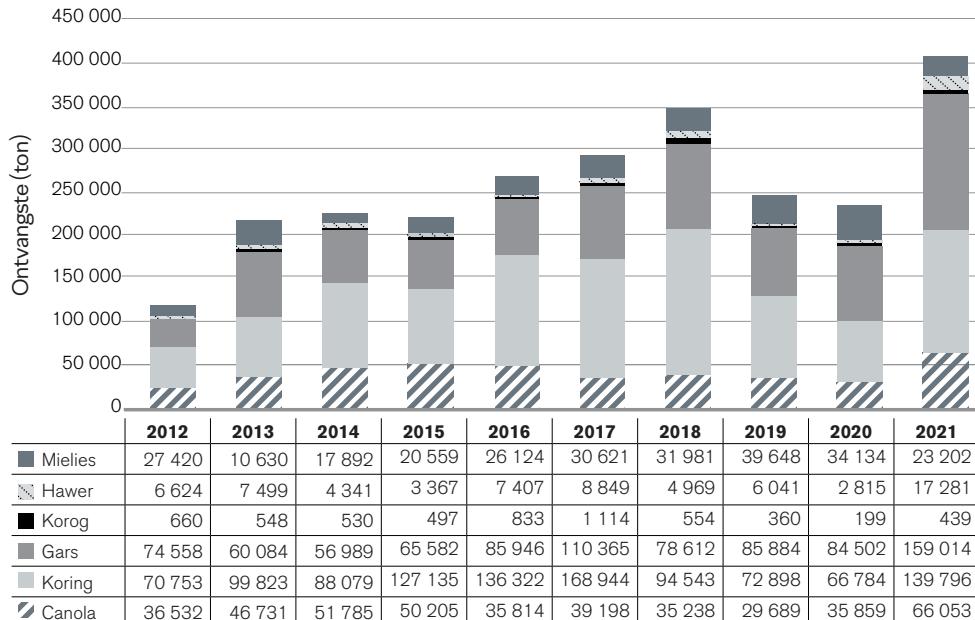




GRAANONTVANGSTE

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

GRAANONTVANGSTE



Graanlewering was van so 'n omvang dat al SSK se opbergingsfasiliteite oorbenut was en al die silo's het meer as hul beskikbare kapasiteit ingeneem. By Protea, Ashton, Swellendam, Karrigmelksrivier en Kleinberg is van silosakke gebruik gemaak om die ooraanbod te hanteer en heelwat graan is tussen SSK-silo's en na kopers verskuif om sover moontlik druk te verlig. Die aanbod het die kapasiteit egter in so 'n mate oorskry dat innimetempo by die meeste lokaliteite en vir die grootste deel van die oestyd onder groot druk was.

SAAD

SSK se saadverkope toon steeds 'n toenemende tendens. Baie kompeteterende pryse, beskikbaarheid van kultivars en goeie kwaliteit verseker ondersteuning van kliënte oor 'n wye front.



TOEKOMSBLIK

Die voetspore van SSK strek nou al reeds 90 jaar terug. Die afgelope 90 jaar is hoekstene gevvestig en mylpale bereik. SSK was reeds in 1931 en is vandag steeds 'n verlengstuk van die boer en meeste van die organisasie se suksesse kan direk daaraan toegeeskryf word.

Agbiz en die NOK se vertrouensindeks vir landbou vir die tweede kwartaal is die hoogste sedert 2001. Die verbetering in vertroue moet gesien word in die lig van kommoditeitspryse wat plaaslik en internasionaal relatief hoë vlakke handhaaf, grootliks danksy die groeiende vraag uit China. Wat SSK en sy lede direk raak is dat graan- en oliesadepryse 'n sterk toename toon. Pryse het gevvolglik met 54% toege- neem op 'n jaar tot jaar grondslag en is op die hoogste prysvlakke sedert 2013. Die daling in graanvoorraade wêreldwyd voorspel dat hierdie prysvlakke vir 2021 gehandhaaf kan word. Die markvooruistigte vir graan en oliesade is die beste in 'n lang tyd. 'n Bekommernis is egter die hoër insetkoste vanveral kunsmis en chemie. Ander stygings in insetkoste wat boere in die nuwe produksieseisoen in ag moet neem is die styging van sowat 16% in minimum lone.

Hoë pryse vir Suid-Afrika se vernaamste uitvoerprodukte lei in die algemeen tot 'n oorskot op die Regering se handelsbalans. Vooruitsigte vir die ekonomiese herstel in die land lyk heelwat beter as 'n jaar gelede toe die pandemie die ekonomie feitlik tot stilstand gedwing het. Alles duï daarop dat sakevertroue in die Landbou in die komende maande verder sal versterk.

SSK is, en sal altyd getrou aan sy missie bly, naamlik om met behoud van stabiliteit die welvaart en voortbestaan van die organisasie en sy lede deur groei en diversifikasie te bevorder. Generasies het deur die jare die SSK tradisies ge-anker en dit oorgedra aan die volgende generasie en sal sekerlik ook aan die generasies wat volg.

SSK se Direksie en Bestuur erken met groot nederigheid ons afhanklikheid teenoor ons Hemelse Vader vir 90 jaar en ook wat die toekoms betref. SSK sien uit na die volgende dekade van **Werk saam, wen saam**. Sonder u as lid en belanghebbende sal ons dit nie kan doen nie; daarom stap ons die pad saam met u, die toekoms in.

SENTRAAL-SUID CO-OPERATIVE LTD AND ITS SUBSIDIARIES

FINANCIAL MANAGEMENT REVIEW 2021



BACKGROUND

The year under review will forever be branded in our collective memory as the pandemic year. COVID-19 literally forced the world to a standstill. At the peak of the international lockdown, nearly 18 000 of the estimated 24 000 commercial aircraft in the world were temporarily grounded. International travel, shipping of goods delivery of services were stopped in the blink of an eye. Workers all around the world, other than those working in essential services and sectors, were sent home. A virtual work environment was created almost overnight – the impact of which is still an ongoing learning process. Many people lost their ability to generate income overnight, and certain sectors, especially tourism and hospitality (restaurants, accommodation and entertainment), had not even started to show signs of recovery at the time of writing. However, the global drive for vaccinations is now well under way, with China already completing 1 billion vaccinations. First-world countries have already progressed well with their vaccination programmes, although widespread opposition to vaccinations is being experienced, especially in the USA. The USA, led by newly elected President Joe Biden, is currently trying to get the world's largest economy back on track, but outbreaks are still occurring. This is seemingly the case in most countries, even those with high vaccinations levels. While some sectors of the economy had been hit hard, others have experienced good trading conditions and growth. Online services and product providers, as well as both hard and soft commodities, have benefited here.

The Rand has recovered surprisingly well from the lows experienced at the beginning of the pandemic, and at present (end of June 2021) had already dropped to R14.36/\$1 from very strong levels (up to R13.42 / \$1) experienced in June 2021. The low interest rate environment (with the prime lending rate staying unchanged at 7% for most of the year) helped stimulate the economy, especially in terms of house prices, showing promising signs of recovery. Politically, South Africa is on thin ice, with the Zondo Commission's hearings revealing additional corruption and state capture on a daily basis. Unfortunately, it seems that the political will to drive the prosecution of the perpetrators is lacking. Continuous load shedding (even considering the lower industrial outputs) is further frustrating a struggling economy. Maladministration, corruption, lack of expertise and leadership challenges are being experienced at almost all government institutions, with the Land Bank's liquidity crisis placing great systemic risk on the local agricultural sector, and will do so for the foreseeable future.

The South African agricultural sector has largely experienced a successful year, with commodity prices (especially grains) soaring. There has been no significant progress in the proposed amendment to the Constitution to provide for the expropriation of land without compensation. The implementation of this, and the wording of this amendment, have still not been agreed upon. As a result of this uncertainty, farmers and other businesses in the agricultural value chain are reluctant to make large-scale capital investments.

SSK's service area experienced a year of favourable weather conditions, with well-distributed rainfall, temperatures and even wind, experienced in the correct proportions at the correct times. Even though low rainfall figures were experienced, the timing thereof was perfect. As a result, dam levels are still under



pressure and livestock farmers have not yet been able to experience the full impact of the good harvests and conditions, but will certainly do so in the new year with significantly lower feed costs. The new planting season has now ended and widespread rain occurred in the middle and end of May in the greater Southern Cape, although in some areas (Gourits River Mouth, Napkysmond, Malgas, Riversonderend, Caledon, Greyton, etc.) it led to large-scale floods. In many cases crops had to be replanted and almost every grain farmer has had parts of camps, especially in the low-lying areas, that could not be planted. Notwithstanding this, germination has been excellent and although the temperature was quite warm in June, little damage to the grain was reported.

Prospects currently indicate stable, high local wheat and canola prices given the consistent international demand. The demand for malting barley does seem to have decreased, and significantly less malting barley was planted in the 2021 calendar year, compared to 2020. The impact of the alcohol ban during the national lockdown has dealt a large blow to ABInBev's barley consumption. There has also been a sluggish recovery in demand for beer products since the lifting of the alcohol ban. Prospects for some of the other agricultural sectors are as follows:

- The dairy industry's prospects are looking up, with higher milk prices and the impact of higher silage levels and better grazing (due to the favourable natural conditions that prevailed and are still prevailing) that are now materialising. High feed prices will, however, continue to limit growth. Also, irrigation farms that have historically been operated as dairy farms are being converted to fruit farms on a significant scale.
- The fruit and wine industries had experienced good harvests, with lack of availability of shipping containers and ships hampering the fruit industry, and the alcohol ban wreaking havoc in the wine industry. International fruit prices remained stable, but the strengthening of the exchange rate is a cause for concern for many fruit farmers. However, the price of wine grapes continues to show promising improvement and the growth in online wine sales seems to support the demand for wine.
- The ostrich industry has had a very difficult year, with the demand for feathers and leather almost coming to a standstill. Although meat prices are stable, the prospects for leather, but especially feathers, remain uncertain.
- Meat prices remained strong, with mutton experiencing a good increase after year-end. The outlook indicates a low supply of meat, with consequential good prices, as herds are being re-stocked in areas, especially in the northern and eastern Northern Cape.
- The wool and mohair industry is showing signs of recovery and can natural fibre hopefully continue to increase its appeal to consumers. Foot-and-mouth disease is being successfully controlled so far, but the risk of a halt to exports remains ever-present.
- The vegetable industry has also experienced a period of steady prices for most cash crops, with some crops with a proven health application (for example ginger and garlic) experiencing unprecedented demand, and possibly still will, as the pandemic continues.



SSK has experienced an excellent financial year with record grain intakes, value of business done, turnover, net profit and Member bonuses being realised. Given the good grain harvests, as well as the favourable prices for these commodities, carry-over debt decreased significantly. Bad debts (excluding those written off in respect of Walts Malting) are still exceptionally low and are attributable to responsible and compassionate credit management. Dynamic plans are continuously being sought to meet each of the Members' unique financing needs and the co-operation received from most commercial banks is commendable.

The sale of SSK's Pioneer Foods Group shares took place at the beginning of the financial year and the strategy for the utilisation of these funds is already being implemented. SSK's interest in Quantum Foods was also sold shortly thereafter, as favourable prices could be realised. SSK also experienced a record year at Group level, with SOILL once again making a significant contribution to this. All subsidiaries realised net profits, with the exception of Softlutions (which is currently pursuing an expansion strategy) and Walts Malting (which, due to the alcohol ban and unfavourable trading conditions, ceased operations). SSK's financial position is very sound and the financial performance excellent under difficult and competitive conditions. Adequate funding for SSK and its Members' operations could once again be obtained with ease.

The operating divisions produced excellent results. The Grain, Seed, Insurance, Feed Manufacturers and Trade divisions were all profitable, with only the Mechanisation division making a net loss. However, it is encouraging that Mechanisation's net loss decreased by R12.7m following the restructuring at the end of the 2020 financial year.

Membership numbers remained almost unchanged even though SSK welcomed many new Members. In the year under review, SSK began encouraging non-active Members to resign, given that no mutual benefit is being enjoyed from membership. SSK's black shareholding has already grown significantly (albeit from a low base), with more than 6% of the Members coming from previously disadvantaged groups.

On a technological level SSK is now reaping the benefits of a well-thought-out long-term information and technology strategy. The accounting and operating software is functioning excellently and is user-friendly. The data made available to Members and business partners is simple, customisable and easily accessible. SSK also has a good balance of internal knowledge and experience, as well as expert external service providers. The network, telephone system, e-mail system, access control as well as server infrastructure are world class and are constantly being further improved and renewed. SSK is already well positioned to address the impact of POPI legislation on the organisation. The Members', customers', suppliers' and Staff's data is, and always has been, critically important to SSK and is well protected. Significant savings are continuously being realised through the functionality of the stock ordering programme, with unnecessary inventory holding and consequential carrying costs that have decreased significantly.



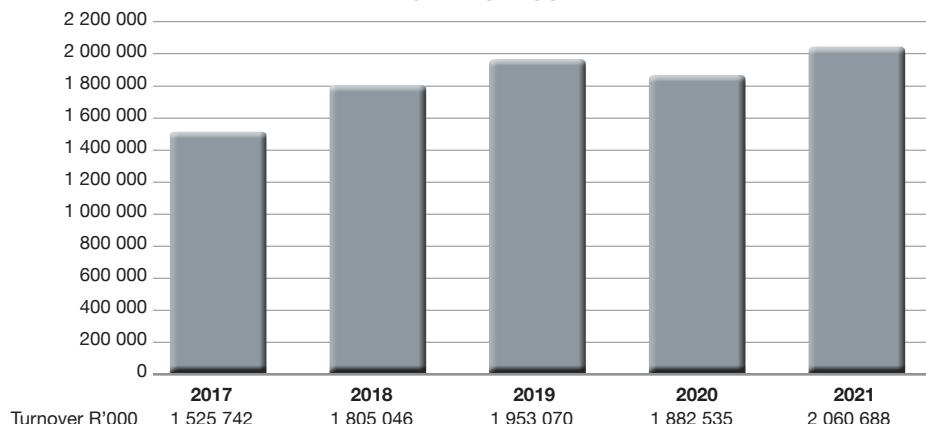
From extremely difficult circumstances in the 2020 financial year, 2021 was a welcome change. SSK's financial and operational performance was remarkable and we are humbly grateful for the circumstances that made this possible. For the benefit of both Members and the organisation, the financial position has been further expanded and improved. The contribution of SSK's subsidiaries to bring about the diversification of SSK's overall business risks is progressing well and is reflected in the excellent results of most of the Group entities.

The Board of Directors, Management and Staff have consistently maintained a positive attitude throughout difficult circumstances (especially given the national lockdown) and have strived to keep their focus on the needs of the Members and customers at all times. The motivation and zeal with which their daily tasks were undertaken is a telling illustration of the loyal and dedicated team that makes SSK their workplace. SSK's Members, Board, Management and Staff have worked hard to make these results possible under challenging circumstances and we would like to thank everyone for their contribution to this. **Work together, win together!** SSK's Board, Management and Staff remain committed to the support of the Members and their respective farming operations and are grateful for the support that SSK's Members provide to the organisation. All glory to our Heavenly Father for the blessings so undeservedly received from His hands.

TOTAL TURNOVER

The total turnover with Members and customers increased from R1 882 535 127 in the 2020 financial year to R2 060 688 032 in the 2021 financial year. This represents an increase of approximately 9.46%. The increase is surprising, especially considering the impact of the lockdown on the business environment, particularly in the first couple of months of the financial year. The exceptional climatic conditions experienced, however, led to a record grain harvest, which was largely responsible for the increased turnovers experienced. The value of business conducted increased by 8.89% from R2 668 074 941 in 2020 to R2 905 458 004 in 2021.

TOTAL TURNOVER





NET INCOME / APPROPRIATION OF SURPLUS

The Co-operative's operations resulted in a net income before tax for the year of R93 593 226 (2020 – R51 952 138). Included in this figure is a dividend of R28 000 000 from Tuinroete Agri in both of the financial years.

Income tax amounted to R52 033 227 (2020 – R3 298 961) and the increase in deferred tax provision amounted to R54 442 588 (2020 – R1250 038). The net income after tax, but before Member bonuses, amounted to R116 636 998 (2020 – R63 403 139). The surplus was allocated as follows:

Member bonuses	R29 000 000
Cash	R23 200 000
Deferred	R5 800 000
Reserves	R87 636 998

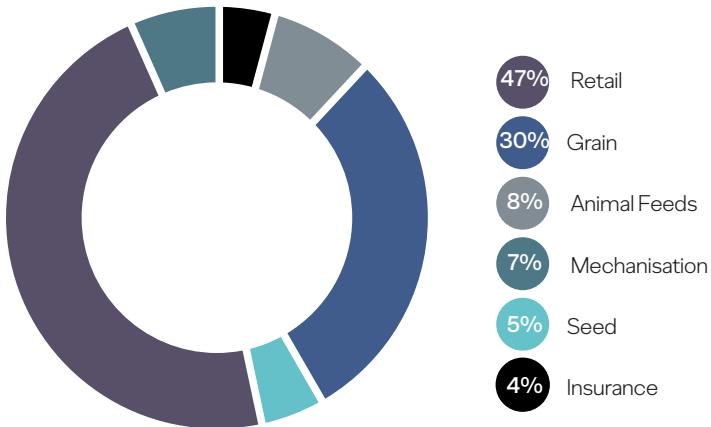
OPERATIONAL ACCOUNTS

	2021				2020			
	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	16 432 578	11 005 543	67%	(7 065 289)	21 172 370	13 210 626	62%	(13 306 881)
Insurance	14 052 358	14 052 286	100%	2 945 193	12 888 775	12 888 612	100%	2 903 598
Retail	1115 936 159	181 388 012	16%	33 179 804	12 419 14 870	18 165 9487	15%	26 544 081
Mechanisation Marketing	158 021 909	7 847 271	5%	236 047	102 754 687	5 754 542	6%	(4 576 474)
Spares	40 075 797	6 165 728	15%	(347 312)	29 906 600	5 398 285	18%	(2 055 650)
Seed	92 361 173	17 407 824	19%	5 839 853	88 261 839	20 200 553	23%	8 325 734
Grain	450 414 290	113 397 296	25%	29 976 656	217 472 336	77 161 897	35%	5 712 489
Animal Feeds	174 518 262	32 500 922	19%	7 532 178	169 102 810	29 006 433	17%	5 620 990
Administration	(1124 494)	(838 247)	N/a	44 339 868	(939 160)	(222 309)	N/a	34 235 252
Net profit after tax before Member bonuses				116 636 998				63 403 139
Member bon- uses declared				(29 000 000)				(16 000 000)
Net profit	2 060 688 032	382 926 636	19%	87 636 998	1 882 535 127	345 058 127	18%	47 403 139



GROSS PROFIT PER DIVISION

The ratio of gross profit per division to the total gross profit before Member bonuses in the amount of R382 926 636 (2020 – R345 058 127) was as follows:



TOTAL EXPENDITURE

Total expenditure (administrative and operational) has increased by 6.2% during the year under review. This is in line with budgeted figures, with the majority of the increases originating from the increased cost in management services, repairs and maintenance, water and electricity, bad debts, insurance, fuel-dryers and packaging material. Simultaneously a decrease was experienced in the costs associated with advertisements, operating leases, travel and accommodation and depreciation.

DEBTORS

Carry-over debt decreased significantly to R291 776 903 (2020 – R486 659 571). The decrease can be attributed to the favourable climatic conditions experienced throughout the greater service area during the year under review, especially in the grain producing areas. Debtors amounting to R37 281 349 (2020 – R1 278 321) have been written off as irrecoverable. Only R30 188 of this is in respect of trade receivables, with the remainder originating from the write-off of short-term loans to Walts Malting as well as the related party debtor of this subsidiary. The total amount of this write-off is R37 251 161. The total provision for doubtful debts was R2 928 998 (2020 – R2 136 558) at year end. The immaterial amount of trade receivables written off is significant given the size of the debtors' book.



VALUE ADDED TO STAKEHOLDERS

	2021 R	2020 R
Turnover	2 060 688 032	1882 535 127
Net cost price of products and services	1 683 599 685	1475 169 437
Value added	377 088 347	407 365 690

Utilised as follows:

Employees	44.77	168 819 648	176 785 566	43.40
Wages/Salaries	42.21	159 157 616	165 519 699	40.63
Incentive bonuses	2.87	15 819 032	12 505 867	3.07
Post-retirement medical cost	(0.31)	(1157 000)	(1240 000)	(0.30)
Capital providers	15.45	58 259 424	99 617 622	24.45
Interest	13.91	52 459 424	96 417 622	23.67
Bonuses paid out	1.54	5 800 000	3 200 000	0.79
Addition of assets	4.39	16 541 605	37 563 324	9.22
Depreciation	6.42	24 206 993	27 754 241	6.81
Re-invest in business	29.61	111 670 038	61 095 939	15.00
Reserves	23.46	88 470 038	48 295 939	11.86
Deferred bonuses	6.15	23 200 000	12 800 000	3.14
Income tax	(0.64)	(2 409 361)	4 548 998	1.12
		377 088 347	407 365 690	



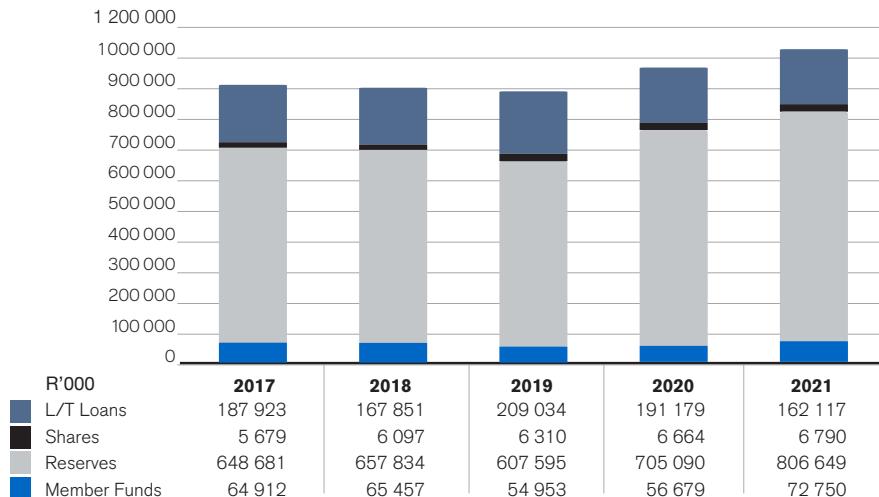
IMPORTANT FINANCIAL RATIOS

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

	2021	2020
Net profitability	4.25%	2.52%
Return on equity	9.89%	6.17%
Debt:Equity	1.18	1.94
Interest-bearing debt:Equity	0.83	1.56
Current ratio	1.43	1.26

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	2021 Gross profit/ (loss)	Net profit/ (loss)
Blinkbeleg Vyftien (Pty) Ltd	–	–	–
Eureka Mills (Pty) Ltd	67 080 920	18 993 546	2 673 373
Hessequa Abattoir (Pty) Ltd	300 574 574	18 665 335	2 366 260
Procuro Grain (Pty) Ltd	10 987 053	10 429 716	1 014 249
Riparian Investments Consortium 1 (Pty) Ltd	–	–	3 191 691
Sentraal-Suid Beleggings (Pty) Ltd	557 712	557 712	3 452 393
Softlutions (Pty) Ltd	4 036 535	4 036 535	(6 158 601)
Southern Oil (Pty) Ltd Group	1947 880 859	361 494 890	78 358 098
Swellen Mark (Pty) Ltd	11 646 230	11 646 230	3 840 345
Technifarm (Pty) Ltd	15 029 633	6 001 428	2 083 565
Tuinroete Agri (Pty) Ltd	14 235 048	10 515 283	9 021 685
Walts Malting (Pty) Ltd	1 866 668	(1699 557)	25 510 149
	Turnover	2020 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	(1632 931)
Hessequa Abattoir (Pty) Ltd	272 221 711	15 460 010	571 835
Procuro Grain (Pty) Ltd	13 394 169	8 193 398	(1064 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	1570 715 312	301 632 129	67 760 249
Swellen 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	14 880 865	10 782 581	9 847 953
Walts Malting (Pty) Ltd	10 551 721	1 584 229	(5 266 786)



GRAIN

Grain plantings (hectares) in the 2020/2021 financial year were in line with long-term averages. The trend of increased malting barley plantings at the expense of wheat plantings continued.

Rainfall distribution and a long cold winter were very favourable for grain production in the entire SSK grain production area and this resulted in excellent yields. Although the start of the production year was not particularly favourable, conditions in the last few months preceding harvest time became increasingly favourable and accordingly the harvest expectations also. In many cases the result was the best ever yet realised and as such resulted in by far the most grain that SSK has ever handled in one season. This was the largest amount of barley as well as canola that SSK has ever received from one crop.

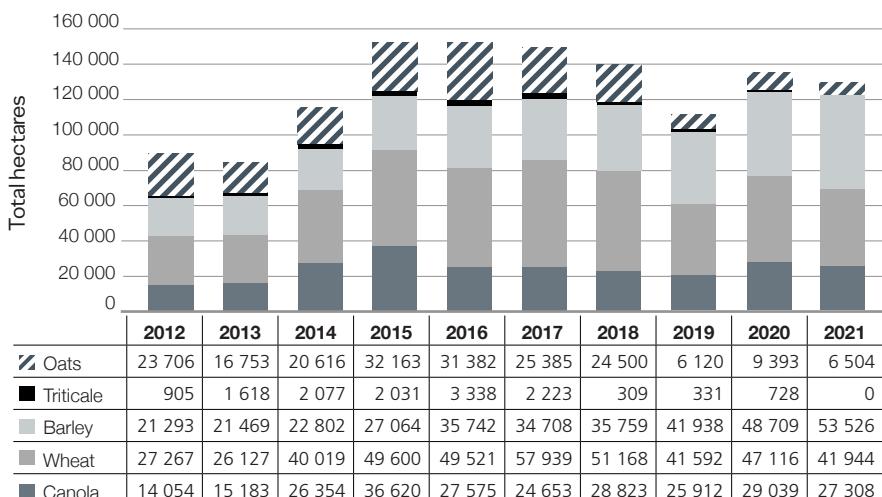
Rain just before and during harvest time unfortunately caused a relatively large volume of barley to be rejected from malt to feed grade due to 'cracked kernels'. This greatly contributed to the fact that 67 747 tons of the delivered 159 014 tons of barley were graded as feed grade.

Sprouted kernels were also a problem in wheat in certain regions and negatively affected grading for individual producers.

HECTARES PLANTED

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

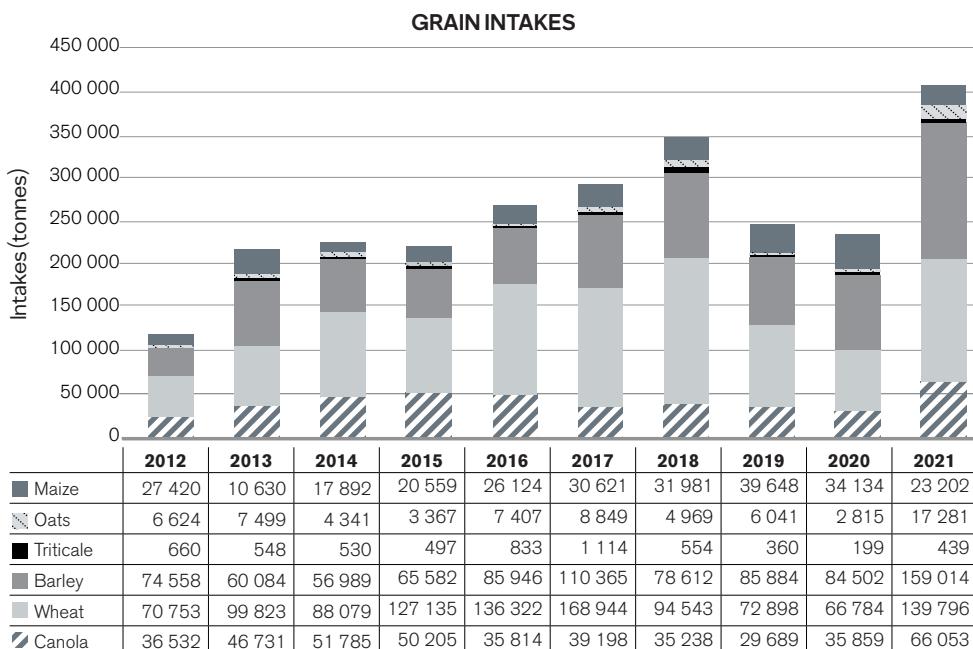
HECTARES PLANTED





GRAIN INTAKES

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



Grain deliveries were of such a magnitude that all SSK's storage facilities were overutilised and all the silos took in more than their available capacity. At the Protea, Ashton, Swellendam, Karrigmelksrivier and Kleinberg silo complexes silo bags were used to handle the oversupply and a large amount of grain was moved between SSK silos and to buyers to relieve pressure as much as possible. However, the supply exceeded the capacity to such an extent that intake rates at most localities and for most of the harvest season were under great pressure.

SEED

SSK's seed sales are still showing an increasing trend. Very competitive prices, availability of cultivars and good quality ensured support from customers both within and outside SSK's geographical service area.



FUTURE VIEW

The footprints of SSK have been around for 90 years now. For the past 90 years cornerstones have been established and milestones reached. In 1931 SSK was, and today still is an extension of the farmer and most of the organisation's successes can be directly attributed to this.

Agbiz and the IDC's confidence index for agriculture for the second quarter of 2021 is the highest since 2001. The improvement in confidence should be seen in the light of commodity prices that maintain relatively high levels locally and internationally, largely due to growing demand from China. What directly affects SSK and its Members is that grain and oil seed prices have shown a strong increase. As a result, prices increased by 54% year-on-year and are at the highest price levels since 2013. The drop in grain stocks worldwide predicts that these price levels could possibly be maintained for 2021. The market prospects for grain and oil seeds are the most favourable in a long time. A concern, however, is the higher input costs of fertilisers and chemicals in particular. Other increases in input costs that farmers have to take into account in the new production season include the increase of about 16% in minimum wages.

High prices for South Africa's main export products generally lead to a surplus on the Government's trade balance. Prospects for the economic recovery in the country look much better than a year ago when the pandemic virtually forced the economy to a standstill. All indications are that business confidence in agriculture will further strengthen in the coming months.

SSK is, and will always remain true to its mission, namely to promote the prosperity and survival of the organisation and its Members through growth and diversification while maintaining stability. Generations have anchored the SSK traditions and passed them on to the next generation and will surely pass them on to generations to come.

SSK's Board of Directors and Management humbly acknowledge our dependence on our Heavenly Father for 90 successful years and also in the future. SSK is looking forward to the next decade of **Work together, win together**. Without you as a Member and Stakeholder we will not be able to do this; therefore we walk the path with you, into the future.



SSK het 'n wesenlike belang in die volgende entiteite:

SSK has a material interest in the following entities:

