

UITNODIGING

U word hartlik uitgenooi na die Algemene Jaarvergadering van SSK te Heidelberg op Vrydag 23 Junie 2006 om 10h30 in die stadsaal. Ligte verversings sal vanaf 10h00 bedien word. U word genooi om na afloop van die vergadering saam met ons middagete te nuttig.

INVITATION

You are cordially invited to the Annual General Meeting of SSK at Heidelberg to be held on Friday 23 June 2006 at 10h30 in the Town Hall. Light refreshments will be served from 10h00. You are invited to join us for lunch after the meeting.

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ALGEMENE JAARVERGADERING KENNISGEWING AAN LEDE ANNUAL GENERAL MEETING NOTICE TO MEMBERS

Kennis geskied hiermee dat die Algemene Jaarvergadering van SSK op Vrydag 23 Junie 2006 om 10h30 in die Stadsaal, Heidelberg gehou word.

Notice is hereby given that the Annual General Meeting of SSK will be held on Friday 23 June 2006 at 10h30 in the Town Hall, Heidelberg.

SAKELYS / AGENDA

- 1 Opening
- 2 Verwelkoming deur Voorsitter / Welcome by Chairperson
- 3 Konstituering / Constitution
- 4 Roubeklag / Motion of Condolence
- 5 Goedkeuring van Notules van die Algemene Jaarvergadering 2005
Approval of the Minutes of the Annual General Meeting 2005
- 6 Behandeling en goedkeuring van Finansiële State
Consideration and adoption of Financial Statements
- 7 Aanstelling van Ouditeure / Appointment of Auditors
- 8 Verkiesing van Direkteure / Election of Directors
- 9 Bespreking van Algemene Sake / Discussion of General Matters
- 10 Spesiale Besluit / Special Resolution
 - 10.1 Lenings / Loans
 - 10.1.1 Kaskredietlenings / Credit cash loans
 - 10.1.2 Lening vir kapitale uitgawes / Loan for capital expenditure



D F JORDAAN
Sekretaris / Secretary



KOÖPERASIEBESONDERHEDE / DETAILS OF THE CO-OPERATIVE

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

J A Baard
J N de Kock
M C Dippenaar
W P Jacobs
P Z Lourens
H J Steyn
P S Uys
S L Uys
A du T Streicher

Hoofbestuur / Management

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

Sekretaris / Secretary

D F Jordaan

Geregistreeerde adres / Registered Address

Voortrekstraat 34 / 34 Voortrek Street
Swellendam
6740

Posadres / Postal Address

Posbus 12 / P.O. Box 12
Swellendam
6740

Ouditeure / Auditors

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

Bankiers / Bankers

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



SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 28 Februarie 2006

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

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

Die Direksie en sy komitees

Die direksie is verantwoordelik vir oorhoofse bestuur en effektiewe beheer van die Groep. Die direksie bestaan uit elf direkteure wat almal nie-uitvoerende direkteure is en as wesenlik onafhanklik beskou kan word. Die direksie vergader gereeld om strategiese beplanning te doen, doelwitte te bepaal en te monitor, uitbreidings en wesenlike verkryging of oprigting van bates te magtig, sowel as om finansiële resultate, korporatiewe beeld, personeelaangeleenthede en algemene landbou- en bedryfsrisiko's te bespreek. Die komitees funksioneer aan die hand van duidelik omskrewe mandate wat hulle pligte, bevoegdhede en verantwoordelikhede uiteensit. Die rolle van die Voorsitter en die Hoof Uitvoerende Beampste word nie deur dieselfde persoon vervul nie. Die direkteure dien op verskeie direksiekomitees en direksies van filiale wat tot soveel as vier keer per jaar vergader en aan die volle direksie verslag doen.

Daar is ses komitees ten opsigte van die sake-aktiwiteite van die koöperasie te wete die swart ekonomiese bemagtingskomitee, dagbestuurkomitee, ouditkomitee, boukomitee, veevoerkomitee, bewaringsboerdery- en meganisasiekomitee. Die voorsitter van die direksie het sitting op alle komitees. Vier ander direkteure dien op elk van hierdie komitees. Herbenewens is daar 'n finansieringskomitee waarop bestuurslede dien wat toesien tot die uitvoering van die kredietbeleid.

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

Ouditkomitee

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

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

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

Dagbestuur

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

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 28 Februarie 2006

Finansieringskomitee

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

Interne beheer

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

Die onlangse afsterwe van die hoof van inligtingstegnologie het 'n mate van ontwrigting meegebring wat herstel is met verskerpte alternatiewe kontroles. Daarbenewens het niks onder die direksie se aandag gekom wat daarop dui dat daar 'n wesenlike verswakking in die funksionering van hierdie beheermaatreëls, prosedures en stelsels gedurende die finansiële jaar was nie.

Bestuursverslagdoening en etiek

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

Gelyke indiensneming

Personeel

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

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

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

Geïdentifiseerde personeel word op versnelde leerderprogramme geplaas.

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

Vaardigheidsontwikkeling

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

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

Die koöperasie het toegang tot die AgriSETA.

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale KORPORATIEWE BESTUURSVERSLAG vir die jaar geëindig 28 Februarie 2006

Gemeenskap

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

Die koöperasie het op vele gebiede by gemeenskapsprojekte betrokke geraak.

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

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

Vergoedingsfilosofie

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

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE MANAGEMENT REPORT for the year ended 28 February 2006

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

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

The board of directors and its committees

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

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

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

Audit committee

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

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

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

Management committee

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

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE MANAGEMENT REPORT for the year ended 28 February 2006

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

Finance committee

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

Internal control

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

The recent demise of the head of information technology resulted in some disruption, that was restored with intensified alternative controls. Apart from that nothing came to the attention of the board to indicate that there was any material weakening in the functioning of these controls, procedures and systems during the financial year.

Management reporting and ethics

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

Employment equity

Personnel

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

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

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

Identified personnel are placed on accelerated learner programmes.

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

Skills development

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

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

The co-operative has access to the AgriSETA.

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries CORPORATE MANAGEMENT REPORT for the year ended 28 February 2006

Community

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

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

Black Economic Empowerment projects also proposes to support upcoming farmers.

Personnel are encouraged and allowed to belong to operational and community organisations and to actively participate in projects that serve the broader interest.

Remuneration philosophy

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

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

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

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

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

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

PricewaterhouseCoopers Ing se ouditeursverslag word aangebied op bladsy 5.

Die finansiële state soos uiteengesit op bladsye 5 tot 32 is deur die direkteure goedgekeur:



N Loubser
Voorsitter

D H van Papendorp
Ondervoorsitter

18 Mei 2006



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

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

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

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

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

The audit report of PricewaterhouseCoopers Incorporated is presented on page 5.

The financial statements as presented on pages 5 to 32 have been approved by the board of directors.

N Loubser
Chairperson



D H van Papendorp
Vice Chairperson



18 May 2006

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

Ons het die finansiële jaarstate van Sentraal-Suid Koöperasie Beperk en die Groep, soos uiteengesit op bladsye 14 tot 51, vir die jaar geëindig 28 Februarie 2006 geaudit. Hierdie finansiële state is die verantwoordelikheid van die koöperasie se direkteure. Dit is ons verantwoordelikheid om op grond van ons audit 'n mening oor hierdie finansiële state uit te spreek.

Ons het ons audit ooreenkomstig 'International Standards on Auditing' uitgevoer. Hierdie standaard vereis dat ons die audit beplan en uitvoer om redelike gerusstelling te verkry dat die finansiële state vry is van wesenlike wanvoorstelling. 'n Audit sluit 'n ondersoek, op 'n toetsgrondslag, van bewyse wat die bedrae en openbaarmakings in die finansiële state steun, in. 'n Audit sluit ook 'n beoordeling van die rekeningkundige beginsels wat gebruik is en beduidende ramings wat deur bestuur gemaak is in, asook 'n evaluering van die algehele van die algehele aanbieding van die finansiële state. Ons glo dat ons audit 'n redelike grondslag vir ons mening bied.

Na ons mening is die finansiële state in alle wesenlike opsigte 'n redelike voorstelling van die finansiële stand van die koöperasie en die Groep op 28 Februarie 2006, en van die resultate van hulle bedrywighede en kontantvloeie vir die jaar wat op daardie datum geëindig het, ooreenkomstig Suid-Afrikaanse Standpunte van Algemeen Aanvaarde Rekeningkundige Praktijk en op die wyse wat die Koöperasiewet in Suid-Afrika vereis.

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

Die aanvullende bylaes wat op bladsye 42 tot 48 uiteengesit word, vorm nie deel van die finansiële jaarstate nie, en word as bykomende inligting aangebied. Ons het hierdie bylaes nie geaudit nie en spreek derhalwe nie 'n mening oor hierdie bylaes uit nie.

PricewaterhouseCoopers Ing.

PricewaterhouseCoopers Ing
Geoktrooieerde Rekenmeesters (SA)
Geregistreeerde Rekenmeesters en Ouditeure

Worcester
2 Junie 2006



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

We have audited the annual financial statements and Group annual financial statements of Sentraal-Suid Co-operative Limited set out on pages 17 to 63 for the year ended 28 February 2006. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements present fairly, in all material respects, the financial position of the company and of the Group at 28 February 2006, and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Co-operative Act of South Africa.

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

The supplementary schedules set out on pages 42 to 48 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors

Worcester
2 June 2006



SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale DIREKTEURSVERSLAG vir die jaar geëindig 28 Februarie 2006

Die direkteure se jaarverslag, wat deel vorm van die geouditeerde finansiële state van die koöperasie ("SSK") vir die jaar geëindig 28 Februarie 2006, word hieronder aangebied.

1 Aard van besigheid

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

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

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

2 Lede

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

Die ledetal het as volg gewissel:

Ledetal aan begin van jaar		752
Min Afgestorwe lede	7	
Lede wat boerdery gestaak het	17	24
		<hr/>
		728
Plus Toetredings		47
		<hr/>
		775
		<hr/> <hr/>

3 Finansiële resultate

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


4 Aanwending van surplus

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

5 Filiaalmaatskappye

Die koöperasie het tans beleggings in vier filiaalmaatskappye, naamlik:

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



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

6 Aandelekapitaal

188 000 Aandele is vanjaar uitgereik, terwyl 96 876 aandele ingetrek is, waarvan sommige deels opbetaalde aandele bedra.

7 Direkteure

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

8 Eiendom, aanleg en toerusting

Daar was geen verandering in die beleid van die koöperasie en sy filiale gedurende die rekenpligtige periode rakende die gebruik van vaste bates nie. Die volgende vaste bates van wesenlike aard is egter gedurende die rekenpligtige periode binne die Groep aangeskaf met die doel om toekomstige dienslewering en effektiwiteit ook uit 'n ekonomiese oogpunt te verbeter:

- Uitbreiding van silokapasiteit by Proteem met 6 000 ton.
- Heksaanaanleg by Southern Oil Beperk.
- Ongeveer 18 hektaar industriële grond vir toekomstige uitbreiding.

Herstrukturering van bates het ook by Technifarm (Pty) Ltd plaasgevind ten einde effektiwiteit te verbeter.

9 Beleggings

Beleggings het toegeneem met R44 285 376 (2005 - R15 048 273) weens die herwaardasie van beleggings ingevolge die rekeningkundige standpunt RE 133. Die surplus is direk in die staat van verandering in ekwiteit verantwoord.

10 Wesenlike gebeure na jaareinde

Daar is na die beste wete van die direkteure geen wesenlike fout, omstandigheid, gebeurtenis of aangeleentheid wat in die rekenpligtige tydperk of in die tydperk tussen die rekenpligtige datum en die datum van hierdie verslag ontstaan of plaasgevind het nie.

11 Waardering en dank

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

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



12 Ouditeure

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

Hierdie verkorte weergawe van die finansiële state soos uiteengesit op bladsye 14 tot 39 bevat nie noodwendig alle openbaarmakings wat nodig is om aan Algemeen Aanvaarde Rekeningkundige Praktyk te voldoen nie.

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

Voorsitter

Vise-Voorsitter

18 Mei 2006

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries

CORPORATE DIRECTORS REPORT for the year ended 28 February 2006

The directors' annual report, that forms part of the audited financial statements of the Co-operative ("SSK") for the year ended 28 February 2006, are presented below.

1 Nature of business

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

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

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

2 Members

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

The number of members changed as follows:

Number of members at the beginning of year		752
Less Deceased members	7	
Members who abandoned farming	17	24
		<hr/> 728
Plus new members		47
		<hr/> <hr/> 775

3 Financial results

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


4 Application of surplus

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

5 Subsidiary companies

The co-operative currently has investments in four subsidiaries:

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



Please refer to note 5 to the financial statements for further information regarding investments in the subsidiaries and the interest of the co-operative in such subsidiaries' profits and losses.

6 Share capital

188 000 shares were issued during the year, while 96 876 shares were called up, of which some were partly paid up shares.

7 Directors

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

8 Property, plant and equipment

There was no change in the policy of the co-operative and its subsidiaries during the accounting period regarding the utilisation of fixed assets. The following fixed assets of a material nature were, however, acquired during the accounting period within the Group with the objective of improving future service delivery and effectiveness from an economic viewpoint as well:

- Expansion of silo capacity at Proteem by 6 000 tonnes.
- Hexane plant at Southern Oil Limited.
- Approximately 18 hectares of industrial land for future expansion.

Restructuring of assets also took place at Technifarm (Pty) Ltd in order to improve effectiveness.

9 Investments

Investments have increased with R44 285 376 (2005 - R15 048 273) due to the revaluation of investments as per the accounting statement RE 133. The surplus was directly shown in the statement of changes in equity.

10 Material events after year-end

To the best of the knowledge of the directors no material error, circumstance, occurrence or matter arose or occurred during the accounting period or during the period between the accounting date and the date of this report, except as mentioned in note 34, which could affect the consideration of the financial statements of the Group.

11 Appreciation and acknowledgement

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

- The Land and Agricultural Bank of SA.
- Agri SA; Agri Western Cape; Grain South Africa.
- Agricultural businesses with whom business was conducted.
- Agricultural Chamber of Commerce.
- The Registrar or co-operatives.
- The auditors, PricewaterhouseCoopers Inc, for performing their auditing duties, as well as for consultation services rendered.
- First National Bank and all suppliers with whom business was conducted.
- Management and staff for their share in the successes achieved.



- Praise and glory to our Heavenly Father who blesses us without merit in various undertakings.

12 Auditors

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

Hierdie verkorte weergawe van die finansiële state soos uiteengesit op bladsye 14 tot 39 bevat nie noodwendig alle openbaarmakings wat nodig is om aan Algemeen Aanvaarde Rekeningkundige Praktyk te voldoen nie.

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

Chairman

Vice Chairman

18 May 2006

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
BALANSSTAAT soos op 28 Februarie 2006

		Groep		Koöperasie	
	AANTEKE- NING	2006 R'000	2005 R'000	2006 R'000	2005 R'000
BATES					
Nie-bedryfsbates					
Eiendom, aanleg en toerusting	3	52 599	40 711	23 426	16 042
Ontasbare bate		100	100		
Beleggings in filiaalmaatskappye	4			8 684	9 180
Beleggings beskikbaar vir verkoop	5	75 889	31 605	75 889	31 605
Afbetalingsverkoopopreënkomste	6	49 165	43 626	50 998	45 834
		<u>177 753</u>	<u>116 042</u>	<u>158 997</u>	<u>102 661</u>
Bedryfsbates					
Voorraad	7	99 047	84 186	32 731	31 695
Produksielenings en ander debiteure	8	112 965	110 382	109 199	97 951
Korttermynlenings - filiale	9			1 124	55 362
Kontant en kontantekwivalente	10	3 348	5 568	9	4 291
		<u>215 360</u>	<u>200 136</u>	<u>143 063</u>	<u>189 299</u>
Totale bates		<u>393 113</u>	<u>316 178</u>	<u>302 060</u>	<u>291 960</u>
EKWITEIT EN AANSPREEKLIKHEDE					
Kapitaal en reserwes					
Reserwes		116 549	69 452	105 100	63 125
Aandelekapitaal	11	2 172	1 962	2 184	1 974
Ledebeleg		118 721	71 414	107 284	65 099
Minderheidsbeleg		6 481	4 942		
Totale ekwiteit		<u>125 202</u>	<u>76 356</u>	<u>107 284</u>	<u>65 099</u>
Ledefondse	12	53 219	50 231	53 733	50 302
		<u>178 421</u>	<u>126 587</u>	<u>161 017</u>	<u>115 401</u>
Nie-bedryfslaste					
Langtermynlenings	13	8 606	10 680	1 971	2 961
Uitgestelde belastingaanspreeklikheid		12 300	4 096	10 864	3 139
Na-aftrede mediese voordele		3 726	3 721	3 588	3 544
		<u>24 632</u>	<u>18 497</u>	<u>16 423</u>	<u>9 644</u>
Bedryfslaste					
Handels- en ander krediteure	14	23 810	27 759	16 935	24 379
Korttermynlenings	15	164 549	141 335	106 961	141 400
Bankoortrekking		179	263	116	-
Inkomstebelasting		1 522	1 737	608	1 136
		<u>190 060</u>	<u>171 094</u>	<u>124 620</u>	<u>166 915</u>
Totale ekwiteit en aanspreeklikhede		<u>393 113</u>	<u>316 178</u>	<u>302 060</u>	<u>291 960</u>

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
BALANCE SHEET as at 28 February 2006

		Group		Co-operative	
	NOTES	2006 R'000	2005 R'000	2006 R'000	2005 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	52 599	40 711	23 426	16 042
Intangible asset		100	100		
Investments in subsidiaries	4			8 684	9 180
Investments available for sale	5	75 889	31 605	75 889	31 605
Lease agreements	6	49 165	43 626	50 998	45 834
		<u>177 753</u>	<u>116 042</u>	<u>158 997</u>	<u>102 661</u>
Current assets					
Stock	7	99 047	84 186	32 731	31 695
Production loans and other debtors	8	112 965	110 382	109 199	97 951
Short-term loans - subsidiaries	9			1 124	55 362
Cash and cash equivalents	10	3 348	5 568	9	4 291
		<u>215 360</u>	<u>200 136</u>	<u>143 063</u>	<u>189 299</u>
Total assets		<u>393 113</u>	<u>316 178</u>	<u>302 060</u>	<u>291 960</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Reserves		116 549	69 452	105 100	63 125
Share capital	11	2 172	1 962	2 184	1 974
Members' interest		118 721	71 414	107 284	65 099
Minority interest		6 481	4 942		
Total equity		<u>125 202</u>	<u>76 356</u>	<u>107 284</u>	<u>65 099</u>
Members' funds	12	53 219	50 231	53 733	50 302
		<u>178 421</u>	<u>126 587</u>	<u>161 017</u>	<u>115 401</u>
Non-current liabilities					
Long-term loans	13	8 606	10 680	1 971	2 961
Deferred taxation liability		12 300	4 096	10 864	3 139
Post-retirement medical benefits		3 726	3 721	3 588	3 544
		<u>24 632</u>	<u>18 497</u>	<u>16 423</u>	<u>9 644</u>
Current liabilities					
Trade and other creditors	14	23 810	27 759	16 935	24 379
Short-term loans	15	164 549	141 335	106 961	141 400
Bank overdraft		179	263	116	
Income tax		1 522	1 737	608	1 136
		<u>190 060</u>	<u>171 094</u>	<u>124 620</u>	<u>166 915</u>
Total equity and liabilities		<u>393 113</u>	<u>316 178</u>	<u>302 060</u>	<u>291 960</u>

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
INKOMSTESTAAT vir die jaar geëindig 28 Februarie 2006

		Groep		Koöperasie	
	AANTEKE- NING	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Inkomste		401 418	385 269	307 874	293 495
Koste van verkope		(330 574)	(322 678)	(262 640)	(252 457)
Bruto wins		70 844	62 591	45 234	41 038
Ander bedryfsinkomste		20 909	17 755	18 769	15 942
Administratiewe uitgawes		(14 651)	(15 702)	(8 691)	(9 837)
Ander bedryfsuitgawes		(36 484)	(31 962)	(31 387)	(29 192)
Bedryfswins	16	40 618	32 682	23 925	17 951
Finansieringsinkomste	17	183	112	3 471	5 602
Finansieringskoste	18	(16 235)	(12 128)	(12 358)	(11 726)
Wins voor belasting		24 566	20 666	15 038	11 827
Belasting		(5 766)	(3 748)	(2 898)	(1 634)
Wins vir die jaar		18 800	16 918	12 140	10 193
Toeskryfbaar aan:					
Lede		17 261	15 210	12 140	10 193
Minderheidsbelang		1 539	1 708	-	-
		18 800	16 918	12 140	10 193



SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
INCOME STATEMENT for the year ended 28 February 2006

		Group		Co-operative	
	NOTES	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Income		401 418	385 269	307 874	293 495
Cost of sales		(330 574)	(322 678)	(262 640)	(252 457)
Gross profit		70 844	62 591	45 234	41 038
Other current income		20 909	17 755	18 769	15 942
Administrative expenditure		(14 651)	(15 702)	(8 691)	(9 837)
Other current expenditure		(36 484)	(31 962)	(31 387)	(29 192)
Operating profit	16	40 618	32 682	23 925	17 951
Financing income	17	183	112	3 471	5 602
Financing cost	18	(16 235)	(12 128)	(12 358)	(11 726)
Profit before taxation		24 566	20 666	15 038	11 827
Taxation		(5 766)	(3 748)	(2 898)	(1 634)
Profit for the year		18 800	16 918	12 140	10 193
Attributable to:					
Members		17 261	15 210	12 140	10 193
Minority interest		1 539	1 708		
		18 800	16 918	12 140	10 193



**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
STAAT VAN VERANDERINGE IN EKWITEIT – GROEP**
vir die jaar geëindig 28 Februarie 2006

	Aandelekapitaal		Reserwes			Minderheidsbelang		Totaal R'000
	R'000	Algemene reserwe R'000	Gebeurlik- heidsreserwe R'000	Reserwe vir toekomstige onderhoud R'000	Reserwe vir krediet- verskaffing R'000	Bilike waarde reserwe R'000	Opgehoopte winste/ (verliese) R'000	
Saldo op 1 Maart 2004	543	6 317	25 478	593	1 200	14 406	1 035	53 365
Effek van verandering in rekeningkundige beleid							(1 197)	(1 756)
Aangepaste saldo op 1 Maart 2004	1 469	6 317	25 478	593	1 200	14 406	(162)	51 609
Aandele uitgereik/opgeroep gedurende die jaar	(41)	-	-	-	-	-	-	1 469
Aandele afgelos	(9)	-	-	-	-	-	-	(41)
Toename in aandele gehou deur filiale	-	9	-	-	-	-	-	(9)
Verbeurdverklaring van ledebelangfondse	-	-	-	-	-	-	-	9
Surplus met hermeting na bilike waarde van beleggings besikbaar vir verkoop	-	-	-	-	-	15 049	-	15 049
Aanpassing teen uitgestelde belasting	-	-	-	-	-	(2 244)	-	(2 244)
Wins vir die jaar	-	-	-	-	-	-	15 210	16 918
Bonusse verklaar	-	-	-	-	-	-	-	(4 483)
Uitgestel	-	-	3 789	-	-	-	(3 789)	(1 921)
Kontant	-	-	-	-	-	-	-	(1 921)
Oordrag (vanaf opgehoopte winste)/na reserwes	-	-	-	-	-	-	-	(3 789)
Saldo op 28 Februarie 2005	1 962	6 326	29 267	593	1 200	27 211	4 855	76 356
Aandele uitgereik/opgeroep gedurende die jaar	262	-	-	-	-	-	-	262
Aandele afgelos	(52)	-	-	-	-	-	-	(52)
Verbeurdverklaring van ledebelangfondse	-	-	-	-	-	-	-	-
Kapitalisasie aandele ontvang - Kaap Agri	-	-	-	(163)	-	-	163	-
Oordrag van reserwe vir toekomstige onderhoud	-	-	-	-	-	-	-	-
Verhoging in bilike waarde reserwe as gevolg van verlaging in belastingkoers	-	-	-	-	-	75	-	75
Geakkumuleerde winste op vervreemde belegging oorgedra na die inkomstestaat	-	-	-	-	-	-	-	-
Surplus met hermeting na bilike waarde van beleggings beskikbaar vir verkoop	-	-	-	-	-	44 284	-	44 284
Aanpassing teen uitgestelde belasting	-	-	-	-	-	(6 323)	-	(6 323)
Wins vir die jaar	-	-	-	-	-	-	17 261	18 800
Bonusse verklaar	-	-	-	-	-	-	-	(5 740)
Uitgestel	-	-	-	-	-	-	(2 460)	(2 460)
Kontant	-	-	-	-	-	-	(3 940)	-
Oordrag (vanaf opgehoopte winste)/na gebeurlikheidsreserwe	-	-	3 940	-	-	-	-	-
Oordrag van kapitale winste met verkoop van bates	-	120	(120)	-	-	-	-	-
Saldo op 28 Februarie 2006	2 172	6 446	33 087	430	1 200	65 247	10 139	125 202

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
STATEMENT OF CHANGES IN EQUITY – GROUP
for the year ended 28 February 2006

	Share Capital		Reserves				Minority interest	
	R'000	R'000	Contingency reserve R'000	Reserve for future maintenance R'000	Reserve for provision of credit R'000	Fair value reserve R'000	Accumulated profits/(losses) R'000	Total R'000
Balance 1 March 2004	543	6 317	25 478	593	1 200	14 406	1 035	53 365
Effect of change in accounting policy	-	-	-	-	-	-	(1 197)	(559)
Adjusted balance on 1 March 2004	543	6 317	25 478	593	1 200	14 406	(162)	51 609
Shares issued/called up during the year	1 469	-	-	-	-	-	-	1 469
Shares redeemed	(41)	-	-	-	-	-	-	(41)
Increase in shares held by subsidiaries	(9)	-	-	-	-	-	-	(9)
Forfeiture of member interest funds	-	9	-	-	-	-	-	9
Surplus upon re-evaluation in fair value of investments available for sale	-	-	-	-	-	15 049	-	15 049
Adjustment against deferred taxation	-	-	-	-	-	(2 244)	-	(2 244)
Profit for the year	-	-	-	-	-	-	15 210	16 918
Bonuses declared	-	-	-	-	-	-	(4 483)	(4 483)
Deferred	-	-	-	-	-	-	(1 921)	(1 921)
Cash	-	-	3 789	-	-	-	(3 789)	-
Transfer (from accumulated profits)/to reserves	-	-	-	-	-	-	-	-
Balance on 28 February 2005	1 962	6 326	29 267	593	1 200	27 211	4 855	76 356
Shares issued/called up during the year	262	-	-	-	-	-	-	262
Shares redeemed	(52)	-	-	-	-	-	-	(52)
Forfeiture of member interest funds	-	-	-	-	-	-	-	-
Capitalisation shares received - Cape Agri	-	-	-	-	-	-	-	-
Transfer of reserve for future maintenance	-	-	-	(163)	-	-	163	-
Increase in fair value reserve due to lowering of taxation rate	-	-	-	-	-	75	-	75
Accumulated profits on disposed investment transferred to the income statement	-	-	-	-	-	-	-	-
Surplus on re-evaluation to fair value of investments available for sale	-	-	-	-	-	44 284	-	44 284
Adjustment against deferred taxation	-	-	-	-	-	(6 323)	-	(6 323)
Profit for the year	-	-	-	-	-	-	17 261	18 800
Bonuses declared	-	-	-	-	-	-	1 539	1 539
Deferred	-	-	-	-	-	-	(5 740)	(5 740)
Cash	-	-	-	-	-	-	(2 460)	(2 460)
Transfer (from accumulated profits)/to contingency reserve	-	-	-	-	-	-	(3 940)	-
Transfer of capital profits on sale of assets	-	120	(120)	-	-	-	-	-
Balance on 28 February 2006	2 172	6 446	33 087	430	1 200	65 247	10 139	125 202

**SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
STAAT VAN VERANDERINGE IN EKWITEIT – KOÖPERASIE**
vir die jaar geëindig 28 Februarie 2006

	Aandelekapitaal		Reserwes		Opgehoopte winste R'000	Totaal R'000
	R'000	Algemene reserwe R'000	Gebeurlikheidsreserwe R'000	Bilike waarde reserwe R'000		
Saldo op 1 Maart 2004	546	6 317	25 799	14 406	-	47 068
Aandele uitgereik gedurende die jaar	1 469	-	-	-	-	1 469
Aandele atgelos	(41)	-	-	-	-	(41)
Verbeurverklaring van ledebelangfondse	-	9	-	-	-	9
Surplus met hermeting na bilike waarde	-	-	-	15 049	-	15 049
van beleggings beskikbaar vir verkoop	-	-	-	(2 244)	-	(2 244)
Aanpassing teen uitgestelde belasting	-	-	-	-	10 193	10 193
Wins vir die jaar	-	-	-	-	(4 483)	(4 483)
Bonussse verklaar	-	-	-	-	(1 921)	(1 921)
Uitgestel	-	-	-	-	-	-
Kontant	-	-	-	-	-	-
Oordrag (vanaf opgehoopte winste) /na gebeurlikheidsreserwe	-	-	3 789	-	(3 789)	-
Saldo op 1 Maart 2005	1 974	6 326	29 588	27 211	-	65 099
Aandele uitgereik/opgeroep gedurende die jaar	262	-	-	-	-	262
Aandele atgelos	(52)	-	-	-	-	(52)
Verbeurverklaring van ledebelangfondse	-	-	-	-	-	-
Kapitalisasie aandele ontvang – Kaap Agri	-	-	-	-	-	-
Verhoging in bilike waarde reserwe as gevolg van verlaging in belastingkoers	-	-	-	75	-	75
Geakkumuleerde winste op vervoemde belegging oorgedra na die inkomstestaat	-	-	-	-	-	-
Surplus met hermeting na bilike waarde van beleggings beskikbaar vir verkoop	-	-	-	44 283	-	44 283
Aanpassing teen uitgestelde belasting	-	-	-	(6 323)	-	(6 323)
Wins vir die jaar	-	-	-	-	12 140	12 140
Bonussse verklaar	-	-	-	-	(5 740)	(5 740)
Uitgestel	-	-	-	-	(2 460)	(2 460)
Kontant	-	-	-	-	-	-
Oordrag (vanaf opgehoopte winste)/na gebeurlikheidsreserwe	-	120	3 940	-	(3 940)	-
Oordrag van kapitale winste met verkoop van bates	-	-	(120)	-	-	-
Saldo op 28 Februarie 2006	2 184	6 446	33 408	65 246	-	107 284

Ingevolge Artikel 66(3) van die Koöperasiewet kan die Algemene Reserwe slegs aangewend word om kapitaalverliese te vergoed.

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
STATEMENT OF CHANGES IN EQUITY – CO-OPERATIVE
for the year ended 28 February 2006

	Share capital		Reserves		Fair value reserve	Accumulated profit	Total
	R'000	R'000	General reserve	Contingency reserve	R'000	R'000	R'000
Balance on 1 March 2004	546	6 317	-	25 799	14 406	-	47 068
Shares issued during the year	1 469	-	-	-	-	-	1 469
Shares redeemed	(41)	-	-	-	-	-	(41)
Forfeiture of member interest funds	-	9	-	-	-	-	9
Surplus in re-evaluation to fair value of investments available for sale	-	-	-	-	15 049	-	15 049
Adjustment against deferred taxation	-	-	-	-	(2 244)	-	(2 244)
Profit for the year	-	-	-	-	-	10 193	10 193
Bonusses declared	-	-	-	-	-	(4 483)	(4 483)
Deferred	-	-	-	-	-	(1 921)	(1 921)
Cash	-	-	-	-	-	-	-
Transfer (from accumulated profits)/to contingency reserve	-	-	-	3 789	-	(3 789)	-
Balance on 1 March 2005	1 974	6 326	-	29 588	27 211	-	65 099
Shares issued/called up during the year	262	-	-	-	-	-	262
Shares redeemed	(52)	-	-	-	-	-	(52)
Forfeiture of member interest funds	-	-	-	-	-	-	-
Capitalisation shares received - Cape Agri	-	-	-	-	-	-	-
Increase in fair value reserve due to lowering of taxation rate	-	-	-	-	75	-	75
Accumulated profits on disposed investment transferred to the income statement	-	-	-	-	-	-	-
Surplus upon re-evaluation to fair value of investments available for sale	-	-	-	-	44 283	-	44 283
Adjustment against deferred taxation	-	-	-	-	(6 323)	-	(6 323)
Profit for the year	-	-	-	-	-	12 140	12 140
Bonusses declared	-	-	-	-	-	(5 740)	(5 740)
Deferred	-	-	-	-	-	(2 460)	(2 460)
Cash	-	-	-	-	-	-	-
Transfer (from accumulated profits)/to contingency reserve	-	120	-	3 940	-	(3 940)	-
Transfer of capital profits upon sale of assets	-	-	-	(120)	-	-	-
Balance on 28 February 2006	2 184	6 446	-	33 408	65 246	-	107 284

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

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale
KONTANTVLOEISTAAT vir die jaar geëindig 28 Februarie 2006

	AANTEKE- NING	Groep		Koöperasie	
		2006 R'000	2005 R'000	2006 R'000	2005 R'000
Kontantvloei uit bedryfs- aktiwiteite					
Kontantontvangste vanaf kliente		394 204	353 460	281 064	260 808
Kontant betaal aan verskaffers en werknemers		(379 394)	(353 161)	(227 202)	(278 981)
Kontant deur bedrywighede voortgebring/(benut)	19	14 810	299	53 862	(18 173)
Rente ontvang	17	183	112	3 471	5 602
Rente betaal	18	(16 235)	(12 128)	(12 358)	(11 726)
Dividende ontvang		1 780	1 462	1 780	1 462
Belasting betaal	20	(3 995)	(4 192)	(1 950)	(1 291)
Netto kontant uit/(aange- wend in) bedrywighede		(3 457)	(14 447)	44 805	(24 126)
Ledetransaksies					
Aandele uitgereik en ingetrek - netto		210	1 418	210	1 427
Ledebelangfonds terugbetaal	21	(2 308)	(5 162)	(2 308)	(5 162)
Vergoeding aan lede	22	(1 921)	(2 325)	(1 921)	(2 325)
Netto kontant aangewend in ledetransaksies		(4 019)	(6 069)	(4 019)	(6 060)
Toevoeging tot eiendom, aanleg en toerusting	3	(16 963)	(16 942)	(9 702)	(4 069)
Opbrengs met verkoop van eiendom, aanleg en toerusting		1 053	1 043	138	336
Opbrengs met verkoop van aandele	1	-	-	1	-
Lenings aan filiale terugbetaal/ (toegestaan)		-	-	(200)	3 919
Netto kontant uit/(aangewend in) beleggingsaktiwiteite		(15 909)	(15 899)	(9 763)	186
Langtermynlenings aangegaan		-	8 998	-	-
Langtermynlenings terugbetaal		(1 966)	(3 314)	(982)	(1 019)
Korttermynlenings aangegaan/ (terugbetaal)		23 215	36 031	(34 439)	36 085
Netto kontant uit/(aangewend in) finansieringsaktiwiteite		21 249	41 715	(35 421)	35 066
Toename/(afname) in kontant en kontantekwivalente		(2 136)	5 300	(4 398)	5 066
Kontant en kontantekwivalente aan begin van jaar	10	5 305	5	4 291	(775)
Kontant en kontantekwivalente aan einde van jaar	10	3 169	5 305	(107)	4 291

SENTRAAL-SUID CO-OPERATIVE LIMITED and its subsidiaries
CASH FLOW STATEMENT for the year ended 28 February 2006

	NOTES	Group		Co-operative	
		2006 R'000	2005 R'000	2006 R'000	2005 R'000
Cash from operating activities					
Cash received from clients		394 204	353 460	281 064	260 808
Cash paid to employees and suppliers		(379 394)	(353 161)	(227 202)	(278 981)
Cash generated through operating activities / (utilised)	19	14 810	299	53 862	(18 173)
Interest received	17	183	112	3 471	5 602
Interest paid	18	(16 235)	(12 128)	(12 358)	(11 726)
Dividends received		1 780	1 462	1 780	1 462
Tax paid	20	(3 995)	(4 192)	(1 950)	(1 291)
Net cash from / (applied in) operations		(3 457)	(14 447)	44 805	(24 126)
Member transactions					
Shares issued and recalled - net		210	1 418	210	1 427
Members' interest fund repaid	21	(2 308)	(5 162)	(2 308)	(5 162)
Remuneration of members	22	(1 921)	(2 325)	(1 921)	(2 325)
Net cash utilised in member transactions		(4 019)	(6 069)	(4 019)	(6 060)
Additions to property, plant and equipment	3	(16 963)	(16 942)	(9 702)	(4 069)
Yield with sale of property, plant and equipment		1 053	1 043	138	336
Yield with sale of shares		1	-	1	-
Loans to subsidiary repaid/ (granted)		-	-	(200)	3 919
Net cash from/(applied in) investment activities		(15 909)	(15 899)	(9 763)	186
Long term loans incurred		-	8 998	-	-
Long term loans repaid		(1 966)	(3 314)	(982)	(1 019)
Short term loans incurred/(repaid)		23 215	36 031	(34 439)	36 085
Net cash from/(applied in) financing activities		21 249	41 715	(35 421)	35 066
Increase/(decrease) in cash and cash equivalents		(2 136)	5 300	(4 398)	5 066
Cash and cash equivalents at the beginning of the year	10	5 305	5	4 291	(775)
Cash and cash equivalents at the end of the year	10	3 169	5 305	(107)	4 291

SENTRAAL-SUID KOÖPERASIE BEPERK en sy filiale AANTEKENINGE TOT DIE FINANSIËLE JAARSTATE vir die jaar geëindig 28 Februarie 2006

1 Opsomming van beduidende rekeningkundige beleide

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

1.1 Konsolidasiegrondslag

Konsolidasie

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

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

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

Klandisiewaarde

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

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

1.2 Buitelandse valuta omskakeling

(a) Funksionele en verslagdoenings geldeenheid

Items ingesluit in die finansiële state van die Groep word gemeet deur gebruikmaking van die geldeenheid van die primêre ekonomiese omgewing waarin die entiteit sy bedrywighede beoefen ("die funksionele geldeenheid").

(b) Transaksies en saldo's

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



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

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

1.3 Eiendom, aanleg en toerusting

Eiendom, aanleg en toerusting verteenwoordig oorwegend eienaar-geokkupeerde eiendom wat met verkryging teen kosprys te boek gestel word. Koste sluit in alle koste wat direk daaraan toeskryfbaar is om die bate in 'n werkende toestand te bring vir sy bedoelde gebruik. Alhoewel die direkteure van mening is dat die markwaarde daarvan die kosprys wesenlik oorskry, word vaste eiendom nie herwaardeer nie. Surplus eiendom, wat hoofsaaklik bestaan uit stoorgeriewe, word verhuur wanneer dit nie self benut word nie. Dit word derhalwe nie geag beleggingseiendomme te wees nie en word soos ander geboue gehanteer.

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

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

Graansilomasjinerie	: 20 – 22 jaar	Ander geboue	: 50 jaar
Masjinerie en gereedskap	: 5 – 22 jaar	Laboratoriumtoerusting	: 5 – 10 jaar
Voertuie	: 4 – 11 jaar		
Kantoortoerusting	: 2 – 11 jaar		
Fabrieksgebou	: 30 – 50 jaar		

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

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



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

1.4 Waardedaling van nie-finansiële bates

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

1.5 Voorraad

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

Graan en Canola word gewaardeer teen laagste van kosprys, op die geweege gemiddelde grondslag, of netto realiseerbare waarde. Koste behels die basisprys plus opbergingsvergoeding. Die Groep het sy rekeningkundige beleid gedurende die jaar onder oorsig verander.

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

1.6 Finansiële instrumente

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

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

Hierdie kategorie het twee sub-kategorieë: "finansiële bates gehou vir verhandelings", en daardie finansiële bates aanvanklik aangewys as teen billike waarde deur wins en verlies. 'n Finansiële bate word geklassifiseer ingevolge hierdie kategorie indien dit aangeskaf is hoofsaaklik vir die doel om dit te verkoop in die korttermyn of indien so aangewys deur bestuur. Afgeleide instrumente word ook gekategoriseer as "gehou vir verhandelings" tensy dit aangewys is as



'n verskansingsinstrument. Bates in hierdie kategorie word gekategoriseer as bedryfsbates indien hulle of gehou word vir verhandeling of indien dit verwag kan word dat hulle binne die volgende 12 maande vanaf die balansstaatdatum sal realiseer.

(b) Lenings en debiteure

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

(c) Beskikbaar-vir-verkoop finansiële bates


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

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

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

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

Wanneer sekuriteite geklassifiseer as beskikbaar-vir-verkoop vvreem word of



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

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

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


1.7 Billike waarde raming

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

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

1.8 Handelsdebiteure

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



Die verhaalbare bedrag is die netto teenswoordige waarde van verwagte toekomstige kontantvloeie, verdiskonteer teen die effektiewe rentekoers. Die bedrag van die voorsiening word erken in die inkomstestaat.

1.9 Afbetalingsverkoopoooreenkomste

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

1.10 Kontant en kontantekwivalente

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

1.11 Langtermynverpligtinge

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

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

1.12 Uitgestelde belasting

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

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

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



1.13 Voorsienings

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

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

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

1.14 Winsdeling en bonusplanne

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

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

Daar word ver wag dat die aanspreeklikheid binne twaalf maande vereffen sal word.

1.15 Hure

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

1.16 Na-aftrede mediese voordele

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

1.17 Pensioenskema reëlings

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

1.18 Tesourie-aandele

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

1.19 Ledefondse

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

1.20 Nie-bedryfsbates gehou vir verkoop

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

Nie-bedryfsbates gehou vir verkoop word gemeet teen die laagste van die nie-bedryfsbate se drawaarde of billike waarde minus verkoopskoste.

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

1.21 Segmentverslagdoening

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

1.22 Inkomste erkenning

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

(a) Verkope

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



(b) *Dienste gelewer*

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

(c) *Silo inkomste*

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

(d) *Rente inkomste*

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

2 Kritiese rekeningkundige ramings, aannames en beoordelings

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

Die Groep maak ramings en aannames met betrekking tot die toekoms. Die gevolglike ramings sal selde gelykstaande wees aan die werklike resultate. Die ramings en aannames wat 'n beduidende risiko van wesenlike aanpassings aan die drabedrag van bates en laste gedurende die volgende finansiële jaar sal inhou is:

(a) *Eiendom, aanleg en toerusting*

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

(b) *Voorraadwaardasie*

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

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

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



	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
3 Eiendom, aanleg en toerusting				
3.1 Samestelling				
Grond, geboue en graansilo's	17 526	11 664	14 851	9 059
Kosprys	19 975	13 789	16 327	10 295
Opgehoopte waardevermindering	(2 449)	(2 125)	(1 476)	(1 236)
Graansilomasjinerie	3 448	2 772	3 448	2 772
Kosprys	29 340	27 891	29 340	27 891
Opgehoopte waardevermindering	(25 892)	(25 119)	(25 892)	(25 119)
Masjinerie en gereedskap	24 492	19 069	1 489	1 445
Kosprys	38 242	31 289	6 616	6 088
Opgehoopte waardevermindering	(13 750)	(12 220)	(5 127)	(4 643)
Voertuie	5 011	5 266	2 321	1 224
Kosprys	9 047	9 137	4 006	2 712
Opgehoopte waardevermindering	(4 036)	(3 871)	(1 685)	(1 488)
Laboratoriumtoerusting	98	88	-	-
Kosprys	169	140	-	-
Opgehoopte waardevermindering	(71)	(52)	-	-
Kantoortoerusting	2 024	1 852	1 317	1 542
Kosprys	6 822	6 366	5 549	5 621
Opgehoopte waardevermindering	(4 798)	(4 514)	(4 232)	(4 079)
Totale vaste bates teen boekwaarde	52 599	40 711	23 426	16 042

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

	2006 R'000	2005 R'000
4 Beleggings in filiaalmaatskappye		
4.1 Southern Oil Beperk		
Gewone aandele teen kosprys	5 686	5 686
4.2 SSK Vervaardigers (Eiendoms) Beperk		
Gewone aandele teen kosprys	1 500	1 500
4.3 Technifarm (Proprietary) Limited		
Gewone aandele teen kosprys	100	100
Lening	3 200	3 000
Min: Voorsiening vir verliese van filiaal	(1 802)	(1 106)
4.4 Langeberg Kunsmis (Eiendoms) Beperk		
Gewone aandele teen kosprys	-	-
	8 684	9 180

Die lening aan Technifarm (Proprietary) Limited is rentevry (2005 - 9.50%) en daar bestaan geen terugbetalingsvoorwaardes nie.

Weens die aandeelhouerstekort by die filiaal wat R1 927 587 (2005 - R1 231 355) bedra het, het die koöperasie onderneem om indien nodig verdere aandele tot ten minste hierdie tekort op te neem ten einde die filiaal te befonds vir toekomstige bedrywighede.

	2006 R'000	2005 R'000
4.5 Totale belegging in filiale		
Aandele	7 286	7 286
Lenings	1 398	1 894
Debiteure	9 418	1 778
Korttermynlenings	1 124	55 362
Huurkope	2 209	2 858
Krediteure	(327)	(2 022)
Ledelenings	(442)	(65)
Ledebelangefonds	(514)	(71)
	<u>20 152</u>	<u>67 020</u>
4.6 Belang in nabelaste winste/(verliese) van filiale		
Southern Oil Beperk (SOILL)	3 713	4 077
SSK Vervaardigers (Eiendoms) Beperk	1 194	380
Technifarm (Proprietary) Limited	(487)	(714)
Langeberg Kunsmis (Eiendoms) Beperk	4	2
	<u>4 424</u>	<u>3 745</u>
5 Beleggings beskikbaar vir verkoop Groep en Koöperasie		
Rekonsiliasie		
Saldo begin van jaar	31 605	16 556
Waardasie van beleggings beskikbaar vir verkoop ingevolge RE 133	44 284	15 049
Verkoop van aandele	-	-
Kapitalisasie aandele ontvang met samesmelting van Boland Agri Beherend Beperk en WPK Beleggings Beperk	-	-
Dividend in specie - Kaap Agri	-	-
Saldo einde van jaar	<u>75 889</u>	<u>31 605</u>
Die beleggings bestaan uit die volgende:		
Gewone aandele in 'n koöperasie	-	-
Gewone genoteerde aandele in maatskappye	7	6
Gewone ongenoteerde aandele in maatskappye	75 882	31 599
	<u>75 889</u>	<u>31 605</u>



6 Afbetalingsverkoop-ooreenkomste	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Bruto bedrae ontvangbaar				
Lede				
Ontvangbaar binne een jaar	19 913	22 541	19 913	22 541
Ontvangbaar in twee tot tien jaar	49 165	43 626	49 165	43 626
Filiaal				
Ontvangbaar binne een jaar			376	649
Ontvangbaar in twee tot tien jaar			1 833	2 209
	<u>69 078</u>	<u>66 167</u>	<u>71 287</u>	<u>69 025</u>
Korttermyngedeelte oorgedra na produksielenings en ander debiteure (aantekening 8)	(19 913)	(22 541)	(20 289)	(23 191)
	<u>49 165</u>	<u>43 626</u>	<u>50 998</u>	<u>45 834</u>

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

Die ooreenkomste is aangegaan teen vaste rentekoerse wat op balansstaatdatum gewissel het tussen 9.25% en 13% per jaar.

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

7 Voorraad	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Boerderybenodighede	19 018	18 972	19 018	18 972
Canola saad	59 474	45 023	-	-
Saadgraan	7 350	6 981	5 213	5 499
Implemente	8 367	6 857	8 367	6 857
Verbruiksmateriaal	480	392	133	121
Produkte	-	246	-	246
Grondstowwe	864	2 153	-	-
Klaarprodukte	3 494	3 562	-	-
	<u>99 047</u>	<u>84 186</u>	<u>32 731</u>	<u>31 695</u>

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

Boerderybenodighede sluit implemente ten bedrae van R699 073 in wat onder vloerplanfinansiering verkry is. Die eiendomsreg setel in die finansierder, totdat die verpligting vereffen is.



	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
8 Produksielenings en ander debiteure				
Lede	101 357	88 729	89 912	88 729
Lopende produksiekrediet	57 569	47 162	46 124	47 162
Oordragksuld	43 788	41 567	43 788	41 567
Produksie	38 408	36 084	38 408	36 084
Huurkope	5 380	5 483	5 380	5 483
Huurkoop - Filiaal			376	649
Filiale			9 418	1 778
Nie-lede	5 203	16 156	5 067	2 318
Diverse	6 405	5 497	4 426	4 477
	<u>112 965</u>	<u>110 382</u>	<u>109 199</u>	<u>97 951</u>

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

	2006 R'000	2005 R'000
9 Korttermynlenings - filiale		
Voorraadfinansiering	1 124	55 362

Die lenings dra rente teen 9.25% per jaar.

	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
10 Kontant en kontantekwivalente				
Kontant op hande	12	6	7	6
Kleinkas	2	7	2	2
Banksaldo's	3 334	5 555	-	4 283
	<u>3 348</u>	<u>5 568</u>	<u>9</u>	<u>4 291</u>
Vir die doeleindes van die kontantvloeistaat is kontant- en kontant ekwivalente as volg:				
Samestelling van kontant en kontantekwivalente				
Kontantvoorskotte en kleinkas	14	13	9	8
Banksaldo's	3 155	5 292	(116)	4 283
	<u>3 169</u>	<u>5 305</u>	<u>(107)</u>	<u>4 291</u>



	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
11 Aandelekapitaal				
Groep				
11.1 Opbetaalde aandele				
Bruto	2 184	1 974	2 184	1 974
Min Tesourie-aandele gehou deur filiale	(12)	(12)		
	<u>2 172</u>	<u>1 962</u>	<u>2 184</u>	<u>1 974</u>
Koöperasie				
11.2 Uitgereikte aandele van R1 elk			<u>3 100</u>	<u>3 009</u>

11.3 Die onopbetaalde aandelekapitaal en alle verdere aandele wat uitgereik mag word, dien as sekuriteit vir lenings wat van tyd tot tyd aangegaan word by Landbank, soos per aantekeninge 13 en 15.

	2006 R'000	2005 R'000
	12 Ledefondse	
Groep		
12.1 Ledebelangefonds		
Saldo aan die begin van die jaar	50 231	50 975
Beweging gedurende die jaar		
Toevoegings uit surplusse	5 740	4 483
Terugbetalings	(2 309)	(5 162)
Belang gehou deur filiale	(443)	(65)
	<u>53 219</u>	<u>50 231</u>
Koöperasie		
12.2 Ledebelangefonds		
Saldo aan die begin van die jaar	50 302	50 981
Beweging gedurende die jaar		
Toevoegings uit surplusse	5 740	4 483
Terugbetalings	(2 309)	(5 162)
	<u>53 733</u>	<u>50 302</u>
12.3 Ledebelangefonds		

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

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

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

13 Langtermynlenings

Groep

13.1 Versekerde lenings

Landbank

Totale bedrag uitstaande

Min Betaalbaar binne een jaar

Die lenings se rente wissel tussen 8.60% - 9.50% per jaar. Die lenings is aanvanklik aangegaan vir termyne van 8 tot 36 jaar.

Hierdie lenings is verseker deur:

Koöperasie

- Sessie van onbetaalde aandelekapitaal, alle bedrae wat aan die koöperasie verskuldig is en assuransies, verwys aantekeninge 6, 8 en 11.
- Verband oor eiendomme van die koöperasie, verwys aantekening 3.
- Notariële kollaterale verband oor die koöperasie se roerende eiendom, verwys aantekeninge 3 en 7.

Filiaal - Southern Oil Beperk

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

13.2 Ander lenings

Buite-aandeelhouders

Die aandeelhouderslening is rentevry en daar bestaan geen terugbetalingsvoorwaardes nie.

13.3 Totaal

Koöperasie

13.4 Versekerde lenings

Landbank

Totale bedrag uitstaande

Min Betaalbaar binne een jaar

	2006 R'000	2005 R'000
Landbank	8 481	10 555
Totale bedrag uitstaande	10 947	12 914
Min Betaalbaar binne een jaar	(2 466)	(2 359)
13.2 Ander lenings		
Buite-aandeelhouders	125	125
13.3 Totaal	8 606	10 680
Koöperasie		
13.4 Versekerde lenings		
Landbank		
Totale bedrag uitstaande	2 933	3 915
Min Betaalbaar binne een jaar	(962)	(954)
	1 971	2 961

Die lenings dra rente teen 9.5% per jaar. Die lenings is aanvanklik aangegaan vir termyne van 10 tot 36 jaar.

Hierdie lenings is verseker soos vermeld in aantekening 13.1



14 Handels- en ander krediteure	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Handelskrediteure	13 898	18 647	9 798	15 469
Filiale			327	2 022
Kontantbonus	2 460	1 921	2 460	1 921
Ander krediteure	4 986	4 831	3 388	4 013
Langtermynlenings binne een jaar betaalbaar	2 466	2 360	962	954
	<u>23 810</u>	<u>27 759</u>	<u>16 935</u>	<u>24 379</u>

Ander krediteure sluit vloerplan-finansiering ten bedrae van R699 073 in wat verseker is soos vermeld in aantekening 7.

15 Korttermynlenings	2006	2005	2006	2005
Ledelenings	81 967	65 359	82 409	65 424
Landbank	82 582	75 976	24 552	75 976
Lopende produksievoorraad	68 492	14 501	10 462	14 501
Ledeskuld	14 090	50 244	14 090	50 244
WGOL Produkte	-	11 231	-	11 231
	<u>164 549</u>	<u>141 335</u>	<u>106 961</u>	<u>141 400</u>

Die lenings van Landbank se rente wissel teen 8% tot 9.25% per jaar.

Die lenings van Landbank is verseker deur:

Koöperasie

- Sessie van onbetaalde aandeel-kapitaal, alle bedrae wat aan die koöperasie verskuldig is en assuransies, verwys aantekeninge 6, 8 en 11.
- Pandreg op voorraad, verwys aantekening 7.
- Borgakte verskaf deur Southern Oil Beperk wat beperk is tot die finansiering wat via die koöperasie na Southern Oil gekanaliseer is.
- Sessies verskaf deur Southern Oil Beperk ten opsigte van alle bedrae wat aan die maatskappy verskuldig is as sekuriteit vir finansiering wat via die koöperasie na Southern Oil Beperk gekanaliseer is en assuransies.

Filiaal - Southern Oil Beperk

- Sessie ten opsigte van alle bedrae wat aan die maatskappy verskuldig is. Verwys aantekening 8.
- Verband oor vaste eiendom van die maatskappy. Verwys aantekening 3.
- Notariële kollaterale verband oor die maatskappy se roerende eiendom. Verwys aantekeninge 3 en 7.
- Borgakte verskaf deur Sentraal-Suid Koöperasie Beperk.
- Landbank se belange is ook genoteer op die maatskappy se versekeringspolis.

16 Bedryfswins

Bedryfswins is bereken na inagneming van die volgende items.

	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Inkomste				
Dividende ontvang				
Ongenoteerde beleggings	1 780	1 462	1 780	1 462
Kapitale wins met verkoop van vaste bates	140	92	120	87
Waardevermindering verhaal	252	228	2	74
Huur ontvang	248	164	345	225
Rente ontvang – debiteure	14 621	12 156	14 503	12 099
Terugskrywing van voorsiening teen lening aan Afrigrain	-)	1 396	-)	1 396
Uitgawes				
Besoldiging - Nie-uitvoerende direkteure			412	347
Dienste as direkteur				
- Fooie			292	246
- Toelaes			120	101
Bedryfshuurbetalings				
Eiendom	465	407	354	308
Toerusting	6	6	-	-
Ouditeursvergoeding	441	318	325	238
Huidige jaar	382	283	285	219
Ondervoorsien vorige jaar	1	5	-	-
Uitgawes / Ander dienste	58	30	40	19
Slegte skulde afgeskryf	14	-	14	-
Verlies met verkoop van vaste bates	198	-	-	-
Verhoging/(verlaging) in voorsiening van na-aftrede mediese voordele	6	(387)	44	(564)
Verhoging in voorsiening vir waardedaling van debiteure	191	9	-	-
Voorsiening vir verlies van filiaal			696	1 105
Fooie aan nie-werknemers				
Bestuursdienste	110	51	97	30
Regsdienste	197	2 163	184	2 129
Waardevermindering op eiendom, aanleg en toerusting	4 212	5 745	2 301	2 469
Bestaande uit:				
Grond, geboue en graansilo's	324	615	241	449



	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Waardevermindering gebaseer op oorspronklike lewensduur raming	870	615	703	449
Verandering in lewensduur raming	(546)	-	(462)	-
Graansilomasjinerie	773	631	773	631
Waardevermindering gebaseer op oorspronklike lewensduur raming	773	631	773	631
Verandering in lewensduur raming	-	-	-	-
Masjinerie en gereedskap	1 585	2 418	524	472
Waardevermindering gebaseer op oorspronklike lewensduur raming	2 623	2 418	524	472
Verandering in lewensduur raming	(1 038)	-	-	-
Voertuie	813	1 266	197	262
Waardevermindering gebaseer op oorspronklike lewensduur raming	1 739	1 266	474	262
Verandering in lewensduur raming	(926)	-	(277)	-
Kantoortoerusting	697	796	566	655
Waardevermindering gebaseer op oorspronklike lewensduur raming	702	796	566	655
Verandering in lewensduur raming	(5)	-	-	-
Laboratoriumtoerusting	20	19	-	-
Waardevermindering gebaseer op oorspronklike lewensduur raming	22	19	-	-
Verandering in lewensduur raming	(2)	-	-	-
	4 212	5 745	2 301	2 469
'n Volledige ontleding van die waardevermindering uitgawe word in aantekening 3 aangebied.				
Die verandering in raming het tot gevolg dat die uitgestelde belastingaanspreeklikheid soos volg vermeerder het:	489	-	214	-



	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
17 Personeelkoste				
Totale koste van indiensname	27 736	24 955	23 855	21 262
Lone	1 196	895	1 196	895
Na-aftrede mediese koste	6	(387)	44	(564)
Aansporingsbonusse	885	1 708	885	1 708
	<u>29 823</u>	<u>27 171</u>	<u>25 980</u>	<u>23 301</u>
18 Finansieringsinkomste				
Rente ontvang				
Bank	69	23	-	16
Filiale			3 357	5 497
Ander	114	89	114	89
	<u>183</u>	<u>112</u>	<u>3 471</u>	<u>5 602</u>
19 Finansieringskoste				
Rente betaal				
Rentedraende lenings				
Landbank	10 411	6 285	6 566	5 939
Ledelenings	5 705	5 677	5 728	5 677
Banklenings en oortrekkings	67	90	27	75
Ander	52	76	37	35
	<u>16 235</u>	<u>12 128</u>	<u>12 358</u>	<u>11 726</u>
20 Kontant deur bedrywighede voortgebring/(benut)				
Netto inkomste voor belasting	24 566	20 666	15 038	11 827
Aansuiwerings vir:				
Items wat nie kontantvloei verteenwoordig:				
Waardevermindering	4 212	5 745	2 301	2 469
Waardevermindering verhaal	(252)	(228)	(1)	(73)
Kapitale wins met verkoop van bates	(140)	(92)	(120)	(87)
Verhoging/(verlaging) in voorsiening vir na-aftrede mediese voordele	6	(387)	44	(564)
Ledebelangefonds verbeur	1	9	1	9
Bonusse verklaar aan filiale	(73)	(65)	-	-
Voorsiening vir verlies in filiaal			696	1 105
Verlies met verkoop van bates	197	-	-	-
Waarde reserwe	(1)	-	(1)	-



	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Items wat elders in die kontant- vloeistaat opgeneem word:				
Rente betaal	16 235	12 128	12 358	11 726
Rente ontvang	(183)	(112)	(3 471)	(5 602)
Dividende ontvang	(1 780)	(1 463)	(1 780)	(1 462)
	42 788	36 201	25 065	19 348
Veranderinge in bedryfskapitaal	(27 978)	(35 902)	28 797	(37 521)
Toename in voorraad	(15 260)	(1 242)	(1 036)	(3 836)
Toename/(afname) in produksie- lenings, ander debiteure en korttermynlenings	(8 123)	(31 894)	37 824	(34 030)
Toename/(afname) in handels- en ander krediteure	(4 595)	(2 766)	(7 991)	345
Netto kontant uit/(aangewend in) bedrywighede	14 810	299	53 862	(18 173)
21 Belasting betaal				
Saldo aan die begin van die jaar	1 737	1 900	1 136	449
Gedebiteer in inkomstestaat	3 810	4 029	1 422	1 978
Saldo aan die einde van die jaar	(1 552)	(1 737)	(608)	(1 136)
	3 995	4 192	1 950	1 291
22 Ledebelangefonds terugbetaal				
Saldo aan die begin van die jaar	50 230	50 974	50 302	50 981
Bonus verklaar	5 297	4 418	5 740	4 483
Saldo aan die einde van die jaar	(53 219)	(50 230)	(53 734)	(50 302)
	2 308	5 162	2 308	5 162
23 Vergoeding aan lede				
Ledekrediteure aan die begin van die jaar	1 921	2 325	1 921	2 325
Voorgestel vanjaar				
Kontantbonus	2 460	1 921	2 460	1 921
	4 381	4 246	4 381	4 246
Min Verskuldig aan die einde van die jaar	2 460	1 921	2 460	1 921
Betalings gedurende die jaar				
Kontantbonus	1 921	2 325	1 921	2 325



	Groep		Koöperasie	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
24 Kapitaaluitgawes goedgekeur				
Kapitaaluitgawes goedgekeur				
Nie gekontrakteer	7 169	8 013	2 375	2 213

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

25 Pensioenskema reëlings

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

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

26 Voorwaardelike aanspreeklikhede

26.1 Voorwaardelike aanspreeklikheid weens 'n beperkte waarborgstelling ten opsigte van die filiaal Technifarm (Proprietary) Limited ten bedrae van Die uitstaande verpligting het op 28 Februarie 2006 R62 239 bedra.

26.2 'n Borgakke aan Landbank ten opsigte van 'n lening aan die filiaal, Southern Oil Beperk ten bedrae van Die uitstaande verpligting het op 28 Februarie 2006 R8 013 400 bedra.

26.3 Besendingsvoorraad

2006 R'000	2005 R'000
600	600
10 000	10 000
557	487

27 Na-balansstaat gebeure

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

Die koöperasie se filiaal, Southern Oil Beperk, het 'n ooreenkoms aangegaan vir die verkryging van 50% belang in 'n nuwe filiaal, tans bekend as Swartland Oliepers en sal ook verantwoordelik wees vir die bestuur daarvan. Die verpligting sal gefinansier word uit eie en geleende fondse.

28 Verandering in rekeningkundige beleid

Gedurende die huidige jaar het van die filiale hul rekeningkundige beleid vir die hantering van finansieringskoste met betrekking tot voorraad verander. In die verlede het die filiale hierdie kostes gekapitaliseer teen voorraad. Volgens die nuwe rekeningkundige beleid word die finansieringskoste as 'n uitgawe afgeskryf. Die verandering in rekeningkundige beleid is terugwerkend toegepas, en die vergelykende syfers vir 2004 is aangepas. Die effek van die verandering op 2004 word hieronder uiteengesit. Die openingsaldo van opgelope wins vir 2005 is verlaag met R1 756 134.

	Bruto R'000	Minder heids- belang R'000	Belasting R'000	Netto R'000
Verhoging in netto wins as gevolg van afskryf van finansieringskoste				
– 2005	259	95	-	164
Hersamestelling van opgehoopte winste aan die begin van die jaar ten opsigte van die vorige jaar				
– 2005	(1 756)	(559)	-	(1 197)

29 Vergelykende syfers

Die vergelykende syfers is waar nodig hersaamgestel.

Meer spesifiek is die vergelykende syfers hersaamgestel as gevolg van:

- die implementering van IAS 1 insake die nuwe openbaarmakingsvereistes rakende finansieringskoste en finansieringsinkomste op die sig van die inkomstestaat.

SENTRAAL-SUID CO-OPERATIVE and its affiliates

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 February 2006

1 Summary of significant accounting policies

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

1.1 Basis of consolidation

Consolidation

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

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

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

Goodwill

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

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

1.2 Forex conversion


(a) Functional and reporting currency

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

(b) Transactions and balances

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

Changes in the fair value of monetary securities denominated in foreign currencies classified as available for sale are analysed between the conversion differences



arising from changes in the amortised costs of the security and other changes in the carrying value of the security.

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

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

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

1.3 Property, plant and equipment

Property, plant and equipment represent mainly owner-occupied property recorded at cost upon acquisition. Costs include all costs directly attributable to bringing the asset to a workable condition for its intended use. Although the directors believe that the market value thereof materially exceeds the cost price, fixed property is not revalued. Surplus property, consisting mainly of storage facilities, is leased when not utilised. It is therefore not deemed to be investment property and is managed in a similar fashion as other buildings.

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

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

Granary machinery	: 20 – 22 years
Machinery and tools	: 5 – 20 years
Vehicles	: 4 – 11 years
Office equipment	: 2 – 11 years
Factory building	: 30 – 50 years
Other buildings	: 50 years
Laboratory equipment	: 5 – 10 years

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

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

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



1.4 Depreciation of non-financial assets

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

1.5 Inventory

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

Grain and Canola are valued at the lower of cost price, on the weighted average basis, or net realisable value. Costs comprise the base price plus storage costs. The Group changed its accounting policy during the year under review. Refer to note 35 for particulars regarding the change in policy.

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

1.6 Financial instruments


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

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

This category has two sub-categories: "financial assets held for trade", and those financial assets initially designated as at fair value through profit and loss. A financial asset is classified according to this category if it was acquired mainly for the purpose of reselling it in the short term or if so designated by management. Derived instruments are also categorised as "held for trade" unless they were designated as hedge instruments. Assets in this category are categorised as current assets if they are held for trade or if they can be expected to be realised within the next 12 months from Balance Sheet date.

(b) Loans and debtors

Loans and debtors are non-derived financial assets with fixed or determinable payments not quoted on an active market. They include current assets, except



for current assets not realised within 12 months from Balance Sheet date. Such assets are classified as non-current assets. Loans and debtors are classified as production loans and other debtors in the Balance Sheet.

(c) *Financial assets available for sale*

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


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

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

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

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

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



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

1.7 Fair value estimate

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

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

1.8 Trade debtors

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

1.9 Lease agreements

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

1.10 Cash and cash equivalents

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



1.11 Long-term liabilities

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

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

1.12 Deferred taxation

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

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

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

1.13 Provisions


Provisions are recognised when the Group has a current legal or derived obligation due to events in the past, it is probable that an outflow of resources comprising the economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. No provision is made for future operational losses.

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

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

1.14 Profit-sharing and bonus schemes

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

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

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

1.15 Rentals

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

1.16 Post-retirement medical benefits

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

1.17 Pension scheme arrangements

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

1.18 Treasury shares


Shares in the co-operative held by Technifarm (Proprietary) Limited, SSK Manufacturers (Proprietary) Limited and Southern Oil Limited are classified as treasury shares. These shares are dealt with as a deduction against the paid-up shares. The cost price of the shares is offset against the Group's equity.

1.19 Members' funds

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

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying value will be mainly



recovered by means of a sales transaction and not through future usage. Such assets can be a component of an entity, a disposal group or an individual non-current asset.

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

1.21 Segmental reporting

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

1.22 Acknowledgement of income

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

(a) Sales

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

(b) Services rendered

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

(c) Silo income

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

(d) Interest income

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

2 Critical accounting estimates, assumptions and assessments

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

The Group makes estimates and assumptions with regard to the future. The resulted

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

(a) *Property, plant and equipment*

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

(b) *Inventory valuation*

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

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

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

	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
3 Property, plant and equipment				
3.1 Composition				
Land, buildings and granaries	17 526	11 664	14 851	9 059
Cost	19 975	13 789	16 327	10 295
Accumulated depreciation	(2 449)	(2 125)	(1 476)	(1 236)
Granary machinery	3 448	2 772	3 448	2 772
Cost	29 340	27 891	29 340	27 891
Accumulated depreciation	(25 892)	(25 119)	(25 892)	(25 119)
Machinery and tools	24 492	19 069	1 489	1 445
Cost	38 242	31 289	6 616	6 088
Accumulated depreciation	(13 750)	(12 220)	(5 127)	(4 643)
Vehicles	5 011	5 266	2 321	1 224
Cost	9 047	9 137	4 006	2 712
Accumulated depreciation	(4 036)	(3 871)	(1 685)	(1 488)
Laboratory equipment	98	88	-	-
Cost	169	140	-	-
Accumulated depreciation	(71)	(52)	-	-
Office equipment	2 024	1 852	1 317	1 542
Cost	6 822	6 366	5 549	5 621
Accumulated depreciation	(4 798)	(4 514)	(4 232)	(4 079)
Total fixed assets at book value	52 599	40 711	23 426	16 042



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

	2006 R'000	2005 R'000
4 Investments in subsidiaries		
4.1 Southern Oil Limited		
Ordinary shares at cost	5 686	5 686
4.2 SSK Manufacturers (Proprietary) Limited		
Ordinary shares at cost	1 500	1 500
4.3 Technifarm (Proprietary) Limited		
Ordinary shares at cost	1 498	1 994
Ordinary shares at cost	100	100
Loan	3 200	3 000
Less: Provision for losses of subsidiary	(1 802)	(1 106)
4.4 Langeberg Kunsmis (Proprietary) Limited		
Ordinary shares at cost	-	-
	<u>8 684</u>	<u>9 180</u>

The loan to Technifarm (Proprietary) Limited is interest-free (2005 - 9.50%) and there are no repayment conditions.

Due to the shareholder deficit at the subsidiary, amounting to R1 927 587 (2005 - R1 231 355), the Co-operative undertook to take up further shares if necessary at least up to this deficit in order to fund the subsidiary for future activities.

	2006 R'000	2005 R'000
4.5 Total investment in subsidiaries		
Shares	7 286	7 286
Loans	1 398	1 894
Debtors	9 418	1 778
Short-term loans	1 124	55 362
Leases	2 209	2 858
Creditors	(327)	(2 022)
Members' loans	(442)	(65)
Members' interest fund	(514)	(71)
	<u>20 152</u>	<u>67 020</u>
4.6 Interest in profits/(losses) of subsidiaries net of taxation		
Southern Oil Limited (SOILL)	3 713	4 077
SSK Manufacturers (Proprietary) Limited	1 194	380
Technifarm (Proprietary) Limited	(487)	(714)
Langeberg Kunsmis (Proprietary) Limited	4	2
	<u>4 424</u>	<u>3 745</u>



5 Investments available for sale Group and Co-operative	2006 R'000	2005 R'000
Reconciliation		
Balance beginning of year	31 605	16 556
Valuation of investments available for sale under AC 133	44 284	15 049
Sale of shares	-	-
Capitalisation shares received upon merger of Boland Agri Holdings Limited and WPK Investments Limited	-	-
Dividend in specie - Cape Agri	-	-
Balance end of year	<u>75 889</u>	<u>31 605</u>
The investments consist of the following:		
Ordinary shares in a co-operative	-	-
Ordinary listed shares in companies	7	6
Ordinary unlisted shares in companies	75 882	31 599
	<u>75 889</u>	<u>31 605</u>

6 Instalment sale agreements	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Gross receivables				
Members				
Due within one year	19 913	22 541	19 913	22 541
Due within two to ten years	49 165	43 626	49 165	43 626
Subsidiary				
Due within one year			376	649
Due within two to ten years			1 833	2 209
	<u>69 078</u>	<u>66 167</u>	<u>71 287</u>	<u>69 025</u>
Short-term portion carried over to production loans and other debtors (note 9)	(19 913)	(22 541)	(20 289)	(23 191)
	<u>49 165</u>	<u>43 626</u>	<u>50 998</u>	<u>45 834</u>

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

The agreements were concluded at fixed interest rates varying at Balance Sheet date between 9.25% and 13% per annum.

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



	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
7 Inventory				
Farming requisites	19 018	18 972	19 018	18 972
Canola seed	59 474	45 023	-	-
Seed grain	7 350	6 981	5 213	5 499
Implements	8 367	6 857	8 367	6 857
Consumables	480	392	133	121
Products	-	246	-	246
Raw materials	864	2 153	-	-
Finished products	3 494	3 562	-	-
	<u>99 047</u>	<u>84 186</u>	<u>32 731</u>	<u>31 695</u>

The inventory has been pledged to Land Bank as security for loans granted, as per note 13.

Farming requisites include implements in the amount of R699 073 obtained under floor plan financing. The property right vests in the financier, until the liability has been settled.

	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
8 Production loans and other debtors				
Members	101 357	88 729	89 912	88 729
Current production credit	57 569	47 162	46 124	47 162
Transfer debt	43 788	41 567	43 788	41 567
Production	38 408	36 084	38 408	36 084
Leases	5 380	5 483	5 380	5 483
Lease - Subsidiary			376	649
Subsidiaries			9 418	1 778
Non-members	5 203	16 156	5 067	2 318
Sundries	6 405	5 497	4 426	4 477
	<u>112 965</u>	<u>110 382</u>	<u>109 199</u>	<u>97 951</u>

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

	2006 R'000	2005 R'000
9 Short-term loans - subsidiaries		
Inventory financing	<u>1 124</u>	<u>55 362</u>

The loans bear interest at 9.25%.



	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
10 Cash and cash equivalents				
Cash in hand	12	6	7	6
Petty cash	2	7	2	2
Bank balances	3 334	5 555	-	4 283
	<u>3 348</u>	<u>5 568</u>	<u>9</u>	<u>4 291</u>
For the purposes of the Cash-flow Statement cash and cash equivalents are as follows:				
Composition of cash and cash equivalents				
Cash advances and petty cash	14	13	9	8
Bank balances	3 155	5 292	(116)	4 283
	<u>3 169</u>	<u>5 305</u>	<u>(107)</u>	<u>4 291</u>
11 Share capital				
Group				
11.1 Paid-up shares				
Gross	2 184	1 974	2 184	1 974
Less Treasury shares held by subsidiaries	(12)	(12)		
	<u>2 172</u>	<u>1 962</u>	<u>2 184</u>	<u>1 974</u>
Co-operative				
11.2 Issued shares of R1 each			<u>3 100</u>	<u>3 009</u>
11.3 The share capital not paid up and all further issuable shares serve as security for loans incurred from time to time at Land Bank, as per notes 13 and 15.				
12 Members' funds			2006 R'000	2005 R'000
Group				
12.1 Members' interest fund				
Balance at beginning of year			50 231	50 975
Movement during the year				
Additions from surpluses			5 740	4 483
Repayments			(2 309)	(5 162)
Interest held by subsidiaries			(443)	(65)
			<u>53 219</u>	<u>50 231</u>



Co-operative	2006 R'000	2005 R'000
12.2 Members' interest fund		
Balance at the beginning of the year	50 302	50 981
Movement during the year		
Additions from surpluses	5 740	4 483
Repayments	(2 309)	(5 162)
	53 733	50 302

12.3 Members' interest fund

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

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

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

13 Long-term loans

Group

13.1 Insured loans

Land Bank

Total amount outstanding
Less Due within one year

2006 R'000	2005 R'000
8 481	10 555
10 947	12 914
(2 466)	(2 359)

The interest rates of the loans vary between 8.60% - 9.50% per annum. The loans were initially incurred for periods of 8 to 36 years.

These loans have been insured by:

Co-operative

- Cession of unpaid share capital, all amounts owing to the Co-operative and assurances, refer notes 6, 8 and 11.
- Mortgage on the fixed properties of the Co-operative, refer note 3.
- Notarial collateral mortgage on the movable property of the Co-operative, refer notes 3 and 7.



Subsidiary - Southern Oil Limited

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

13.2 Other loans

Outside shareholders

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

13.3 Total

Co-operative

13.4 Insured loans

Land Bank

Total amount outstanding

Less Due within one year

	2006 R'000	2005 R'000
	125	125
	<u>8 606</u>	<u>10 680</u>
	2 933	3 915
	(962)	(954)
	<u>1 971</u>	<u>2 961</u>

The loans bear interest at 9.5% per annum. The loans were initially incurred for periods of 10 to 36 years.

These loans have been insured as stated in note 13.1.

	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
14 Trade and other creditors				
Trade creditors	13 898	18 647	9 798	15 469
Subsidiaries			327	2 022
Cash bonus	2 460	1 921	2 460	1 921
Other creditors	4 986	4 831	3 388	4 013
Long-term loans due within one year	2 466	2 360	962	954
	<u>23 810</u>	<u>27 759</u>	<u>16 935</u>	<u>24 379</u>

Other creditors include floorplan financing in the amount of R699 073 that is insured as mentioned in note 7.

15 Short-term loans

Members' loans

Land Bank

Current production inventory

Members' debt

WGOL Products

	81 967	65 359	82 409	65 424
	82 582	75 976	24 552	75 976
	68 492	14 501	10 462	14 501
	14 090	50 244	14 090	50 244
	-	11 231	-	11 231
	<u>164 549</u>	<u>141 335</u>	<u>106 961</u>	<u>141 400</u>



The interest rates of loans from Land Bank vary between 8% and 9.25 % per annum.

The loans from Landbank have been insured by:

Co-operative

- Cession of unpaid share capital, all amounts owing to the Co-operative and assurances, refer notes 6, 8 and 11.
- Pledge of inventory, refer note 7.
- Surety bond provided by Southern Oil Limited, limited to the financing canalised to Southern Oil via the Co-operative.
- Cessions provided by Southern Oil Limited in respect of all amounts due to the company as security for financing canalised to Southern Oil Limited via the Co-operative and assurances.

Subsidiary - Southern Oil Limited

- Cession in respect of all amounts owing to the company. Refer note 8.
- Mortgage over fixed property of the company. Refer note 3.
- Notarial collateral mortgage over the company's movable property. Refer notes 3 and 7.
- Surety bond provided by Sentraal-Suid Co-operative Limited.
- Land Bank's interests have also been listed on the company's insurance policy.

16 Operating profit

Operating profit was calculated allowing for the following items:

	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Income				
Dividends received				
Unlisted investments	1 780	1 462	1 780	1 462
Capital profit on sale of fixed assets	140	92	120	87
Depreciation recovered	252	228	2	74
Rent received	248	164	345	225
Interest received - debtors	14 621	12 156	14 503	12 099
Write back of provision against loan to Afrigrain	-	1 396	-	1 396
Expenditure				
Remuneration - Non-executive directors			412	347
Services as director				
- Fees			292	246
- Allowances			120	101
Lease payments				
Property	465	407	354	308
Equipment	6	6	-	-



	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Auditors' remuneration	441	318	325	238
Current year	382	283	285	219
Underprovided previous year	1	5	-	-
Expenditure/Other services	58	30	40	19
Bad debts written off	14	-	14	-
Loss on sale of fixed assets	198	-	-	-
Increase/(decrease) in provision of post-retirement medical benefits	6	(387)	44	(564)
Increase in provision for depreciation of debtors	191	9	-	-
Provision for loss of subsidiary			696	1 105
Fees to non-employees				
Management services	110	51	97	30
Legal services	197	2 163	184	2 129
Depreciation on land, plant and equipment	4 212	5 745	2 301	2 469
Consisting of:				
Land, buildings and granaries	324	615	241	449
Depreciation based on initial estimate of useful life	870	615	703	449
Change in estimate of useful life	(546)	-	(462)	-
Granary machinery	773	631	773	631
Depreciation based on initial estimate of useful life	773	631	773	631
Change in estimate of useful life	-	-	-	-
Machinery and tools	1 585	2 418	524	472
Depreciation based on initial estimate of useful life	2 623	2 418	524	472
Change in estimate of useful life	(1 038)	-	-	-
Vehicles	813	1 266	197	262
Depreciation based on initial estimate of useful life	1 739	1 266	474	262
Change in estimate of useful life	(926)	-	(277)	-



	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
Office equipment	697	796	566	655
Depreciation based on initial estimate of useful life	702	796	566	655
Change in estimate of useful life	(5)	-	-	-
Laboratory equipment	20	19	-	-
Depreciation based on initial estimate of useful life	22	19	-	-
Change in estimate of useful life	(2)	-	-	-
	<u>4 212</u>	<u>5 745</u>	<u>2 301</u>	<u>2 469</u>
A complete analysis of the depreciation expenditure is presented in note 3.				
The change in estimate has resulted in the following increase in the deferred taxation liability:				
	489	-	214	-
17 Staff costs				
Total cost of employment	27 736	24 955	23 855	21 262
Wages	1 196	895	1 196	895
Post-retirement medical costs	6	(387)	44	(564)
Incentive bonuses	885	1 708	885	1 708
	<u>29 823</u>	<u>27 171</u>	<u>25 980</u>	<u>23 301</u>
18 Financing income				
Interest received				
Bank	69	23	-	16
Subsidiaries			3 357	5 497
Other	114	89	114	89
	<u>183</u>	<u>112</u>	<u>3 471</u>	<u>5 602</u>
19 Financing costs				
Interest paid				
Interest-bearing loans				
Land Bank	10 411	6 285	6 566	5 939
Members' loans	5 705	5 677	5 728	5 677
Bank loans and overdrafts	67	90	27	75
Other	52	76	37	35
	<u>16 235</u>	<u>12 128</u>	<u>12 358</u>	<u>11 726</u>



	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
20 Cash generated/(utilised) by operations				
Net income before taxation	24 566	20 666	15 038	11 827
Adjustments for:				
Items not representing cashflow:				
Depreciation	4 212	5 745	2 301	2 469
Depreciation recovered	(252)	(228)	(1)	(73)
Capital profit on sale of assets	(140)	(92)	(120)	(87)
Increase/(decrease) in provision for post-retire- ment medical benefits	6	(387)	44	(564)
Members' interest fund forfeited	1	9	1	9
Bonuses declared to subsidiaries	(73)	(65)	-	-
Provision for loss in subsidiary			696	1 105
Loss on sale of assets	197	-	-	-
Value reserve	(1)	-	(1)	-
Items taken up elsewhere in the Cash-flow Statement:				
Interest paid	16 235	12 128	12 358	11 726
Interest received	(183)	(112)	(3 471)	(5 602)
Dividends received	(1 780)	(1 463)	(1 780)	(1 462)
	42 788	36 201	25 065	19 348
Changes in operating capital	(27 978)	(35 902)	28 797	(37 521)
Increase in stock	(15 260)	(1 242)	(1 036)	(3 836)
Increase in production loans, other debtors and short-term loans	(8 123)	(31 894)	37 824	(34 030)
Increase/(decrease) in trade and other creditors	(4 595)	(2 766)	(7 991)	345
Net cash from/(utilised in) operations	14 810	299	53 862	(18 173)



	Group		Co-operative	
	2006 R'000	2005 R'000	2006 R'000	2005 R'000
21 Taxation paid				
Balance at beginning of year	1 737	1 900	1 136	449
Debited in Income Statement	3 810	4 029	1 422	1 978
Balance at end of year	(1 552)	(1 737)	(608)	(1 136)
	<u>3 995</u>	<u>4 192</u>	<u>1 950</u>	<u>1 291</u>
22 Members' interest fund repaid				
Balance at the beginning of the year	50 230	50 974	50 302	50 981
Bonus declared	5 297	4 418	5 740	4 483
Balance at the end of the year	(53 219)	(50 230)	(53 734)	(50 302)
	<u>2 308</u>	<u>5 162</u>	<u>2 308</u>	<u>5 162</u>
23 Remuneration of members				
Member creditors at the beginning of the year	1 921	2 325	1 921	2 325
Proposed for current year				
Cash bonus	2 460	1 921	2 460	1 921
	<u>4 381</u>	<u>4 246</u>	<u>4 381</u>	<u>4 246</u>
Less Due at the end of the year	2 460	1 921	2 460	1 921
	<u>1 921</u>	<u>2 325</u>	<u>1 921</u>	<u>2 325</u>
Payments during the year				
Cash bonus	1 921	2 325	1 921	2 325
	<u>1 921</u>	<u>2 325</u>	<u>1 921</u>	<u>2 325</u>
24 Capital expenditure approved				
Capital expenditure approved				
Not contracted	7 169	8 013	2 375	2 213

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

25 Pension scheme arrangements

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

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



26 Contingent liabilities

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

The outstanding obligation amounted to R62 239 on 28 February 2006.

26.2 A suretyship to Land Bank in respect of a loan to the subsidiary, Southern Oil Limited, in the amount of

The outstanding obligation amounted to R8 013 400 on 28 February 2006.

26.3 Consignment stock

2006 R'000	2005 R'000
600	600
10 000	10 000
557	487

27 Post-Balance Sheet events

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

The co-operative's subsidiary, Southern Oil Limited, entered an agreement for acquiring a 50% interest in a new subsidiary, currently known as Swartland Oliepers and will also be responsible for managing it. The liability will be financed from own and borrowed funds.

28 Change in accounting policy

During the current year the subsidiaries changed their accounting policy for managing finance costs with regard to inventory. In the past the subsidiaries capitalised these costs against inventory. According to the new accounting policy the finance costs are written off as an expense. The change in accounting policy was applied retrospectively, and the comparative figures for 2004 were adjusted. The effect of the change on 2004 has been set out below. The opening balance of accumulated profit for 2005 was decreased by R1 756 134.



	Gross R'000	Minority interest R'000	Taxation R'000	Nett R'000
Increase in net profit due to writing-off of finance costs				
– 2005	259	95	-	164
Recompilation of accumulated profits at the beginning of the year in respect of the previous year				
– 2005	(1 756)	(559)	-	(1 197)

29 Comparative figures

The comparative figures were recomplied where necessary.

More specifically the comparative figures were recomplied due to:

- the implementation of IAS 1 regarding the new disclosure requirements in respect of financing costs and financing agreements on the Income Statement.

SPESIALE BESLUIT

LENINGS

1. Kaskrediet lening

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

1.1 Dit word besluit om hiermee goed te keur dat Sentraal-Suid Koöperasie Beperk (hierna genoem die KOÖPERASIE) van handelsbanke en/of finansiële instellings en/of koöperasies en/of die Land- en Landboubank van Suid-Afrika en/of sy lede en/of ander instansies kaskredietlenings verkry van hoogstens R160 000 000,00 (Eenhonderd en Sestig Miljoen Rand) vir die doeleindes om die volgende aktiwiteite en ondernemings van die koöperasie te finansier.

1.1.1 LANDBOUPRODUKTE

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

1.1.2 DIVERSE PRODUKTE

Die finansiering van diverse landbouprodukte

1.1.3 IMPLEMENTE

Die finansiering van landboumasjinerie en implemente (Voorraad en ledeskuld)

1.1.4 PRODUKSIEMIDDELE

Die finansiering van produksiemiddele (Voorraad en ledeskuld)

1.1.5 FILIALE

Finansiering van ledeverwante bedrywighede van die filiale van die koöperasie.

1.1.6 WAARBORGE

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

Voorts word daar uit hoofde van hierdie goedkeuring besluit dat die Raad van direkteure van die koöperasie die bedoelde voorskot van R160 000 000,00 (Eenhonderd en Sestig Miljoen Rand) hoogstens vir gemelde doeleindes by die Landbank en/of finansiële instellings aangaan en twee persone behoorlik daartoe magtig om sodanige stappe te doen en sodanige dokumente te teken as wat nodig sal wees om aan die besluit gevolg te gee en uit te voer; om enige aanbod van 'n voorskot deur die Landbank en/of finansiële instellings ten opsigte van 'n aansoek wat uit die besluit voortspruit, aan te neem en om toe te stem tot sodanige voorwaardes as wat hul billik mag ag en voorts, om indien nodig, aansoek by die Landbank en/of finansiële instellings te doen om sodanige kleiner bedrag as wat mag toegestaan gewees het, te verhoog binne die perke van die besluit; om enige aanbod van 'n verhoogde voorskot aan te neem en eweneens toe te stem tot die voorwaardes daaraan verbonde: om, indien daartoe versoek, aan die Landbank en/of finansiële instellings te sedeer al die koöperasie se regte en aanspraak op en belang by:

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

SPESIALE BESLUIT

2. Lening vir kapitale uitgawes

2.1 DAAR WORD BESLUIT om hiermee goed te keur dat Sentraal-Suid Koöporasie (hierinlater genoem die koöperasie) by die LANDBANK (hierinlater genoem die Landbank) en/of finansiële instellings 'n voorskot van hoogstens 30 miljoen Rand (R30 000 000) in die vorm van 'n lening terugbetaalbaar in paaiemente aangaan, watter voorskot vir die volgende doeleindes gebruik sal word:

Finansiering van die koöperasie se kapitale uitgawes

VOORTS WORD DAAR BESLUIT dat uit hoofde van hierdie goedkeuring die Raad van Direkteure van die koöperasie die bedoelde voorskot van hoogstens R30 000 000 vir gemelde doeleindes by die Landbank aangaan en twee persone behoorlik daartoe magtig:

- 2.1.1 om sodanige stappe te doen en sodanige dokumente te teken as wat nodig sal wees om aan die besluit gevolg te gee en uit te voer;
- 2.1.2 om enige aanbod van 'n voorskot deur die Landbank en/of finansiële instellings ten opsigte van 'n aansoek wat uit die besluit voortspruit, aan te neem en om toe te stem tot sodanige voorwaardes as wat hulle billik mag ag;
- 2.1.3 om, indien daartoe versoek, aan die Landbank en/of finansiële instellings te sedeer al die koöperasie se regte en aanspraak op en belang by:
 - (a) die bedrag van ingeskrewe maar onbetaalde kapitaal en die bedrag van enige voorwaardelike aanspreeklikheid verbonde aan die aandele deur die koöperasie uitgereik of wat later uitgereik mag word;
 - (b) die bedrag van skulde wat nou aan die koöperasie verskuldig is of later verskuldig mag word;
- 2.1.4 om, indien daartoe versoek, verbande met inbegrip van kollaterale verbande vir 'n bedrag van hoogstens R30 000 000 ten gunste van die Landbank en/of finansiële instellings te passeer oor al die vaste en roerende eiendom wat die koöperasie besit of wat nog in sy besit mag kom.

SPECIAL RESOLUTION

LOANS

1. Credit cash loan

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

1.1 Resolved hereby to grant approval for Sentraal-Suid Co-operative Limited (hereinafter referred to as the co-operative) to obtain from commercial banks and/or financial institutions and/or co-operatives and/or the Land and Agricultural Bank of South Africa and/or its members and/or other institutions credit cash loans of no more than R160 000 000,00 (One Hundred and Sixty Million Rand) for the purpose of financing the following activities and undertakings of the Co-operative.

1.1.1 AGRICULTURAL PRODUCTS

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

1.1.2 SUNDRY PRODUCTS

The financing of sundry agricultural products.

1.1.3 IMPLEMENTS

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

1.1.4 PRODUCTION MEANS

The financing of producers' goods (Stock and members' debts)

1.1.5 SUBSIDIARIES

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

1.1.6 GUARANTEES

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

Further resolved by virtue of this resolution that the Board of Directors of the Co-operative at most raise said advance of R160 000 000,00 (One Hundred and Sixty Million Rand) for said purposes at the Land Bank and/or financial institutions and duly authorise two persons to take such steps and sign such documents as may be necessary to carry out and execute the resolution; to accept any offer of an advance by the Land Bank and/or financial institutions in respect of an application arising from the resolution and agree to such conditions as they may deem reasonable and furthermore, if necessary, to apply at the Land Bank and/or financial institutions to increase such smaller amount as may have been granted within the limits of the resolution; to accept any offer of an increased advance and equily to agree to the conditions attaching thereto; and to cede, if requested to do so, to the Land Bank and/or financial institutions all of the co-operative's rights and claims to and interests in:

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

SPECIAL RESOLUTION

2. Loan for capital expenditure

- 2.1 RRESOLVED hereby to approve that Sentraal-Suid Co-operative (hereinafter referred to as the Co-operative) raises from the LAND BANK (hereinafter referred to as the Land Bank) an advance not exceeding 30 million Rand (R30 000 000) in the form of a loan repayable in instalments to be utilised for the following purposes:

Financing of the capital expenditure of the Co-operative.

Further resolved that by virtue of the adoption of this resolution the Board of Directors of the Co-operative raise said advance of not more than R30 000 000 for said purposes at the Land Bank and/or other financial institutions and duly authorise two persons to:

Further resolved that by virtue of the adoption of this resolution the Board of Directors of the Co-operative raise said advance of not more than R30 000 000 for said purposes at the Land Bank and/or other financial institutions and duly authorise two persons to:

- 2.1.1 take such steps and sign such documents as may be necessary to carry out and execute the resolution;
- 2.1.2 accept any offer of an advance from the Land Bank and/or other financial institutions in respect of an application arising from the resolution and agree to such conditions as they may deem reasonable;
- 2.1.3 cede, if requested to do so, to the Land Bank and/or other financial institutions all the rights and claims to and interests in:
- (a) the amount of subscribed but unpaid capital and the amount of any contingent liability attaching to the shares issued or later to be issued by the co-operative;
 - (b) the amount of any indebtedness owing to or later becoming owing to the co-operative;
- 2.1.4 pass, if requested to do so, mortgages including collateral mortgages for an amount not exceeding R30 000 000 in favour of the Land Bank and/or other financial institutions over all the fixed and movable property that is owned or may be acquired by the co-operative.