



# TUINROETE AGRI BPK | LTD

JAARVERSLAG 2011 ANNUAL REPORT

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## notice to shareholders:

Annual General Meeting and Agenda

Notice is hereby given to all Shareholders of the 15th Annual General Meeting of Tuinroete Agri Ltd to be held on Friday 25 of November 2011 at 10:00 at the Head Office, Mossel Bay (G.C. du Preez Hall, Industry Road).

### 1. Word of Welcome - Chairman

### 2. Notice of Meeting

- Constitution
- Additional agenda items
- Motion of sympathy for deceased shareholders and associates

### 3. Adoption of Minutes

3.1 Fourteenth Annual General Meeting - 26 November 2010

### 4. Chairman: Annual Report

### 5. Discussion of financial results 2010/2011

### 6. Chairman: Motions

- a. Adoption of the Financial Statements
- b. Adoption of the Auditors' Report
- c. Adoption of the Board of Directors' report
- d. Payment of dividend
- e. Placing of the unissued shares under the control of the directors and the granting of a general authority to the directors.
- f. Special Resolution: General authority to directors to buy back shares from shareholders.
- g. The appointment of MeyerOtto Inc as auditors for the next financial year.
- h. Special Resolution: Directors' Remuneration and Financial assistance.

### 7. Seconder

### 8. Adoption of motions

### 9. Election of Directors

### 10. General issues

- 10.1 .....
- 10.2 .....

By order of the Board of Directors

**JDWeys**

Managing Director / Besturende Direkteur

8 October 2011

A proxy form to be completed by shareholders and to be returned to this office at least 48 hours prior to the time of this meeting, is enclosed.

## kennisgewing aan lede:

Algemene Jaarvergadering en Sakelys

Kennis geskied hiermee dat die 15de Jaarlikse Algemene Vergadering van die Aandeelhouders van Tuinroete Agri Bpk gehou sal word op Vrydag 25 November 2011 om 10:00 by die Hoofkantoor te Mosselbaai (G.C. du Preezsaal, Industrierweg).

### 1. Opening en Verwelkoming - Voorsitter

### 2. Kennisgewing van Vergadering

- Konstituering
- Voltooiing van sakelys
- Mosie van roubeklag vir afgestorwe aandeelhouders en sakevriende

### 3. Goedkeuring van Notule

3.1 Veertiende Algemene Jaarvergadering - 26 November 2010

### 4. Voorsitter: Jaarverslag

### 5. Bespreking van finansiële resultate 2010/2011

### 6. Voorsitter: Voorstelle

- a. Aanvaarding van Finansiële State
- b. Aanvaarding van Ouditverslag
- c. Aanvaarding van Direkteursverslag
- d. Goedkeuring van dividend
- e. Plasing van onuitgereikte aandele onder beheer van direkteure en verlening van algemene magtiging aan direkteure
- f. Spesiale besluit: Algemene magtiging aan direksie om aandele van aandeelhouders terug te koop
- g. Aanstelling van die firma MeyerOtto Ing as ouditeure vir die volgende boekjaar.
- h. Spesiale besluit: Direkteursvergoeding en Finansiële bystand.

### 7. Sekondant

### 8. Aanvaarding van voorstelle

### 9. Verkiesing van direkteure

### 10. Algemene sake

- 10.1 .....
- 10.2 .....

Op las van die Raad van Direkteure

**HH Pienaar**

Voorsitter / Chairman

8 Oktober 2011

'n Volmagvorm wat deur aandeelhouders ingevul en minstens 48 uur voor die tyd vasgestel vir hierdie vergadering ingedien moet word, word ingesluit.

## vision

“The Leading Supplier of Agri and Home Products”

## our business

- Trading in agricultural requisites.
- Retail trade.
- Storage of grains and grain handling.

## focus areas

- Customer relationships
- Supplier alliances
- Staff development
- Core values
- Responsible social conduct
- Shareholder return

## general info

### Country of incorporation and domicile

South Africa

### Registered office

Industry Road  
Mossel Bay 6500

### Business address

Industry Road  
Mossel Bay 6500

### Postal address

PO Box 70  
Mossel Bay 6500

### Bankers

ABSA

### Auditors

MeyerOtto Incorporated  
Registered Auditors

### Secretary

LG Fivaz

### Company registration number

1997/003183/06

## visie

“Die Leier Verskaffer van Agri- en Tuisteprodukte”

## ons besigheid

- Handel in landboubenodigdhede.
- Kleinhandel.
- Berging en hantering van grane.

## fokus areas

- Kliënte verhoudings
- Verbintnisse met verskaffers
- Ontwikkeling van personeel
- Nastreef van kernwaardes
- Maatskaplik-verantwoordelike optrede
- Aandeelhoueropbrengs

## algemene informasie

### Land van Inlywing

Suid-Afrika

### Kantoor van Registrasie

Industrieweg  
Mosselbaai 6500

### Besigheidsadres

Industrieweg  
Mosselbaai 6500

### Posadres

Posbus 70  
Mosselbaai 6500

### Bankiers

ABSA

### Ouditeure

MeyerOtto Ingelyf  
Registreerde Ouditeure

### Sekretaris

LG Fivaz

### Maatskappy Registrasienommer

1997/003183/06

## the financial period under review

### Introduction

During the first half of the financial period under review, the world economy started to recover from the global financial crisis. During the months of May and June however the debt crisis experienced by a number of European countries and later also by the USA, has put the markets in turmoil again. Solutions to the debt crisis are challenging and governments will have to cut their spending, manage their deficits downwards and balance these with income from taxes. The credibility in the different governments' ability to manage the crisis effectively will also have to be restored.

Locally the South African economy has also shown signs of recovery. As a result of the government's sound fiscal and monetary policies and structures, a debt crisis locally is not foreseen for the immediate future. The debt crisis overseas will however affect South African markets to the extent that global spending is expected to decrease which will have a negative impact on exports, on the demand for South African products and on local financial markets. The South African Rand is expected to remain volatile with many economists predicting a weakening trend over the longer term.

World prices of commodities and agricultural products have increased during the past 12 months mainly as a result of decreasing inventory levels due to both supply constraints and increasing demand. The gross income of the agricultural sector should therefore improve despite a strong rand.

The drought experienced in the Southern and Eastern Cape over the past few years has finally been alleviated. Good rainfall figures have been recorded since December 2010 in almost all areas. The levels of dams in the whole area are satisfactory and agricultural prospects for the current season are generally positive. The dairy industry is however under pressure due to weak selling prices and the ostrich industry is facing major challenges as exports have again been interrupted due to the Avian flu virus.

In line with Tuinroete Agri's strategy in becoming a focused agricultural and retail trading business, the animal feed manufacturing business with the Kleinberg premises were sold to De Heus (Pty) Ltd on 10 May 2011. A depot is being planned in co-operation with De Heus at Kleinberg to be managed by Tuinroete Agri. This depot will mainly sell diesel and animal bagged products. The animal feed mixing unit at Riversdale has been replaced by a feed depot also managed by Tuinroete Agri. Tuinroete Agri will also continue offering finance on a direct transaction basis to farmers purchasing animal feeds from De Heus.

Tuinroete Agri is grateful that it could achieve profitability levels over the past few years and, although turnover and net profit are down for the second consecutive year, the results for the financial year ending 30 June 2011 are satisfactory. The company's efforts over the past few years in becoming a focused and cost effective business proved critical in its ability to withstand the tough and challenging economic and trading conditions experienced over the past few years.

### Financial Results

It is difficult to compare turnover and gross profit figures for the 2011 financial year to that of the previous year due to the change over to a new IT system in July 2010 which necessitated a change in income and cost allocations. The selling of the

## die finansiële jaar onder oorsig

### Inleiding

Die wêreld ekonomie het gedurende die eerste helfte van die finansiële jaar onder oorsig, tekens getoon van herstel na die ekonomiese krisis wat wêreldwyd ondervind is. Die skuld krisis wat 'n aantal Europese lande en later die VSA gedurende Mei en Junie getref het, het egter wêreldmarkte weereens negatief beïnvloed. Oplossings vir die skuld krisis is kompleks en regerings word gedwing om uitgawes te beperk, tekorte te bestuur en dit te balanseer met inkomste uit belastinge. Die vertroue in die betrokke regerings se vermoëns om die krisis effektief te bestuur sal ook herstel moet word.

Plaaslik toon die Suid-Afrikaanse ekonomie ook tekens van herstel. Die regering se gesonde fiskale en monetêre beleide en strukture is sodanig dat 'n skuld krisis nie in die nabye toekoms voorsien word nie. Die buitelandse skuld krisis sal egter Suid-Afrikaanse markte beïnvloed aangesien wêreldwye besteding na verwagting behoort te daal. Dit sal 'n negatiewe invloed uitoefen op uitvoere, die vraag na Suid-Afrikaanse produkte en op finansiële markte. Ekonomie verwag dat die Suid-Afrikaanse Rand onstabiel sal bly, maar dat dit oor die langtermyn behoort te verswak.

Wêreldpryse van verbruiksgoedere en landbouprodukte het gedurende die afgelope 12 maande gestyg hoofsaaklik omdat voorraadvlakke gedaal het weens voorsieningsprobleme en stygende vraag. Die bruto inkomste van die landbousektor behoort te styg.

Die knellende droogte wat die afgelope paar jaar in die Suid- en Oos-Kaap geheers het, is uiteindelik iets van die verlede. Goeie reënvalsyfers is sedert Desember 2010 aangeteken en die vlakke van damme oor die hele gebied is bevredigend. Landbouvooruitsigte vir die huidige seisoen is oor die algemeen positief. Die suiwelbedryf is egter steeds onder druk weens lae verkoopspryse en die volstruisbedryf is negatief beïnvloed weens die uitbreek van voëlgriep wat uitvoere onderbreek het.

In lyn met Tuinroete Agri se strategie om 'n gefokusde landbou en kleinhandel besigheid te wees, is die veevoer- vervaardigingsbesigheid saam met die Kleinbergperseel op 10 Mei 2011 aan De Heus (Edms) Bpk verkoop. Tans word 'n depot wat deur Tuinroete Agri bestuur sal word, in samewerking met De Heus op die Kleinbergperseel beplan. Hierdie depot sal hoofsaaklik diesel en veevoer in sakke verkoop. Die veevoer menigeenheid by Riversdal is vervang met 'n voerdepot wat ook deur Tuinroete Agri bestuur word. Tuinroete Agri sal voortgaan om krediet op direkte transaksies aan landbouers te bied wat veevoere by De Heus aankoop.

Tuinroete Agri is dankbaar dat winsvlakke gedurende die afgelope paar jaar behaal kon word en, alhoewel omset en netto wins vir die tweede agtereenvolgende jare gedaal het, is die resultate vir die finansiële jaar geëindig 30 Junie 2011 bevredigend. Die Maatskappy se volgehoue strategie oor die laaste paar jaar om 'n gefokusde en koste effektiewe besigheid te vestig, het grootliks daartoe bygedra dat Tuinroete Agri die strawwe en uitdagende ekonomiese- en handelstoestande kon weerstaan.

### Finansiële Resultate

Dit is moeilik om die omset- en brutowinssyfers vir die 2011 finansiële jaar met dié van die vorige jaar te vergelyk omdat die IT stelsel 'n verandering in inkomste en koste allokasies teweeg gebring het. Hierdie vergelyking word verder bemoelijk weens

## the financial period under review

continued

mechanisation and parts divisions and the animal feed manufacturing business further complicate comparisons. A summary of the most relevant figures is as follows:

- Turnover from continuing operations have decreased by 1,3%;
- Gross profit from continuing operations have increased by 6%;
- Profit before tax from continuing operations is similar to that of the previous period, but profit after tax from continuing operations is 17% lower due to an increase in tax payable;
- Net profit of R17,4 million include a capital gains profit of R6,2 million from the sale of the animal feed business including the Kleinberg premises;
- Headline earnings per share (excluding capital gains profits) decreased by 29,7% to 28,7 cents per share.

A dividend of 10 cents per share is recommended by the Board, double the amount paid out during the previous period.

The ratio of current assets to current liabilities improved further to 242%. Stock and debtor levels are however considered too high but are indicative of the difficult trading conditions experienced during the past financial year.

The net asset value per share increased by 15%, from R3.97 on 30 June 2010 to R4.56 on 30 June 2011. More than 70% of this increase is as a result of the buy back of 4,3 million shares during the past financial year.

### Human Resources

The Tuinroete Agri Group currently employs 371 permanent employees in its 19 areas of operation and ensures that its human resources policies and procedures focus on achieving employee engagement. The Group is committed to employee training and development and strives to attract, motivate, reward and retain competent people. During the period under review 25 learners completed 3 learnerships under the auspices of the AgriSeta and various other identified training initiatives were completed successfully.

In addition to a guaranteed remuneration package, the Group offers short and long term incentives in order to ensure a motivated and driven workforce.

The Group supports and complies with the requirements of the Employment Equity Act, No 55 of 1998 and promotes equal opportunity and fair treatment in the workplace.

### B-BBEE Scorecard

Tuinroete Agri is fully committed to the recommendations of the Broad-Based Black Economic Empowerment Act No 53 of 2003 and closely monitors its progress in terms of the Department of Trade and Industry's Codes of Good Practice requirements. In the period under review the Group was rated a level 6 contributor in an independent audit conducted by the Ukuthenga Verification Agency.

### Corporate Governance

Corporate Governance is an integral part of Tuinroete Agri's operations. Tuinroete Agri will continue to ensure that it is a sustainable, responsible and focused business creating wealth

## die finansiële jaar onder oorsig

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die verkoop van die meganisasie-, onderdele- en veevoervervaardigingsafdelings. 'n Opsomming van die belangrikste vergelykbare syfers is as volg:

- Omset van voortgesette bedrywe het gedaal met 1,3%;
- Brutowins van voortgesette bedrywe het gestyg met 6%;
- Wins voor belasting van voortgesette bedrywe is soortgelyk aan dié van die vorige periode, maar wins na belasting van voortgesette bedrywe is 17% laer weens 'n styging in belasting betaalbaar;
- Netto wins van R17,4 miljoen sluit kapitaalwinst van R6,2 miljoen in wat verdien is met die verkoop van die veevoerbesigheid en Kleinbergperseel;
- Wesensverdiensie per aandeel (uitsluitend kapitaalwinst) het gedaal met 29,7% tot 28,7 sent per aandeel.

'n Dividend van 10 sent per aandeel word deur die Raad aanbeveel wat dubbel die bedrag behoort wat gedurende die vorige periode betaal is.

Die verhouding van bedryfsbates teenoor bedryfslaste het tot 242% verbeter. Voorraad- en debiteursvlakke is egter te hoog maar is 'n aanduiding van die moeilike handelstoestand wat gedurende die afgelope finansiële jaar ondervind is.

Die netto batewaarde per aandeel het met 15% van R3.97 op 30 Junie 2010 tot R4.56 op 30 Junie 2011 verhoog. Meer as 70% van hierdie verhoging kan toegeskryf word aan die terugkoop van 4,3 miljoen aandele gedurende die afgelope finansiële jaar.

### Menslike Hulpbronne

Die Tuinroete Agri Groep beskik tans oor 371 permanente werknemers wat in 19 bedryfsareas aangewend word. Daar word voortdurend verseker dat die menslike hulpbronne beleide en prosedures waardes soos toegewydheid en lojaliteit by werknemers vestig. Werknemeropleiding en -ontwikkeling is 'n strategiese prioriteit wat bydra tot bekwame werknemer-aanstellings, -motivering, -beloning en -behoud. Gedurende die periode onder oorsig het 25 leerders 3 leerlingskappe onder die vaandel van die AgriSeta voltooi en verskeie ander opleidingsinisiatiewe is ook suksesvol afgehandel.

Die Groep bied sy werknemers 'n gewaarborgde vergoedingspakket met kort- en langtermyn aansporingskemas om sodoende 'n gemotiveerde en gedrewe werkerskorps te verseker.

Die Groep ondersteun en voldoen aan die vereistes van die Wet op Gelyke Geleenthede Nr 55 van 1998 en bevorder gelykheid en regverdigheid in die werksplek.

### B-BSEBTelkaart

Tuinroete Agri is verbind tot die aanbevelings van die Wet op Breë Basis Swart Ekonomiese Bemagtiging Nr 53 van 2003 en evalueer voortdurend vordering in die verband met die Handves van Goeie Praktyke van die Departement van Handel en Nywerheid. Die Groep behaal in die periode onder oorsig 'n BSEB status van vlak 6 bydraer.

### Korporatiewe Beheer

Korporatiewe beheer is 'n integrale deel van Tuinroete Agri se besigheid. 'n Verantwoordelike, gefokusde en volhoubare besigheid wat waarde vir aandeelhouers en ander betrokkenes

## the financial period under review

continued

for its shareholders and all other stakeholders. Sound corporate governance and the effective control and management of the company are primarily the responsibility of the Board of Directors.

The Board of Directors is committed to complying with the requirements of the new Company's Act and will continue to implement the King III Codes of Good Practice where appropriate and practical. According to the requirements of the new Company's Act, Tuinroete Agri will have to change its articles of Association. This process will commence in the next financial period for submission to and approval by the shareholders at the Annual General Meeting in November 2012.

There are four board appointed sub-committees which assist the board in carrying out its duties:

- Audit Committee
- Remuneration Committee
- Nominations Committee
- Share Trust Committee

The Audit Committee is supported by the internal audit and risk committee. This committee operates within pre-determined risk- and auditing guidelines. In line with the King III Codes of Good Practice, an additional sub-committee, the Risk Committee, will be formed during the next financial period. All the sub-committees are chaired by non-executive directors. These committees report to the Board of Directors and make recommendations to the Board for final decision making.

Both the Chairperson and the Vice-Chairperson of the Board are non-executive Directors. On 1 July 2011, the Financial General Manager, Mr Oeloff Badenhorst, was appointed Financial Director of the company. Board Meetings are also attended by the members of executive management. The Chairman of the Board and the Managing Director are not members of the Audit Committee but attend by invitation.

The Board and its sub-committees are committed to the principles of accountability, fairness, transparency, empowerment and integrity towards all stakeholders. Tuinroete Agri continuously strives to conduct business based on sound corporate governance and ethical principles.

### Corporate Social Investment

Tuinroete Agri firmly believes in not only achieving its financial and economic goals, but also in contributing to the society in which it operates. The Group is committed to responsible environmental stewardship and strives to minimise the impact that it may have on the environment through continuous improvement of business practices. A clean, safe and healthy environment and workplace is a key focus and employees are encouraged to use electricity, water and paper responsibly and wisely. The Group is proud of progress made in this regard.

Social and community engagement initiatives focus on education, welfare and health and aim to improve the quality of life within the community. In the year under review donations went towards various scholarships, upgrading of educational infrastructure, the improvement of the living conditions of the under privileged, disabled and aged. The Group provides for transport of learners to schools in a rural area as well as housing, sanitary and electrical services in the same community. All CSI initiatives are focused on Tuinroete Agri's region of operation.

## die finansiële jaar onder oorsig

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verseker word voortdurend nagestreef. Die Raad van Direkteure is primêr verantwoordelik vir gesonde korporatiewe beheer en die kontrole en beheer van die Maatskappy.

Die Raad van Direkteure is verbind tot die nakoming van die vereistes van die nuwe Maatskappywet en sal voortgaan om die King III Handves van Goeie Praktyke te implementeer waar toepaslik en prakties moontlik. Die nuwe Maatskappywet vereis die verandering van Tuinroete Agri se Akte van Statute. Hierdie proses sal in aanvang neem in die nuwe finansiële jaar vir finale voorlegging en goedkeuring deur aandeelhouers by die Algemene Jaarvergadering in November 2012.

Daar is vier Raad toegewysde sub-komitees wat die Raad bystaan in die uitvoering van sy pligte naamlik:

- Ouditkomitee
- Vergoedingskomitee
- Nominasiekomitee
- Aandele Trustkomitee

Die Ouditkomitee word bygestaan deur die interne oudit en risikokomitee wat binne vooraf bepaalde risiko- en ouditriglyne werk. Soos voorgestel deur die Handves van Goeie Praktyke van King III, sal 'n bykomende subkomitee, naamlik die Risikokomitee, in die nuwe finansiële jaar gevorm word. Die voorsitters van al die genoemde komitees is nie uitvoerende direkteure. Die komitees lewer verslag met aanbevelings aan die Raad van Direkteure waar finale besluite geneem word.

Die Voorsitter en Onder Voorsitter van die Raad is nie uitvoerende direkteure. Die Hoofbestuuder: Finansies, Mnr Oeloff Badenhorst, is op 1 Julie 2011 aangestel as Finansiële Direkteur van die Maatskappy. Hoofbestuurslede woon ook raadsvergaderings by. Die Voorsitter van die Raad en die Besturende Direkteur is nie lede van die Ouditkomitee nie, maar woon vergaderings op uitnodiging by.

Die Raad en sy sub-komitees is verbind tot beginsels van verantwoordbaarheid, regverdigheid, deursigtigheid, bemagtiging en integriteit ten opsigte van alle belanghebbendes. Tuinroete Agri streef voortdurend daarna om die maatskappy op gesonde korporatiewe beheer en etiese beginsels te bedryf.

### Korporatiewe Sosiale Belegging

Tuinroete Agri glo dat nie net die bereiking van finansiële en ekonomiese doelwitte belangrik is nie, maar ook die bydrae tot en bevordering van die gemeenskap waarin die maatskappy handeldryf. Die Groep is verbind tot verantwoordelike omgewingsrentmeesterskap en strewende daarna om die impak wat dit mag hê op die omgewing tot die minimum te beperk deur die voortdurende verbetering van besigheidspraktyke. 'n Skoon, veilige en gesonde omgewing en werksplek is 'n sleutelfokus en werknemers word aangemoedig om water, elektrisiteit en papier te bespaar. Die Groep is trots op vordering gemaak in die verband.

Sosiale - en gemeenskapsinisiatiewe fokus op opleiding en welsyn en gesondheid en poog om die gehalte van lewe binne die gemeenskap te verbeter. Skenkings is in die jaar onder oorsig gemaak vir die opgradering van die infrastruktuur van opvoedingsinstansies en die verbetering van die lewensomstandighede van minderbevoorregtes, gestremdes en bejaardes. Verskeie beurse is ook aan skole in die gebied toegeken. Die Groep maak voorsiening vir die vervoer van leerlinge in 'n meer afgesonderde gebied asook vir behuising-

## the financial period under review

continued

### Competition Commission

The Competition Tribunal on 15 June 2011 approved the consent order that was reached between the Competition Commission and Tuinroete Agri. The parties agreed that Tuinroete Agri pay an administrative penalty of R48 048 as it has participated, as a member of the Grain Silo Institute, in the fixing of daily Safex grain storage tariffs.

Tuinroete Agri has embarked on a programme to provide training on competition law compliance issues to all its employees and officials.

### Prospects

As a result of the good rainfall figures recorded in the Southern and Eastern Cape areas, agricultural prospects are much more positive compared to a year ago. The increase in the prices of agricultural products during the past 12 months is also encouraging. The profitability of the agricultural sector in the Southern and Eastern Cape should recover but farmers will have to continue to focus on containing costs and increasing efficiencies and yields.

The world demand for food is expected to continue to exceed supply. Due to the debt crisis of many European governments and the USA, the subsidies that these governments pay to their farmers are under pressure and are expected to be reduced over the medium to long term. This should result in South African agricultural products becoming more competitive on world markets. However, uncertainty on international financial markets and the debt crisis may cause another recession with consequential negative effects on the demand and prices of commodities and agricultural products.

Tuinroete Agri is fully committed to assist farmers and to offer products at competitive prices with good service delivery. Indications are that the company's trading performance in the new financial year should start to recover. Net profit, however, is expected to be lower as returns on the significant investments at the Knysna and Mossel Bay premises will only be realised over the longer term.

### Conclusion

We sincerely thank all our farmers, customers, suppliers and shareholders for their continued support and involvement. Also a special word of thanks to the Tuinroete Agri Board, management team and all employees for their commitment, dedicated service and hard work.

We acknowledge that everything that is achieved is by the grace of God and we pray for His continued guidance.

### JD Weys

Managing Director / Besturende Direkteur

## die finansiële jaar onder oorsig

vervolg

sanitêre- en elektrisiteitsvoorsiening in dieselfde gebied. Alle skenkings en inisiatiewe fokus op die gebiede waar Tuinroete Agri se takke geleë is.

### Mededingingskommissie

Die Mededingingstribunaal het op 15 Junie 2011 toegestem tot die ooreenkoms wat deur die Mededingingskommissie en Tuinroete Agri bereik is. Die partye het ooreengekom dat Tuinroete Agri 'n administratiewe boete van R48 048 opgelê word aangesien die maatskappy as lid van die Graansilo Industrie Vereniging deelgeneem het aan die vasstelling van Safex dagopbergingstariewe van graan.

'n Opleidingsprogram vir alle werknemers en beamptes rakende mededingingswetgewing, -bepalings en -vereistes word tans deur die maatskappy saamgestel vir uitvoering.

### Vooruitsigte

Landbouvooruitsigte is tans baie meer positief as 'n jaar gelede, grootliks te danke aan die goeie reënval in die Suid- en Oos-Kaap. Die styging in die pryse van landbouprodukte is ook bemoedigend. Die winsgewendheid van die landbousektor in die Suid- en Oos-Kaap behoort te herstel, maar landbouers sal voortdurend koste moet besnoei en opbrengste en effektiwiteit verhoog.

Daar word verwag dat die wêreldwye vraag na voedsel steeds die aanbod sal oorskry. Die subsidies wat regerings in Europa en in die VSA aan landbouers betaal is onder druk weens die skuld krisis en daar word verwag dat dit oor die medium- en langtermyn verminder sal word. Dit behoort daartoe te lei dat Suid-Afrikaanse landbouprodukte meer mededingend op wêreldmarkte sal word. Die onsekerheid op internasionale finansiële markte en die skuld krisis mag egter nog 'n resessie tot gevolg hê met gevolglike negatiewe invloed op die vraag na en pryse van gebruiksartikels en landbouprodukte.

Tuinroete Agri is verbind tot die ondersteuning van landbouers en om produkte teen mededingende pryse met goeie diens te lewer. Die Maatskappy se handelsprestasie behoort in die nuwe finansiële jaar te begin herstel. 'n Laer netto wins word egter verwag omdat opbrengste op die groot kapitale beleggings in die Knysna en Mosselbaai eiendomme eers oor die langer termyn behoort te realiseer.

### Ten slotte

Ons opregte dank gaan aan al ons landbouers, kliënte, verskaffers en aandeelhouers vir volgehoue ondersteuning en betrokkenheid by Tuinroete Agri. Die Tuinroete Agri Raad, bestuurspan en alle werknemers word ook van harte bedank vir toewyding, lojale diens en harde werk.

Ons weet en erken dat alles wat bereik is slegs deur die genade van God is en bid vir Sy voortdurende leiding.

### HH Pienaar

Voorsitter / Chairman

## salient features and summary of results

for the periods ending 30 June

	2011 R'000 12 months	2010 R'000 12 months	2009 R'000 12 months	2008 R'000 12 months	2007 R'000 16 months
<b>Summary of results</b>					
Turnover	485,689	527,094	546,584	468,004	431,952
Gross profit	70,915	71,053	70,647	62,926	59,300
Operating profit	22,201	19,125	24,764	19,465	92,888
Investment income	1,118	1,296	2,047	1,757	511
Financing income	118	268	1,000	4,160	2,030
Fair value adjustment	(179)	(216)	(152)	-	-
Financing cost	(1,161)	(1,354)	(1,544)	(792)	(1,009)
Net profit before taxation	22,097	19,119	26,116	24,590	94,420
Taxation	(4,670)	(3,082)	(6,945)	(6,739)	(11,131)
Net profit after taxation	17,427	16,037	19,171	17,851	83,289
Dividends paid	(2,068)	(2,481)	(2,492)	(1,956)	(775)
Headline earnings	11,235	16,872	18,807	18,051	21,892
Cash from operating activities	4,882	12,251	(6,871)	15,631	14,339
Total assets	252,354	244,430	236,774	218,565	177,243
Total liabilities	83,398	80,267	87,485	84,415	63,471
Equity	168,956	164,163	150,535	134,150	113,772
Issued share capital ('000)	37,030	41,352	41,352	41,541	39,121
<b>Reconciliation of the net profit after tax with the headline earnings</b>					
Net profit after taxation	17,427	16,037	19,216	17,851	83,289
Fair value adjustment	179	216	152	-	-
(Profit) from the sale of investments	(310)	(38)	(342)	(3)	(61,485)
(Profit)/Loss from the sale of fixed assets	(6,061)	361	(437)	186	(494)
Impairment of investments	-	296	218	17	582
Headline earnings after taxation	11,235	16,872	18,807	18,051	21,892
<b>Results per share</b>					
	2011 cents 12 months	2010 cents 12 months	2009 cents 12 months	2008 cents 12 months	2007 cents 16 months
Earnings	44.5	38.8	46.3	44.3	229.1
Headline earnings	28.7	40.8	45.3	44.8	60.2
Dividend	5.0	6.0	6.0	5.0	2.1
Net asset value	456.3	397.0	363.2	322.9	290.8
<b>Ratios</b>					
	2011	2010	2009	2008	2007
Gross profit margin	14.6%	13.5%	12.9%	13.4%	13.7%
Operating profit margin	4.6%	3.6%	4.5%	4.2%	21.5%
Return on total assets	8.9%	7.9%	10.9%	9.8%	52.6%
Return on equity	10.5%	10.2%	13.5%	14.4%	72.3%
Financial structure (equity to assets)	67.0%	67.2%	63.6%	61.4%	64.2%
Debt equity ratio	49.4%	48.9%	57.3%	62.9%	55.8%
Current ratio	242.0%	225.7%	225.8%	217.8%	234.1%
Quick ratio (Acid test)	155.5%	142.4%	126.7%	135.6%	160.3%

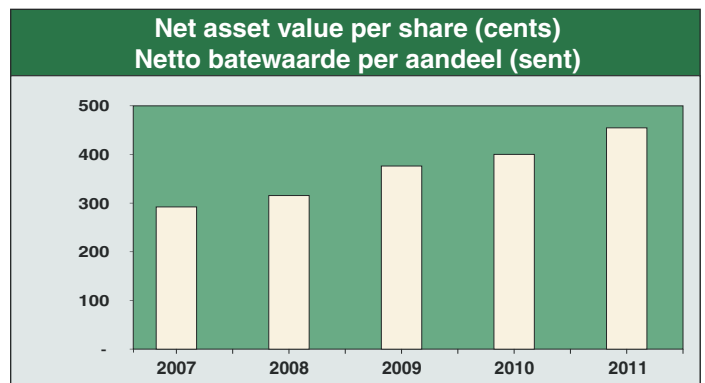
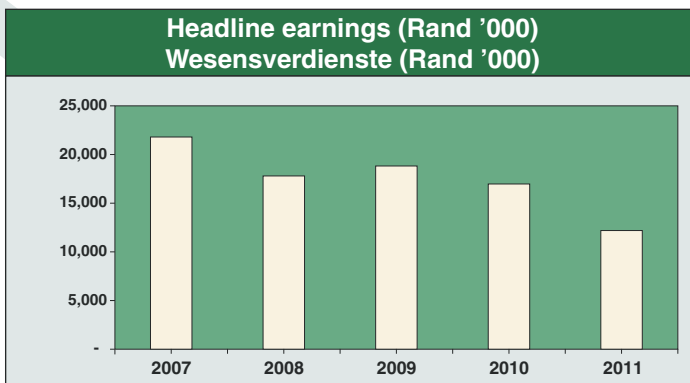
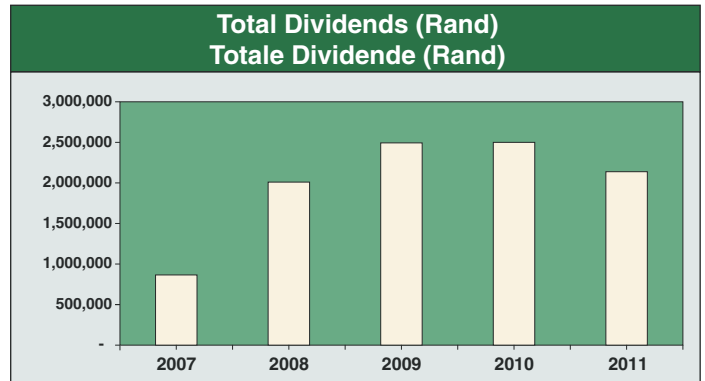
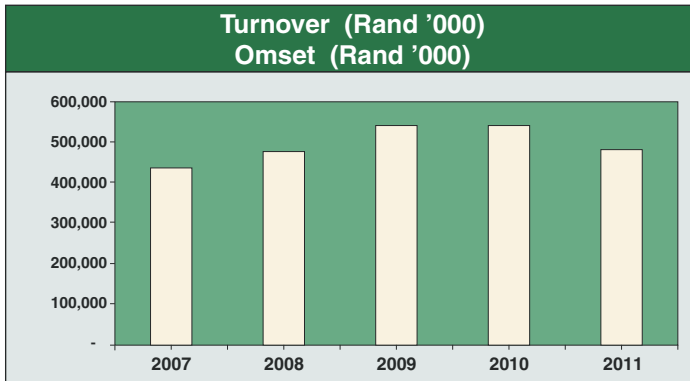
## finansiële hooftrekke en opsommende resultate

vir die tydperke geëindig 30 Junie

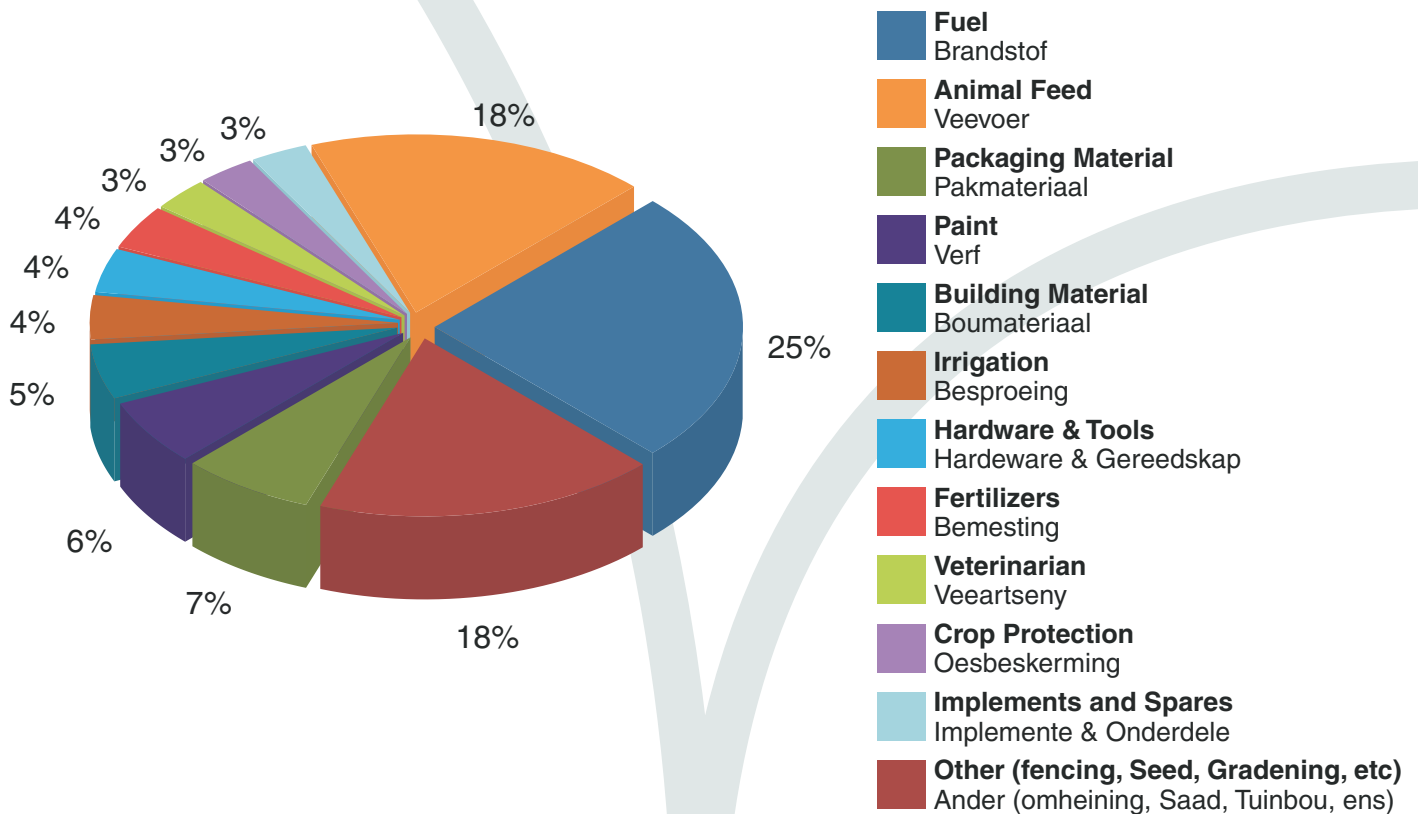
	2011 R'000 12 maande	2010 R'000 12 maande	2009 R'000 12 maande	2008 R'000 12 maande	2007 R'000 16 maande
<b>Opsommende resultate</b>					
Omset	485,689	527,094	546,584	468,004	431,952
Bruto wins	70,915	71,053	70,647	62,926	59,300
Bedryfswins	22,201	19,125	24,764	19,465	92,888
Beleggingsinkomste	1,118	1,296	2,047	1,757	511
Finansieringsinkomste	118	268	1,000	4,160	2,030
Billike waarde aanpassing	(179)	(216)	(152)	-	-
Finansieringskoste	(1,161)	(1,354)	(1,544)	(792)	(1,009)
Netto wins voor belasting	22,097	19,119	26,116	24,590	94,420
Belasting	(4,670)	(3,082)	(6,945)	(6,739)	(11,131)
Netto wins na belasting	17,427	16,037	19,171	17,851	83,289
Dividende betaal	(2,068)	(2,481)	(2,492)	(1,956)	(775)
Wesensverdiens	11,235	16,872	18,807	18,051	21,892
Kontant uit bedryfsaktiwiteite	4,882	12,251	(6,871)	15,631	14,339
Totale bates	252,354	244,430	236,774	218,565	177,243
Totale laste	83,398	80,267	87,485	84,415	63,471
Ekwiteit	168,956	164,163	150,535	134,150	113,772
Uitgereikte aandele ('000)	37,030	41,352	41,352	41,541	39,121
<b>Rekonsiliasie van netto wins na belasting met wesensverdiens</b>					
Netto wins na belasting	17,427	16,037	19,216	17,851	83,289
Billike waarde aanpassing	179	216	152	-	-
(Wins) met verkoop van aandele	(310)	(38)	(342)	(3)	(61,485)
(Wins)/Verlies met verkoop van bates	(6,061)	361	(437)	186	(494)
Beleggings terug/(afgeskryf)	-	296	218	17	582
Wesensverdiens na belasting	11,235	16,872	18,807	18,051	21,892
<b>Prestasie per aandeel</b>					
Verdiens	44.5	38.8	46.3	44.3	229.1
Wesensverdiens	28.7	40.8	45.3	44.8	60.2
Dividend	5.0	6.0	6.0	5.0	2.1
Netto batewaarde	456.3	397.0	363.2	322.9	290.8
<b>Kernverhoudings</b>					
Bruto wins marge	14.6%	13.5%	12.9%	13.4%	13.7%
Bedryfswins marge	4.6%	3.6%	4.5%	4.2%	21.5%
Opbrengs op totale bates	8.9%	7.9%	10.9%	9.8%	52.6%
Opbrengs op aandeelhouersbelang	10.5%	10.2%	13.5%	14.4%	72.3%
Finansiële struktuur (ekwiteit tot bates)	67.0%	67.2%	63.6%	61.4%	64.2%
Vreemde tot eie kapitaal	49.4%	48.9%	57.3%	62.9%	55.8%
Bedryfsverhouding	242.0%	225.7%	225.8%	217.8%	234.1%
Vuurproefverhouding	155.5%	142.4%	126.7%	135.6%	160.3%

## salient features and summary of results

for the periods ending 30 June and 28 February



**Sales contribution per product category (%)  
Omset bydrae per produkgroep (%)**



## audit committee report

This report is provided by the Audit Committee appointed in respect of the 2011 financial year of Tuinroete Agri Ltd and Subsidiary.

### 1. Members of the Audit Committee

The members of the Audit Committee are all independent non-executive directors of the group and include:

**Name**

Mr JE Robertson - Chairman  
 Mr M Pienaar  
 Mr KR Reitz  
 Mr JH Robertson

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 and Regulation 42 of the Companies Regulation, 2011.

### 2. Meetings held by the Audit Committee

The Audit Committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The committee held 4 scheduled meetings during 2011.

Meetings attended	20 September 2010	19 November 2010	17 March 2011	25 May 2011
JH Robertson	X	✓	X	✓
JE Robertson	✓	✓	✓	✓
KR Reitz	✓	✓	✓	✓
M Pienaar	✓	✓	✓	✓

### 3. External auditor

The Audit Committee has nominated MeyerOtto Incorporated as the independent auditor and HSL de Jager as the designated partner, who is a registered independent auditor, for appointment of the 2011 audit.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the Companies Act 71 of 2008 and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act 71 of 2008 that internal governance processes within the firm support and demonstrate the claim to independence.

The Audit Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The Audit Committee has considered and pre-approved all non-audit services provided by the external auditors and the fees relative there to so as to ensure the independence of the external auditors is maintained.

### 4. Financial statements

Following the review of the financial statements the Audit Committee recommend board approval thereof.

On behalf of the audit committee



**JE Robertson**  
**Chairman Audit Committee**  
**George**

19 September 2011

## ouditkomitee verslag

Die verslag word gelewer deur die Ouditkomitee en dek die 2011 finansiële jaar van Tuinroete Agri Beperk en filiaal.

### 1. Lede van die Ouditkomitee

Die lede van die Ouditkomitee is onafhanklike, nie-uitvoerende direkteure van die Groep en is as volg:

#### Name

Mnr J E Robertson – Voorsitter  
 Mnr M Pienaar  
 Mnr K R Reitz  
 Mnr J H Robertson

Die komitee is tevrede dat al sy lede oor die nodige kennis en ervaring beskik soos beskryf in Artikel 94(5) van die Maatskappywet 71 van 2008 en Regulasie 42 van die Maatskappy Regulasies 2011.

### 2. Ouditkomitee vergaderings

Die Ouditkomitee verrig sy pligte soos neergelê deur Artikel 94(7) van die Maatskappywet 71 van 2008 deur op 'n gereelde basis vergaderings te belê met sleutelrolspelers en deur onbeperkte toegang tot die eksterne ouditeure te verleen.

Vier geskeduleerde Ouditvergaderings is in 2011 gehou.

Vergaderings bygewoon	20 September 2010	19 November 2010	17 Maart 2011	25 Mei 2011
JH Robertson	X	✓	X	✓
JE Robertson	✓	✓	✓	✓
KR Reitz	✓	✓	✓	✓
M Pienaar	✓	✓	✓	✓

### 3. Eksterne Ouditeur

MeyerOtto Ingelyf is as onafhanklike ouditeur en H S L de Jager, 'n geregistreerde, onafhanklike ouditeur, is as die aangewese vennoot genomineer vir aanstelling vir die 2011 audit.

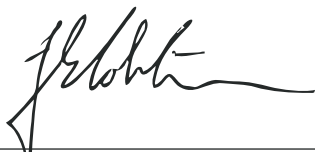
Die komitee is tevrede, na 'n ondersoek, dat die eksterne ouditeure voldoen aan die onafhanklikheids vereistes soos gedefinieer deur die Maatskappywet 71 van 2008 asook aan die standaard gestipuleer deur die ouditeursprofessie. Die nodige versekering is aangevra en voorsien deur die Maatskappywet 71 van 2008, dat interne korporatiewe beheerstrukture binne die maatskappy hul onafhanklikheid vertoon en ondersteun.

Die Ouditkomitee het in konsultasie met uitvoerende bestuur ooreengestem oor die terme van die verbintenisse. Die auditfooi vir die eksterne audit is oorweeg en goedgekeur met inagneming van faktore soos die tydsbestek, aard en omvang van die audit soos vereis. Alle nie-audit dienste voorsien deur die eksterne ouditeure asook die relatiewe fooie van toepassing is vooraf oorweeg en goedgekeur om te verseker dat die onafhanklikheid van die eksterne ouditeure gehandhaaf word.

### 4. Finansiële state

Die finansiële state is nagegaan en die Ouditkomitee beveel aan dat die Raad dit goedkeur.

Namens die Ouditkomitee



**JE Robertson**  
**Voorsitter Ouditkomitee**  
**George**

19 September 2011

## directors' responsibilities and approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended are in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates. The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

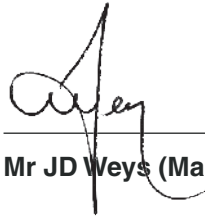
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The directors have reviewed the group's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on page 15.

The financial statements set out on pages 17 to 65, which have been prepared on the going concern basis, were approved by the board on 19 September 2011 and were signed on its behalf by:



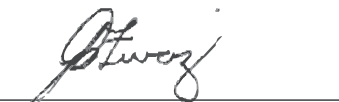
**Mr HH Pienaar (Chairman)**



**Mr JD Weyers (Managing Director)**

## certificate of company secretary

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act 71 of 2008, that for the year ended 30 June 2011, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act, and that all such returns are true, correct, and up to date.



**Mr LG Fivaz (Company Secretary)**

19 September 2011

## **direkteursverantwoordelikhede en -goedkeuring**

Die Maatskappywet van Suid-Afrika, Wet 71 van 2008 bepaal dat die direkteure toereikende rekeningkundige rekords moet handhaaf en verantwoordelik is vir die inhoud en integriteit van die finansiële state en verwante finansiële inligting wat by die verslag ingesluit word. Dit is hul verantwoordelikheid om te verseker dat die finansiële state ter voldoening aan die Internasionale Finansiële Verslagdoeningstandaard 'n billike beeld is van die groep se sake aan die einde van die finansiële jaar en die resultate van sy bedrywighede vir die tydperk wat op daardie tydstop geëindig het. Die eksterne ouditeure is aangestel om 'n onafhanklike mening oor die finansiële state uit te spreek.

Die finansiële state is ooreenkomstig Internasionale Finansiële Verslagdoeningstandaard opgestel en is gegrond op toepaslike rekeningkundige beleid wat konsekwent toegepas is en deur redelike en verstandige oordeel en ramings ondersteun is.

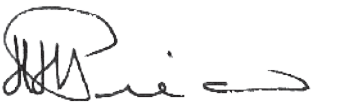
Die direkteure erken dat hulle uiteindelik verantwoordelik is vir die stelsels van interne finansiële beheer wat die groep ingestel het en plaas aansienlike klem op die belang van handhawing van streng beheer. Sodat die direkteure die verantwoordelikhede kan nakom, stel die raad standarde vir interne beheer wat daarop gerig is om die risiko van foute of verlies op 'n kostedoeltreffende wyse te verklein. Die standarde sluit in die behoorlike delegasie van verantwoordelikhede binne 'n duidelik gedefinieerde raamwerk, effektiewe rekeningkundige prosedures en toereikende skeiding van pligte om 'n aanvaarbare risikovlak te verseker. Die beheermaatreëls word deur die hele groep gemonitor en alle werknemers moet die hoogste etiese standarde handhaaf om te verseker dat die groep se besigheid gedoen word op 'n wyse wat onder alle redelike omstandighede bo verdenking is. Die groep se risikobestuur is gerig op die identifisering, evaluering, bestuur en monitering van alle bekende risiko's in die groep. Hoewel die bedryfsrisiko nie heeltemal uitgeskakel kan word nie, probeer die groep dit tot 'n minimum beperk deur te verseker dat die toepaslike infrastruktuur-, beheer- en ander stelsels en etiese gedrag volgens voorafbepaalde prosedures en beperkings toegepas word.

Die direkteure is op grond van inligting en verduidelikings wat bestuur verskaf, van mening dat die interne beheerstelsels redelike sekerheid bied dat daar vir die opstel van die finansiële state op die finansiële rekords gesteun kan word. Enige interne stelsels vir finansiële beheer kan egter slegs redelike, en nie absolute versekering nie, teen enige wesentliche wanverklaring of verlies bied.

Die direkteure het die groep se kontantvloeiwoorspelling vir die jaar tot 30 Junie 2012 nagesien en is in die lig van die nasiening en die huidige finansiële posisie oortuig dat die groep toereikende middele het of toegang tot toereikende middele het om sy bedrywighede in die voorsienbare toekoms voort te sit.

Die eksterne ouditeure is verantwoordelik vir die onafhanklike nasiening van die groep se finansiële state en om daarvoor verslag te doen. Die finansiële state is deur die groep se eksterne ouditeure ondersoek en hul verslag word op bladsy 16 aangebied.

Die finansiële state wat op bladsye 17 tot 65 uiteengesit word en op die lopendesaaigrondslag opgestel is, is op 19 September 2011 deur die raad goedgekeur en namens hulle onderteken deur:



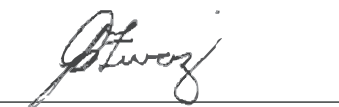
**Mr HH Pienaar (Voorsitter)**



**Mr JD Weys (Besturende Direkteur)**

## **sertifikaat van die maatskappy sekretaris**

In my hoedanigheid as Maatskappy Sekretaris bevestig ek dat alle opgawes vereis vir 'n publieke maatskappy in terme van Maatskappywet van Suid-Afrika, Wet 71 van 2008 ingedien is en dat sodanige opgawes korrek en op datum is.



**Mr LG Fivaz (Maatskappy Sekretaris)**

19 September 2011

## report of the independent auditors



### To the members of Tuinroete Agri Ltd and Subsidiary

We have audited the financial statements of Tuinroete Agri Ltd and Subsidiary, which comprise the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 17 to 65.

### Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tuinroete Agri Ltd and Subsidiary as at 30 June 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 71 of 2008.

A handwritten signature in black ink that reads 'MeyerOtto Inc.'.

**MeyerOtto Incorporated**  
**Registered Auditors**  
**Per: HSL de Jager**  
**George**

19 September 2011

CHARTERED ACCOUNTANTS & AUDITORS

## verslag van die onafhanklike ouditeure



### Aan die aandeelhouer van Tuinroete Agri Konsolidasie

Ons het die finansiële state van Tuinroete Agri Beperk en filiaal geaudit, wat bestaan uit die gekonsolideerde en aparte staat van finansiële posisie soos op 30 Junie 2011, die gekonsolideerde en aparte staat van omvattende inkomste, die gekonsolideerde en aparte staat van veranderings in ekwiteit en die gekonsolideerde en aparte kontantvloei staat vir die jaar wat op daardie datum geëindig het, 'n opsomming van beduidende rekeningkundige beleid en ander verduidelikende aantekeninge en direkteursverslag, soos uiteengesit op bladsye 17 tot 65.

### Direkteure se Verantwoordelikheid vir die Finansiële State

Die maatskappy se direkteure is verantwoordelik vir die opstel en redelike voorstelling van hierdie finansiële state ooreenkomstig Internasionale Finansiële Verslagdoeningstandaard en op die wyse wat deur die Maatskappywet van Suid-Afrika, Wet 71 van 2008 vereis word, asook interne beheer soos deur direkteure bepaal relevant tot die opstel en redelike voorstelling van finansiële state wat vry is van wesenlike wanvoorstellings, hetsy weens bedrog of foute.

### Ouditeure se Verantwoordelikheid

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

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

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

### Mening

Na ons mening is die gekonsolideerde finansiële state, in alle wesenlike opsigte, 'n redelike aanbieding van die finansiële stand van Tuinroete Agri Beperk en sy filiaal op 30 Junie 2011, en van die maatskappy se finansiële prestasie en kontantvloei vir die jaar wat op daardie datum geëindig het, ooreenkomstig Internasionale Finansiële Verslagdoeningstandaard en op die wyse wat deur die Maatskappywet van Suid-Afrika, Wet 71 van 2008 vereis word.

A handwritten signature in black ink that reads 'MeyerOtto Inc.'.

**MeyerOtto Ing**  
**Geregistreerde Ouditeure**  
**Per: HSL de Jager**  
**George**

19 September 2011

GEOKTROOIEERDE REKENMEESTERS & OUDITEURE

## directors' report

The directors submit their report for the year ended 30 June 2011.

### 1. Review of activities

#### Main business and operations

The group operates in South Africa and its main activities are the provision of agricultural products and services and the handling of grain.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Net profit of the group was R 17,427 million (2010: R 16,037 million), after taxation of R 4,670 million (2010: R 3,082 million).

## direkteursverslag

Die direkteure dien hul verslag vir die jaar geëindig 30 Junie 2011 in.

### 1. Oorsig van aktiwiteite

#### Hoofbesigheid en -bedrywighede

Die groep is betrokke by die voorsiening van landbouprodukte en -dienste en die berging van grane en is hoofsaaklik in Suid-Afrika werksaam.

Die maatskappy se bedryfsresultate en stand van sake word ten volle in die aangehegte finansiële state uiteengesit en vereis na ons mening geen bykomende kommentaar nie.

Netto wins van die groep was R 17,427 miljoen (2010: R 16,037 miljoen), na belasting van R 4,670 miljoen (2010: R 3,082 miljoen).

General overview	Group		Maatskappy		Algemene oorsig
	12 Months 2011 R'000	12 Months 2010 R'000	12 Maande 2011 R'000	12 Maande 2010 R'000	
Turnover	485,689	527,094	485,689	527,094	Omset
Gross profit	70,915	71,053	70,915	71,053	Bruto Wins
Dividend revenue	1,118	1,296	1,118	1,296	Dividende ontvang
Finance income	83	268	83	268	Finansieringsinkomste
Finance costs	(1,161)	(1,354)	(1,345)	(1,497)	Finansieringskoste
Profit/(loss) on disposal of assets	6,231	(323)	6,062	(361)	Wins/(verlies) met verkoop van bates
Dividends paid	(2,068)	(2,481)	(2,068)	(2,481)	Dividende betaal
Total assets	252,354	244,430	254,536	246,373	Totale bates
Total liabilities	83,398	80,267	85,641	81,804	Totale laste
Equity	168,956	164,163	168,895	164,572	Ekwiteit
Share capital	7,129	17,977	7,129	17,977	Aandelekapitaal

### 2. Events after the reporting period

The directors are not aware of any matter or circumstance arising since the end of the financial year.

### 3. Accounting policies

The following International Financial Reporting Standard was applied in the current year:

- IFRS 1, First-time adoption of International Financial Reporting Standards.

The impact on the results of the group in adopting the above policy is reflected in note 41 to the financial statements.

### 4. Authorised and issued share capital

The company re-purchased 4,321,865 of its own shares during the year.

As a result of the above mentioned re-purchase, issued share capital and share premium decreased by R 43,219 and R 10,804,663 respectively.

### 2. Na-balansstaat gebeure

Direkteure is nie bewus van enige aangeleenthede en omstandighede wat ontstaan het na jaareinde nie.

### 3. Rekenkundige beleid

Die volgende Internasionale Finansiële Verslagdoeningstandaard was toegepas in die huidige jaar.

- IFRS 1, Eerste implementering van Internasionale Finansiële Verslagdoeningstandaard

Die impak op die groep se resultate met die implementering van bogenoemde beleid word in nota 41 van finansiële state gereflekteer.

### 4. Gemagtigde en uitgereikte aandelekapitaal

Die maatskappy het 4,321,865 van sy eie aandele gedurende die jaar teruggekoop.

Bogenoemde terugkoop het veroorsaak dat aandelekapitaal en aandelepremie verminder het met onderskeidelik R 43,219 en R 10,804,663.

## directors' report

continued

### 5. Dividends

An ordinary dividend of 10 cents (2010: 5 cents) is recommended by the directors.

### 6. Directors

The directors of the company during the year and to the date of this report are as follows:

Mr HH Pienaar - Chairman  
Mr JH Robertson - Vice Chairman  
Mr JD Weys - Managing Director  
Mr SG Joubert (Resigned 26 November 2010)  
Mr S Mkhize  
Ms PS Norris  
Mr M Pienaar  
Mr KR Reitz  
Mr JE Robertson  
Mr JJ Streicher  
Mr B Zondagh

#### **Audit committee**

Mr JE Robertson (Chairman)  
Mr JH Robertson  
Mr KR Reitz  
Mr JD Weys (By invitation)  
Mr M Pienaar

#### **Remuneration committee**

Mr KR Reitz (Chairman)  
Ms PS Norris  
Mr JJ Streicher  
Mr JD Weys (By invitation)  
Mr B Zondagh

#### **Nomination committee**

Mr HH Pienaar (Chairman)  
Mr JE Robertson  
Mr M Pienaar  
Mr JD Weys

### 7. Secretary

The secretary of the company is LG Fivaz of:

Business address      Industry Road  
                                 Mossel Bay 6500

Postal address         PO Box 70  
                                 Mossel Bay 6500

## direkteursverslag

vervolg

### 5. Dividende

Die direkteure stel 'n gewone dividend van 10 sent (2010: 5 sent) voor.

### 6. Direkteure

Die direkteure van die maatskappy gedurende die 12 maande en tot datum van hierdie verslag is as volg:

Mnr HH Pienaar - Voorsitter  
Mnr JH Robertson - Onder Voorsitter  
Mnr JD Weys - Besturende Direkteur  
Mnr SG Joubert (Bedank 26 November 2010)  
Mnr S Mkhize  
Me PS Norris  
Mnr M Pienaar  
Mnr KR Reitz  
Mnr JE Robertson  
Mnr JJ Streicher  
Mnr B Zondagh

#### **Ouditkomitee**

Mnr JE Robertson (Voorsitter)  
Mnr JH Robertson  
Mnr KR Reitz  
Mnr JD Weys (Op uitnodiging)  
Mnr M Pienaar

#### **Vergoedingskomitee**

Mnr KR Reitz (Voorsitter)  
Me PS Norris  
Mnr JJ Streicher  
Mnr JD Weys (Op uitnodiging)  
Mnr B Zondagh

#### **Nominasiekomitee**

Mnr HH Pienaar (Voorsitter)  
Mnr JE Robertson  
Mnr M Pienaar  
Mnr JD Weys

### 7. Sekretaris

Die maatskappy se sekretaris is LG Fivaz van:

Besigheidsadres      Industrierweg  
                                 Mosselbaai 6500

Posadres                 Posbus 70  
                                 Mosselbaai 6500

## directors' report

continued

### 8. Shares held by directors

	30 June 2011	30 Junie 2010
<b>Executive director (direct and indirect)</b>		
Mr JD Weys	907,826	907,826
<b>Non-executive directors (direct and indirect)</b>		
Mr HH Pienaar	71,503	71,503
Mr JH Robertson	113,897	113,897
Mr S Mkhize	252,232	123,522
Ms PS Norris	3,700,000	4,000,000
Mr M Pienaar	50,014	50,014
Mr KR Reitz	7,281	7,281
Mr JE Robertson	122,088	119,688
Mr JJ Streicher	131,030	131,030
Mr B Zondagh	66,581	66,581
	<b>4,385,916</b>	<b>4,683,516</b>

### 9. Interest in subsidiary

Langkloof Boerekoöperasie Limited became a wholly owned subsidiary of the company on 12 December 2007. The cooperative was converted to a company, LBK Agri (Pty) Ltd, on 10 June 2008.

The following information relates to the company's financial interest in its subsidiary:

**Name of subsidiary**

LBK Agri (Pty) Ltd

**Name of business**

Owning of properties

**Investment at cost**

R 4,734,018

The holding company's interest in the profit incurred by the subsidiary amounts to R 468,129 (2010: R 167,478).

Details of the company's investment in subsidiaries are set out in note 8.

### 10. Special Resolutions

At a general meeting of the shareholders on 26 November 2010 a special resolution was obtained for the general authority to directors to buy back shares from shareholders. The special resolution was registered on 10 February 2011.

The re-purchase resulted in a reduction of the issued share capital from R 413,523 to R 370,305 and a reduction in the share premium from R 17,563,435 to R 6,758,773.

### 11. Auditors

MeyerOtto Incorporated will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

### 12. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008.

## direkteursverslag

vervolg

### 8. Aandeelgehou deur direkteure

**Uitvoerende direkteur (direk en indirek)**

Mnr JD Weys

**Nie-uitvoerende direkteure (direk en indirek)**

Mr HH Pienaar

Mr JH Robertson

Mr S Mkhize

Me PS Norris

Mr M Pienaar

Mr KR Reitz

Mr JE Robertson

Mr JJ Streicher

Mr B Zondagh

### 9. Belang in filiaal

Langkloof Boerekoöperasie Bpk het op 12 Desember 2007 'n volfiliaal van die maatskappy geword. Die koöperasie is op 10 Junie 2008 omgeskakel na 'n maatskappy, LBK Agri (Edms) Bpk.

Die onderstaande inligting hou verband met die maatskappy se finansiële belang in die filiaal:

**Naam van filiaal**

LBK Agri (Edms) Bpk

**Hoofbesigheid**

Besit van eiendomme

**Belegging teen koste**

R 4,734,018

Die houermaatskappy se belang in die wins wat die filiaal opgehoop het beloop R 468,129 (2010: R 167,478).

Detail van die maatskappy se belegging in filiale word uiteengesit in nota 8.

### 10. Spesiale Besluit

Tydens die algemene vergadering gehou op 26 November 2010 is 'n spesiale besluit verkry wat die algemene magtiging aan direkteure toestaan om aandele terug te koop vanaf aandeelhouers. Die spesiale besluit was geregistreer op 10 Februarie 2011.

Die terugkoop van aandele het veroorsaak dat aandeelkapitaal verminder het vanaf R 413,523 tot R 370,305 asook dat die aandeelpremie verminder het vanaf R 17,563,435 tot R 6,758,773.

### 11. Ouditeure

MeyerOtto Ingelyf is aangestel as ouditeure in ooreenstemming met Maatskappywet 71 van 2008.

### 12. Likwiditeit en solvensie

Die direkteure het die nodige likwiditeit en solvensie toetse soos bepaal deur Maatskappywet 71 van 2008 uitgevoer.

## statement of financial position

## staat van finansiële posisie

		Group		Maatskappy		
	Note(s)	30 June 2011 R'000	30 June 2010 R'000	30 Junie 2011 R'000	30 Junie 2010 R'000	
<b>Assets</b>						<b>Bates</b>
<b>Non-current assets</b>						<b>Nie-bedryfsbates</b>
Investments Property	4	653	669	653	669	Beleggingseiendom
Property, plant and equipment	5	44,773	46,884	43,808	45,852	Eiendom, masjinerie en toerusting
Intangible assets	6	9,171	7,528	8,825	7,182	Ontasbare bates - Klandisiewaarde
Investment in subsidiary	7	-	-	4,734	4,734	Beleggings in filiale
Other financial assets	8	978	676	978	676	Ander finansiële bates
Deferred tax	9	2,773	4,807	2,773	4,807	Uitgestelde belasting
		<b>58,348</b>	<b>60,564</b>	<b>61,771</b>	<b>63,920</b>	
<b>Current assets</b>						<b>Bedryfsbates</b>
Other financial assets	8	1,266	1,438	25	25	Ander finansiële bates
Current tax receivable	10	3,257	1,173	3,257	1,173	Lopende belasting ontvangbaar
Operating lease asset	11	51	85	51	85	Bedryfshuurbate
Inventories	12	69,328	64,349	69,328	64,349	Voorraad
Trade and other receivables	13	92,377	80,207	92,377	80,207	Handels- en ander ontvangbare rekeninge
Cash and cash equivalents	14	27,727	27,026	27,727	27,026	Kontant en kontantekwivalente
		<b>194,006</b>	<b>174,278</b>	<b>192,765</b>	<b>172,865</b>	
Assets of disposal groups	16	-	9,588	-	9,588	Bates gehou vir verkoop
<b>Total Assets</b>		<b>252,354</b>	<b>244,430</b>	<b>254,536</b>	<b>246,373</b>	<b>Totale Bates</b>
<b>Equity and Liabilities</b>						<b>Ekwiteit en Laste</b>
<b>Equity</b>						<b>Ekwiteit</b>
Share capital	17	7,129	17,977	7,129	17,977	Aandelekapitaal
Revaluation reserve	18	658	376	658	376	Herwaardasie reserwe
Retained income		161,169	145,810	161,108	146,219	Behoue verdienste
		<b>168,956</b>	<b>164,163</b>	<b>168,895</b>	<b>164,572</b>	
<b>Liabilities</b>						<b>Aanspreeklikhede</b>
<b>Non-Current Liabilities</b>						<b>Nie-bedryfslaste</b>
Deferred tax	9	1,304	1,570	1,112	1,359	Uitgestelde belasting
Retirement benefit obligation	19	171	172	171	172	Aftreevoordeelverpligting
Loans received	20	1,084	647	1,084	647	Lenings ontvang
Provisions	21	676	677	676	677	Voorsienings
		<b>3,235</b>	<b>3,066</b>	<b>3,043</b>	<b>2,855</b>	
<b>Current Liabilities</b>						<b>Bedryfslaste</b>
Current tax payable	10	79	291	-	-	Lopende belasting betaalbaar
Operating lease liability	11	257	202	257	202	Bedryfshuurverpligting
Bank overdraft	14	31,834	27,218	31,834	27,218	Bankoortrekking
Provisions	21	5,560	7,606	5,560	7,606	Voorsienings
Loans from group companies	22	-	-	2,619	2,060	Lenings van groep maatskappye
Other financial liabilities	23	250	430	250	430	Ander finansiële aanspreeklikhede
Trade and other payables	24	42,183	41,454	42,078	41,430	Handels- en ander betaalbare rekeninge
		<b>80,163</b>	<b>77,201</b>	<b>82,598</b>	<b>78,946</b>	
<b>Total Liabilities</b>		<b>83,398</b>	<b>80,267</b>	<b>85,641</b>	<b>81,801</b>	<b>Totale laste</b>
<b>Total Equity and Liabilities</b>		<b>252,354</b>	<b>244,430</b>	<b>254,536</b>	<b>246,373</b>	<b>Totale ekwiteit en laste</b>

## statement of comprehensive income

## staat van omvattende inkomste

		Group		Maatskappy		
	Note(s)	30 June 2011 R'000	30 June 2010 R'000	30 Junie 2011 R'000	30 Junie 2010 R'000	
<b>Continuing operations</b>						<b>Voortgesette bedrywighede</b>
Revenue	26	438,382	444,142	438,382	444,142	Omset
Cost of sales		(371,467)	(381,045)	(371,467)	(381,045)	Koste van Verkope
<b>Gross profit</b>		<b>66,915</b>	<b>63,097</b>	<b>66,915</b>	<b>63,097</b>	<b>Bruto Wins</b>
Other income		11,972	10,721	11,783	10,662	Ander inkomste
Operating expenses		(65,141)	(60,134)	(65,647)	(60,454)	Bedryfskoste
<b>Operating profit</b>	27	<b>13,746</b>	<b>13,684</b>	<b>13,051</b>	<b>13,305</b>	<b>Bedryfswins</b>
Investment revenue	28	1,236	1,564	1,236	1,564	Beleggingsinkomste
Fair value adjustments	29	(179)	(216)	-	-	Billike waarde aanpassing
Finance costs	30	(1,161)	(1,354)	(1,345)	(1,497)	Finansieringskoste
<b>Profit before taxation</b>		<b>13,642</b>	<b>13,678</b>	<b>12,942</b>	<b>13,372</b>	<b>Wins voor belasting</b>
Taxation	31	(3,603)	(1,559)	(3,373)	(1,419)	Belasting
<b>Profit from continuing operations</b>		<b>10,039</b>	<b>12,119</b>	<b>9,569</b>	<b>11,953</b>	<b>Wins van voortgesette bedrywighede</b>
<b>Discontinued operations</b>						<b>Eindigende bedrywighede</b>
Profit from discontinued operations	16	7,388	3,918	7,388	3,918	Wins van eindigende bedrywighede
<b>Profit for the year</b>		<b>17,427</b>	<b>16,037</b>	<b>16,957</b>	<b>15,871</b>	<b>Wins vir die periode</b>
<b>Other comprehensive income</b>						<b>Ander omvattende inkomste</b>
Gains and losses on financial assets revaluation		327	48	327	48	Wins en verlies met herwaardasie van finansiële bates
Taxation related to components of other comprehensive income		(45)	(7)	(45)	(7)	Belasting wat verband hou op komponente van ander omvattende inkomste
<b>Other comprehensive income for the year net of taxation</b>	33	<b>282</b>	<b>41</b>	<b>282</b>	<b>41</b>	<b>Ander omvattende inkomste vir die jaar na belasting</b>
<b>Total comprehensive income</b>		<b>17,709</b>	<b>16,078</b>	<b>17,239</b>	<b>15,912</b>	<b>Totale omvattende inkomste</b>
<b>Net profit attributable to:</b>						<b>Netto wins toeskryfbaar aan:</b>
<b>Owners of the parent:</b>						<b>Eienaars van die houer:</b>
Profit for the year from continuing operations		10,039	12,119	9,569	11,953	Wins vir periode van voortgesette bedrywighede
Profit for the year from discontinuing operations		7,388	3,918	7,388	3,918	Wins vir die periode van eindigende bedrywighede
<b>Profit for the year attributable to owners of the parent</b>		<b>17,427</b>	<b>16,037</b>	<b>16,957</b>	<b>15,871</b>	<b>Wins vir periode toegeskryf aan eienaar van die houer</b>
<b>Total comprehensive income attributable to:</b>						<b>Totale omvattende inkomste toeskryfbaar aan:</b>
Owners of the parent		17,709	16,078	17,239	15,912	Eienaars van die houer
<b>Basic earnings per share (cents):</b>						<b>Basiese verdienste per aandeel (sent)</b>
Profit from continuing operations attributable to ordinary equity holders	34	25.6	29.3	24.4	28.9	Wins uit voortgesette bedrywighede toeskryfbaar aan aandeelhouders
Profit from discontinued operations	34	18.9	9.5	18.9	9.5	Wins met eindigende bedrywighede
<b>Profit attributable to ordinary equity holders</b>		<b>44.5</b>	<b>38.8</b>	<b>43.3</b>	<b>38.4</b>	<b>Wins toeskryfbaar aan gewone aandeelhouders</b>
<b>Headline earnings per share (cents)</b>	34	<b>28.7</b>	<b>40.8</b>	<b>27.5</b>	<b>40.0</b>	<b>Wesensverdiensie per aandeel (sent)</b>

## statement of changes on equity

## staat van verandering in ekwiteit

Group	Share Capital R'000	Share Premium R'000	Total Share Capital R'000	Revaluation Reserve R'000	Retained Income R'000	Total Equity R'000
<b>Balance at 01 July 2009</b>	414	17,563	17,977	335	132,254	150,566
Changes in equity for the year	-	-	-	41	16,037	16,078
Dividends	-	-	-	-	(2,481)	(2,481)
Total changes	-	-	-	41	13,556	13,597
<b>Balance at 01 July 2010</b>	414	17,563	17,977	376	145,810	164,163
Changes in equity for the year	-	-	-	282	17,427	17,709
Total comprehensive income for the year	(44)	(10,804)	(10,848)	-	-	(10,848)
Purchase of own shares	-	-	-	-	(2,068)	(2,068)
Dividends	-	-	-	-	-	-
Total changes	(44)	(10,804)	(10,848)	282	15,359	4,793
<b>Balance at 30 June 2011</b>	370	6,759	7,129	658	161,169	168,956
Note(s)	17	17	17	18&33	33	
<b>Company</b>						
<b>Balance at 01 July 2009</b>	414	17,563	17,977	335	132,829	151,141
Changes in equity for the year	-	-	-	41	15,871	15,912
Total comprehensive income for the year	-	-	-	-	(2,481)	(2,481)
Dividends	-	-	-	-	-	-
Total changes	-	-	-	41	13,390	13,431
<b>Balance at 01 July 2010</b>	414	17,563	17,977	376	146,219	164,572
Changes in equity for the year	-	-	-	282	16,957	17,239
Total comprehensive income for the year	(44)	(10,804)	(10,848)	-	-	(10,848)
Purchase of own shares	-	-	-	-	(2,068)	(2,068)
Dividends	-	-	-	-	-	-
Total changes	(44)	(10,804)	(10,848)	282	14,889	4,323
<b>Balance at 30 June 2011</b>	370	6,759	7,129	658	161,108	168,895
Note(s)	17	17	17	18&33	33	

## statement of cash flows

## kontantvloeistaat

	Group		Maatskappy		
Note(s)	30 June 2011 R'000	30 June 2010 R'000	30 Junie 2011 R'000	30 Junie 2010 R'000	
<b>Cash flows from operating activities</b>					<b>Kontantvloei uit bedryfsaktiwiteite</b>
Cash receipts from customers	473,602	504,918	473,602	504,918	Kontant ontvang vanaf kliënte
Cash paid to suppliers and employees	(475,351)	(483,471)	(476,124)	(483,822)	Kontant betaal aan verskaffers en werknemers
Cash generated from operations	35 (1,749)	21,447	(2,522)	21,096	Kontant gegeneer deur bedrywighede
Interest income	118	268	118	268	Rente inkomste
Dividends received	1,118	1,296	1,118	1,296	Dividende ontvang
Finance costs	(1,161)	(1,338)	(1,345)	(1,481)	Finansieringskoste
Tax paid	36 (4,176)	(3,752)	(3,715)	(3,752)	Belasting betaal
Cash flows of discontinued operations	37 10,732	(5,670)	10,732	(5,670)	Kontantvloei uit eindigende bedrywighede
<b>Net cash from operating activities</b>	<b>4,882</b>	<b>12,251</b>	<b>4,386</b>	<b>11,757</b>	<b>Netto kontant uit bedryfsaktiwiteite</b>
<b>Cash flows from investing activities</b>					<b>Kontantvloei uit beleggingsaktiwiteite</b>
Purchase of property, plant and equipment	5 (5,786)	(10,712)	(5,786)	(10,712)	Aankoop van eiendom, masjinerie en toerusting
Sale of property, plant and equipment	5 11,455	273	11,455	273	Verkoop van eiendom, masjinerie en toerusting
Purchase of intangible assets	6 (1,222)	(3,212)	(1,222)	(3,212)	Aankoop van ontasbare bate
Adjustment of intangible asset	6 (672)	1,452	(672)	1,452	Aanpassing van ontasbare bates
Movement in loan to group companies	-	-	559	738	Beweging in lening toegestaan aan groepsmaatskappye
Sale of financial assets	63	244	-	-	Verkoop van finansiële bates
Movement in loans and receivables financial assets	24	23	24	23	Beweging in lenings en ontvangbare finansiële bates
<b>Net cash from investing activities</b>	<b>3,862</b>	<b>(11,932)</b>	<b>4,358</b>	<b>(11,438)</b>	<b>Netto kontant uit beleggingsaktiwiteite</b>
<b>Cash flows from financing activities</b>					<b>Kontantvloei uit finansieringsaktiwiteite</b>
Buy back of shares	17 (10,848)	-	(10,848)	-	Terugkoop van aandele
Repayment of other financial liabilities	(180)	(473)	(180)	(473)	Toename/(Afname) in ander finansiële laste
Movement in loans received	437	184	437	184	Beweging in lenings ontvang
Movement in finance lease obligations	-	(298)	-	(298)	Beweging in finansiële bruikhuurverpligtinge
Dividends paid	38 (2,068)	(2,481)	(2,068)	(2,481)	Dividende betaal
<b>Net cash from financing activities</b>	<b>(12,659)</b>	<b>(3,068)</b>	<b>(12,659)</b>	<b>(3,068)</b>	<b>Netto kontant uit finansieringsaktiwiteite</b>
<b>Total cash movement for the year</b>	<b>(3,915)</b>	<b>(2,749)</b>	<b>(3,915)</b>	<b>(2,749)</b>	<b>Totale kontantbeweging vir die periode</b>
Cash at the beginning of the year	(192)	2,557	(192)	2,557	Kontant aan die begin van die jaar
<b>Total cash at the end of the year</b>	<b>14 (4,107)</b>	<b>(192)</b>	<b>(4,107)</b>	<b>(192)</b>	<b>Totale kontant aan die einde van die periode</b>

## accounting policies

### 1. Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period, except for the changes set out in note 41 First-time adoption of International Financial Reporting Standards.

#### 1.1 Consolidation

##### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all entities, including special purpose entities, which are controlled by the company.

Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

##### Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held-For-Sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

## accounting policies

### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

#### **Trade receivables, Held to maturity investments and Loans and receivables**

The group assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables are calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### **Available-for-sale financial assets**

The group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

#### **Allowance for slow moving, damaged and obsolete stock**

The provision for slow moving, damaged and obsolete stock is continuously calculated by management on the various segments of stock of the company according to the rate-of-turnover method and adjusted accordingly.

#### **Fair value estimation**

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

#### **Impairment testing**

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including discounted sales estimates, together with economic factors such as inflation interest.

#### **Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

## accounting policies

### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability. Refer note 9 – Deferred tax.

#### Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

#### Useful lives and residual values of fixed assets

Management review the useful lives and residual values of assets on an annual basis, and adjustments are made as appropriate. Management use their experience, judgement and assumptions in the process of determining useful lives and residual values.

### 1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

In certain circumstances it is difficult to distinguish investment property from owner occupied property or inventory. In those circumstances the criteria used to distinguish investment property are where the owner occupied section is insignificant.

#### Cost model

Investment property is carried at cost less depreciation less any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal instalments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	50 years

## accounting policies

### 1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	10 - 70 years
Leasehold property	50 years
Plant and machinery	10 - 35 years
Furniture and fixtures	5 - 30 years
Motor vehicles	20 - 40 years
Office equipment	6 - 30 years
IT equipment	5 - 25 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

## accounting policies

### 1.5 Intangible assets (continued)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	15 years

### 1.6 Investments in subsidiaries

#### Company financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

## accounting policies

### 1.7 Financial instruments

#### Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading
- Financial assets at fair value through profit or loss - designated
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss - held for trading
- Financial liabilities at fair value through profit or loss - designated
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

No other reclassifications may be made into or out of the fair value through profit or loss category.

#### Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Regular way purchases of financial assets are accounted for at trade date.

#### Subsequent measurement.

Dividend income is recognised in profit or loss as part of other income when the group's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

#### Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

## accounting policies

### 1.7 Financial instruments (continued)

#### Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale. Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

#### Loans to/(from) group companies

These include loans to and from subsidiaries and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

#### Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

#### Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

## accounting policies

### 1.7 Financial instruments (continued)

#### Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

### 1.8 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

## accounting policies

### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

#### Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

#### Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

### 1.10 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## accounting policies

### 1.11 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell. A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

### 1.12 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## accounting policies

### 1.13 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

If the group reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 1.14 Employee benefits

#### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

#### Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

#### Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

### 1.15 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

## accounting policies

### 1.16 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

### 1.17 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

### 1.18 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

### 1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

## accounting policies

### 1.19 Borrowing costs (continued)

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.20 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders of the company.

### 1.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management that makes strategic decisions.

## 2. New Standards and Interpretations

### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

#### 2009 Annual Improvements Project: Amendments to IAS 7 Statement of Cash Flows

The amendment provides that expenditure may only be classified as 'cash flows from investing activities' if it resulted in the recognition of an asset on the statement of financial position.

The effective date of the amendment is for years beginning on or after 01 January 2010.

The group has adopted the amendment for the first time in the 2011 financial statements.

The impact of the amendment is not material.

#### 2009 Annual Improvements Project: Amendments to IAS 17 Leases

The amendment removes the guidance that leases of land, where title does not transfer, are operating leases. The amendment therefore requires that lease classification for land be assessed in the same manner as for all leases. The amendment is to be applied retrospectively, unless the information is not available. In these cases, existing leases shall be reconsidered based on facts and circumstances existing at the date of adoption of the amendment. The lease asset and lease liability shall, in these cases be recognised at their fair values on that date, with any difference in those fair values recognised in retained earnings.

The effective date of the amendment is for years beginning on or after 01 January 2010.

The group has adopted the amendment for the first time in the 2011 financial statements.

The impact of the amendment is not material.

## accounting policies

### 2. New Standards and Interpretations (continued)

#### 2.2 Standards and Interpretations early adopted

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2011 or later periods:

##### IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. Phase one deals with the classification and measurement of financial assets. The following are changes from the classification and measurement rules of IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Investments in equity instruments may be measured at fair value through . When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost under any circumstances.

The effective date of the standard is for years beginning on or after 01 January 2013.

The group expects to adopt the standard for the first time in the 2014 financial statements.

The adoption of this standard is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the financial statements.

##### IAS 24 Related Party Disclosures (Revised)

The revisions to IAS 24 include a clarification of the definition of a related party as well as providing a partial exemption for related party disclosures between government-related entities.

In terms of the definition, the revision clarifies that joint ventures or associates of the same third party are related parties of each other. To this end, an associate includes its subsidiaries and a joint venture includes its subsidiaries.

The partial exemption applies to related party transactions and outstanding balances with a government which controls, jointly controls or significantly influences the reporting entity as well as to transactions or outstanding balances with another entity which is controlled, jointly controlled or significantly influenced by the same government. In such circumstances, the entity is exempt from the disclosure requirements of paragraph 18 of IAS 24 and is required only to disclose:

- The name of the government and nature of the relationship
- Information about the nature and amount of each individually significant transaction and a quantitative or qualitative indication of the extent of collectively significant transactions. Such information is required in sufficient detail to allow users to understand the effect.

The effective date of the amendment is for years beginning on or after 01 January 2011.

The group expects to adopt the amendment for the first time in the 2012 financial statements.

It is unlikely that the amendment will have a material impact on the company's financial statements.

## accounting policies

### 2. New Standards and Interpretations (continued)

#### 2010 Annual Improvements Project: Amendments to IFRS 7 Financial Instruments: Disclosures

Additional clarification is provided on the requirements for risk disclosures.

The effective date of the amendment is for years beginning on or after 01 January 2011.

The group expects to adopt the amendment for the first time in the 2012 financial statements.

The adoption of this amendment is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the financial statements.

#### 2010 Annual Improvements Project: Amendments to IAS 1 Presentation of Financial Statements

Clarification of statement of changes in equity.

The effective date of the amendment is for years beginning on or after 01 January 2011.

The group expects to adopt the amendment for the first time in the 2012 financial statements.

The adoption of this amendment is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the financial statements.

### 2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the group's accounting periods beginning on or after 01 July 2011 or later periods but are not relevant to its operations:

#### 2010 Annual Improvements Project: Amendments to IFRS 1 First-time Adoption of International Financial reporting Standards

The amendment provides that if an entity changes its accounting policy or its use of IFRS 1 exemptions in the first IFRS financial statements, it shall explain the changes between its first IFRS interim financial report and its first IFRS financial statements and shall update the reconciliations accordingly. Such explanations are also required in each interim report where changes are made.

Additional exemptions are provided for first time adopters who have established a deemed cost under previous GAAP for assets and liabilities by measuring them at fair value at a particular date because of an event such as a privatisation. If such measurement date is in the first reporting period covered by the first IFRS financial statements, then the event driven fair value measurements may be applied. The adjustment shall be recognised directly in retained earnings.

Entities who hold assets in operations subject to rate regulation may apply the previous GAAP carrying amount for such items on first time adoption of IFRS. However, the entity shall test for impairment when the exemption is applied.

The effective date of the amendment is for years beginning on or after 01 January 2011.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the company's financial statements.

## accounting policies

### 2. New Standards and Interpretations (continued)

#### **2010 Annual Improvements Project: Amendments to IAS 34 Interim Financial Reporting**

The amendment provides additional examples of events and transactions which would be considered significant and therefore required to be disclosed in the interim financial report. In addition, the amendment removes references to only reporting certain items when they are material. Therefore, the list of items to be presented in addition to significant transactions and events are required irrespective of whether they are material.

The effective date of the amendment is for years beginning on or after 01 January 2011.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the company's financial statements.

#### **2010 Annual Improvements Project: Amendments to IFRIC 13 Customer Loyalty Programmes**

The amendment clarifies the guidance on determining the fair value of award credits.

The effective date of the amendment is for years beginning on or after 01 January 2011.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the company's financial statements.

#### **Improvements to IFRIC 14 – IFRS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction**

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset.

The effective date of the amendment is for years beginning on or after 01 January 2011.

The group does not envisage the adoption of the amendment until such time as it becomes applicable to the group's operations.

It is unlikely that the amendment will have a material impact on the company's financial statements.

## notes to the financial statements

### 3. Segment reporting

Management has determined the operating segments based on the reports reviewed by executive management that are used to make strategic decisions.

Executive management considers the business from a product and service perspective and considers the performance of retail, production, insurance and administration departments.

The reportable segments derive their revenue primarily from the following:

#### Retail

- Retail outlets with a wide variety of general household and other goods, such as fuel, paint, wines, cement and vehicle spares
- Agricultural requisites
- Agricultural spares and mechanisation products (Discontinued: 1 July 2010)

#### Production

- Production of animal feeds and mixtures (Discontinued: 10 May 2011)
- Storage of grain and grain handling

#### Insurance services

- Provision of short term - and crop insurance services as an agent for certain financial service institutions.

#### Administration

- Head office, rental of properties and other functional departments such as trade receivables, finance etc.

The segment information provided to executive management for the reportable segments for the year ended 30 June 2011 is as follows:

	Retail R'000	Production R'000	Insurance R'000	Admin R'000	Total R'000
Segment revenue	399,711	83,463	2,515	-	485,689
Segment revenue - discontinued operations	-	(47,307)	-	-	(47,307)
<b>Revenue from external customers - continued operations</b>	<b>399,711</b>	<b>36,156</b>	<b>2,515</b>	<b>-</b>	<b>438,382</b>
	Retail R'000	Production R'000	Insurance R'000	Admin R'000	Total R'000
Gross profit	57,400	11,003	2,512	-	70,715
Gross profit - discontinued operations	-	(4,000)	-	-	(4,000)
<b>Gross profit from continued operations</b>	<b>57,400</b>	<b>7,003</b>	<b>2,512</b>	<b>-</b>	<b>66,915</b>
	Retail R'000	Production R'000	Insurance R'000	Admin R'000	Total R'000
Net profit before taxation - Holding company	3,076	(2,209)	370	20,155	21,392
Net profit before taxation - discontinued operations	-	137	-	(8,592)	(8,455)
Net profit before taxation - Subsidiary	-	-	-	705	705
Reallocate inter segment:					
Internal interest on current capital	5,641	1,633	1	(7,275)	-
Internal rent	6,844	1,133	53	(8,030)	-
Internal administration charge	2,770	687	124	(3,581)	-
<b>Adjusted net profit before taxation from continued operations</b>	<b>18,331</b>	<b>1,381</b>	<b>548</b>	<b>(6,618)</b>	<b>13,642</b>

## notes to the financial statements

### 3. Segment reporting (continued)

The segment information provided to executive management for the reportable segments for the year ended 30 June 2010 is as follows:

	Retail R'000	Production R'000	Insurance R'000	Admin R'000	Total R'000
Segment revenue	416,686	108,967	1,439	-	527,092
Segment revenue - discontinued operations	(82,950)	-	-	-	(82,950)
<b>Revenue from external customers - continued operations</b>	<b>333,736</b>	<b>108,967</b>	<b>1,439</b>	<b>-</b>	<b>444,142</b>
	Retail R'000	Production R'000	Insurance R'000	Admin R'000	Total R'000
Gross profit	59,251	14,953	1,439	248	75,891
Gross profit - discontinued operations	(12,794)	-	-	-	(12,794)
<b>Gross profit from continued operations</b>	<b>46,457</b>	<b>14,953</b>	<b>1,439</b>	<b>248</b>	<b>63,097</b>
	Retail R'000	Production R'000	Insurance R'000	Admin R'000	Total R'000
Net profit before taxation - Holding company	3,048	3,115	347	12,303	18,813
Net profit before taxation - Discontinued operations	(5,441)	-	-	-	(5,441)
Net profit before taxation - Subsidiary	-	-	-	306	306
Reallocate inter segment:					
Internal interest on current capital	5,840	1,861	65	(7,766)	-
Internal rent	5,368	935	52	(6,355)	-
Internal administration charge	2,830	650	118	(3,598)	-
<b>Adjusted net profit before taxation</b>	<b>11,645</b>	<b>6,561</b>	<b>582</b>	<b>(5,110)</b>	<b>13,678</b>

## notes to the financial statements

### 4. Investment property

Group	2011 - R'000			2010 - R'000		
	Cost	Accum. deprec.	Carrying value	Cost	Accum. deprec.	Carrying value
Investment Property	1,056	(403)	653	1,056	(387)	669

Company	2011 - R'000			2010 - R'000		
	Cost	Accum. deprec.	Carrying value	Cost	Accum. deprec.	Carrying value
Investment Property	1,056	(403)	653	1,056	(387)	669

#### Reconciliation of investment property - Group - 2011

Investment property

2011 - R'000		
Opening Balance	Depreciation	Total
669	(16)	653

#### Reconciliation of investment property - Company - 2011

Investment property

2011 - R'000		
Opening Balance	Depreciation	Total
669	(16)	653

#### Details of valuation

The fair value of investment property is valued at R9,471 million by the directors.

The directors calculated the fair value by capitalising the current rental income of the property using a 8% rate of capitalisation.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

#### Reconciliation of investment property - Group - 2010

Investment property

2010 - R'000			
Opening Balance	Transfers	Depreciation	Total
-	685	(16)	669

#### Reconciliation of investment property - Company - 2010

Investment property

2010 - R'000			
Opening Balance	Transfers	Depreciation	Total
-	685	(16)	669

## notes to the financial statements

### 5. Property, plant and equipment

Group	2011 - R'000			2010 - R'000		
	Cost	Accum. deprec.	Carrying value	Cost	Accum. deprec.	Carrying value
Land and buildings	38,095	(10,496)	27,599	35,454	(10,616)	24,838
Plant and machinery	3,673	(1,698)	1,975	8,699	(3,512)	5,187
Furniture and fixtures	6,269	(1,902)	4,367	6,148	(1,537)	4,611
Motor vehicles	5,354	(1,222)	4,132	6,399	(1,359)	5,040
Office equipment	1,902	(773)	1,129	2,074	(688)	1,386
IT equipment	2,998	(1,044)	1,954	2,924	(796)	2,128
Leasehold improvements	3,782	(165)	3,617	3,782	(88)	3,694
<b>Total</b>	<b>62,073</b>	<b>(17,300)</b>	<b>44,773</b>	<b>65,480</b>	<b>(18,596)</b>	<b>46,884</b>

Company	2011 - R'000			2010 - R'000		
	Cost	Accum. deprec.	Carrying value	Cost	Accum. deprec.	Carrying value
Land and buildings	34,553	(7,919)	26,634	31,912	(8,106)	23,806
Plant and machinery	3,673	(1,698)	1,975	8,699	(3,512)	5,187
Furniture and fixtures	6,269	(1,902)	4,367	6,148	(1,537)	4,611
Motor vehicles	5,354	(1,222)	4,132	6,399	(1,359)	5,040
Office equipment	1,902	(773)	1,129	2,074	(688)	1,386
IT equipment	2,998	(1,044)	1,954	2,924	(796)	2,128
Leasehold improvements	3,782	(165)	3,617	3,782	(88)	3,694
<b>Total</b>	<b>58,531</b>	<b>(14,723)</b>	<b>43,808</b>	<b>61,938</b>	<b>(16,086)</b>	<b>45,852</b>

### Reconciliation of property, plant and equipment - Group - 2011

	2011 - R'000				
	Opening Balance	Additions	Disposals and impairments	Depreciation	Total
Land and buildings	24,838	4,423	(1,106)	(556)	27,599
Plant and machinery	5,187	66	(2,772)	(506)	1,975
Furniture and fixtures	4,611	221	(42)	(423)	4,367
Motor vehicles	5,040	777	(1,294)	(391)	4,132
Office equipment	1,386	53	(106)	(204)	1,129
IT equipment	2,128	246	(74)	(346)	1,954
Leasehold improvements	3,694	-	-	(77)	3,617
	<b>46,884</b>	<b>5,786</b>	<b>(5,394)</b>	<b>(2,503)</b>	<b>44,773</b>

## notes to the financial statements

### 5. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - Group - 2010

	2010 - R'000					Total
	Opening Balance	Additions	Disposals and impairments	Transfers to investment property	Depreciation	
Land and buildings	21,416	4,660	(2)	(685)	(551)	24,838
Plant and machinery	5,672	191	(138)	-	(538)	5,187
Furniture and fixtures	3,722	1,392	(124)	-	(379)	4,611
Motor vehicles	5,291	423	(184)	-	(490)	5,040
Office equipment	1,380	232	(34)	-	(192)	1,386
IT equipment	1,315	1,150	(152)	-	(185)	2,128
Leasehold improvements	1,107	2,664	-	-	(77)	3,694
	<b>39,903</b>	<b>10,712</b>	<b>(634)</b>	<b>(685)</b>	<b>(2,412)</b>	<b>46,884</b>

#### Reconciliation of property, plant and equipment - Company - 2011

	2011 - R'000					Total
	Opening Balance	Additions	Disposals and impairments	Depreciation		
Land and buildings	23,806	4,423	(1,106)	(489)		26,634
Plant and machinery	5,187	66	(2,772)	(506)		1,975
Furniture and fixtures	4,611	221	(42)	(423)		4,367
Motor vehicles	5,040	777	(1,294)	(391)		4,132
Office equipment	1,386	53	(106)	(204)		1,129
IT equipment	2,128	246	(74)	(346)		1,954
Leasehold improvements	3,694	-	-	(77)		3,617
	<b>45,852</b>	<b>5,786</b>	<b>(5,394)</b>	<b>(2,436)</b>		<b>43,808</b>

#### Reconciliation of property, plant and equipment - Company - 2010

	2010 - R'000					Total
	Opening Balance	Additions	Disposals and impairments	Transfers to investment property	Depreciation	
Land and buildings	20,312	4,660	(2)	(685)	(479)	23,806
Plant and machinery	5,672	191	(138)	-	(538)	5,187
Furniture and fixtures	3,722	1,392	(124)	-	(379)	4,611
Motor vehicles	5,291	423	(184)	-	(490)	5,040
Office equipment	1,380	232	(34)	-	(192)	1,386
IT equipment	1,315	1,150	(152)	-	(185)	2,128
Leasehold improvements	1,107	2,664	-	-	(77)	3,694
	<b>39,799</b>	<b>10,712</b>	<b>(634)</b>	<b>(685)</b>	<b>(2,340)</b>	<b>45,852</b>

Pledged as security

The following fixed assets were pledged as security over the Landbank facility as stated in note 14.

- Continuous covering mortgage bond Nr. B 19302/1992 to the value of R 7,000,000 over properties held under title deed nrs T27976/1986, T26634/1986, T12224/1994, T9462/1975, T7468/1958, T82672/2004, T2861/1985, T4822/1972, T22843/1975 and T35468/1982.
- Continuous covering mortgage bond Nr. B 31424/1992 to the value of R 3,000,000 over properties held under title deed nrs T19417/1958, T21222/1976 and T16183/1968.
- Continuous covering mortgage bond Nr. B 52794/2000 to the value of R 25,000,000 over properties held under title deeds nrs T16183/1968, T19417/1958, T21222/1976, T2861/1985, T26634/1986, T27976/1986, T12224/1994, T9462/1975, T7468/1958, T12314/1986, T4822/1972, T35468/1982 and T22843/1975.

## notes to the financial statements

### 5. Property, plant and equipment (continued)

- Notarial bond Nr. BN 222274/1992 over all movable property to the value of R 7,000,000.
- Notarial bond Nr. BN 34145/1992 over all movable property to the value of R 3,000,000.
- Notarial bond Nr. BN 52795/2000 over all movable property to the value of R 25,000,000.

The following fixed assets were pledged as security over the ABSA facility as stated in note 14.

Continuous covering mortgage bonds in the amount of R 4,000,000 as follows:

- Second continuous covering mortgage bond over erf 610 and erf 613 Knysna (1st continuous covering mortgage bond over these property in favour of Land Bank).
- Third continuous covering mortgage bond over erf 450 Hartenbos, remainder of erf 42 and erven 43 and 44 Herbertsdale, erf 22353 (remainder of erf 2257 George to be consolidated with remainder of erf 85830), erf 19481 George, erf 3589 Knysna, portion 19 of farm Driefontein no 243 Mossel Bay and portion 40 (portion of portion 36) of the farm Doorn River no 98 George.

#### Details of valuation

The fair value of land and buildings of the company are valued at R 65,548 million by the directors.

The fair value of land and buildings of the group are valued at R 75,121 million by the directors.

The directors calculated the fair value by capitalising the current rental income of the property using a 8% rate of capitalisation.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

### 6. Intangible assets

Group	2011 - R'000			2010 - R'000		
	Cost	Accum. amortis.	Carrying value	Cost	Accum. amortis.	Carrying value
Computer software	4,291	(251)	4,040	3,069	-	3,069
Acquisition of subsidiary	346	-	346	346	-	346
Business combination	4,785	-	4,785	4,113	-	4,113
<b>Total</b>	<b>9,422</b>	<b>(251)</b>	<b>9,171</b>	<b>7,528</b>	<b>-</b>	<b>7,528</b>

Company	2011 - R'000			2010 - R'000		
	Cost	Accum. amortis.	Carrying value	Cost	Accum. amortis.	Carrying value
Computer software	4,291	(251)	4,040	3,069	-	3,069
Business combination	4,785	-	4,785	4,113	-	4,113
<b>Total</b>	<b>9,076</b>	<b>(251)</b>	<b>8,825</b>	<b>7,182</b>	<b>-</b>	<b>7,182</b>

#### Reconciliation of intangible assets - Group - 2011

	2011 - R'000				
	Opening Balance	Additions	Revaluations	Amortisation	Total
Computer software	3,069	1,222	-	(251)	4,040
Acquisition of subsidiary	346	-	-	-	346
Business combination - NAS paint	4,113	-	672	-	4,785
	<b>7,528</b>	<b>1,222</b>	<b>672</b>	<b>(251)</b>	<b>9,171</b>

#### Reconciliation of intangible assets - Group - 2010

	2010 - R'000				
	Opening Balance	Additions	Revaluations	Amortisation	Total
Computer software	-	3,069	-	-	3,069
Acquisition of subsidiary	346	-	-	-	346
Business combination - NAS paint and M&P paint suppliers	5,565	143	(1,452)	(143)	4,113
	<b>5,911</b>	<b>3,212</b>	<b>(1,452)</b>	<b>(143)</b>	<b>7,528</b>

## notes to the financial statements

### 6. Intangible assets (continued)

#### Reconciliation of intangible assets - Company - 2011

	2011 - R'000				
	Opening Balance	Additions	Revaluations	Amortisation	Total
Computer software	3,069	1,222	-	(251)	4,040
Business combination - NAS paint	4,113	-	672	-	4,785
	<b>7,182</b>	<b>1,222</b>	<b>672</b>	<b>(251)</b>	<b>8,825</b>

#### Reconciliation of intangible assets - Company - 2010

	2010 - R'000				
	Opening Balance	Additions	Revaluations	Amortisation	Total
Computer software	-	3,069	-	-	3,069
Business combination - NAS paint and M&P paint suppliers	5,565	143	(1,452)	(143)	4,113
	<b>5,565</b>	<b>3,212</b>	<b>(1,452)</b>	<b>(143)</b>	<b>7,182</b>

### 8. Investments in subsidiaries

Name of company	Held by	% holding 2011	% holding 2010	Carrying Amount 2011	Carrying Amount 2010
LBK Agri (Pty) Ltd	Tuinroete Agri Ltd	100%	100%	4,734	4,734

The carrying amounts of subsidiaries are shown net of impairment losses.

### 9. Other financial assets

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Available-for-sale</b>				
Unlisted shares	829	502	829	502
Insurance policies	1,241	1,413	-	-
	<b>2,070</b>	<b>1,915</b>	<b>829</b>	<b>502</b>
<b>Loans and receivables</b>				
Southern Oil Limited	174	199	174	199
The loan is interest free and is repayable within 10 years.				
	<b>2,244</b>	<b>2,114</b>	<b>1,003</b>	<b>701</b>
<b>Total other financial assets</b>				
<b>Non-current assets</b>				
Available-for-sale	829	502	829	502
Loans and receivables	149	174	149	174
	<b>978</b>	<b>676</b>	<b>978</b>	<b>676</b>
<b>Current assets</b>				
Available-for-sale	1,241	1,413	-	-
Loans and receivables	25	25	25	25
	<b>1,266</b>	<b>1,438</b>	<b>25</b>	<b>25</b>
	<b>2,244</b>	<b>2,114</b>	<b>1,003</b>	<b>701</b>

## notes to the financial statements

### 8. Other financial assets (continued)

#### Fair value information

The fair values of the financial assets were determined as follows:

The fair values of available for sale investments were estimated using the trading price as at 30 June 2011.

The fair value of insurance policies was determined by using the cash value of these policies as per confirmations obtained from the insurers as at 30 June 2011.

Loans and receivables were valued at the present value of discounted future cash flows using the effective interest rate.

Fair values are determined annually at balance sheet date.

#### Fair value hierarchy of available-for-sale financial assets

For financial assets recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Level 1</b>				
Unlisted shares	829	502	829	502
Insurance policies	1,241	1,413	-	-
	<b>2,070</b>	<b>1,915</b>	<b>829</b>	<b>502</b>

For debt securities classified as available-for-sale, the maximum exposure to credit risk at the reporting date is the fair value.

#### Fair values of loans and receivables

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Loans and receivables	174	199	174	199

The fair value of loans and receivables are determined on discounted future cash flows, using the effective interest method.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The group does not hold any collateral as security.

## notes to the financial statements

### 10. Deferred tax

#### Deferred tax asset

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Deferred capital allowances for tax purposes - Intangible asset	(330)	-	(330)	-
Deferred capital allowances for tax purposes - Investment property	(183)	-	(183)	-
Deferred capital allowances for tax purposes - Property, plant and equipment	(670)	(1,485)	(478)	(1,274)
Operating lease asset	(14)	(24)	(14)	(24)
Revaluations against equity	(107)	(61)	(107)	(61)
Operating lease liability	72	57	72	57
Provisions and income received in advance	2,097	2,810	2,097	2,810
Retirement benefits	48	48	48	48
Trade receivables	556	1,892	556	1,892
	<b>1,469</b>	<b>3,237</b>	<b>1,661</b>	<b>3,448</b>

#### Reconciliation of deferred tax asset / (liability)

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
At beginning of the year	3,237	3,712	3,448	3,943
Reversing / (Originating) temporary difference on tangible fixed assets	813	(495)	794	(515)
Trade receivables	(1,335)	351	(1,335)	351
Reversing temporary difference on revaluation of shares available for sale	(46)	(7)	(46)	(7)
Originating temporary difference on investment property	(182)	-	(182)	-
Profit sharing incentives	(652)	(421)	(652)	(421)
Leave pay provision	(54)	94	(54)	94
Operating leases	25	18	25	18
Originating temporary difference on intangible assets	(330)	-	(330)	-
Income received in advance	(7)	(15)	(7)	(15)
	<b>1,469</b>	<b>3,237</b>	<b>1,661</b>	<b>3,448</b>

#### Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

#### Use and sales rate

The deferred tax rate applied to the fair value adjustments of investment properties / financial assets is determined by the expected manner of recovery. Where the expected recovery of the investment property / financial assets is through sale the capital gains tax rate of 14% (2010: 14%) is used. If the expected manner of recovery is through indefinite use the normal tax rate of 28% (2010: 28%) is applied.

If the manner of recovery is partly through use and partly through sale, a combination of capital gains rate and normal tax rate is used.

## notes to the financial statements

### 10. Current tax receivable / (payable)

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Current tax receivable	3,257	1,173	3,257	1,173
Current tax payable	(79)	(291)	-	-
	<b>3,178</b>	<b>882</b>	<b>3,257</b>	<b>1,173</b>
<b>Movements for the year</b>				
Opening balance	882	(1,780)	1,173	(1,649)
Payments made	5,215	5,406	4,748	5,275
Current taxation payable for the year	(2,948)	(4,655)	(2,699)	(4,364)
Adjustments (over provision in prior years)	-	1,911	-	1,911
SARS interest	29	-	35	-
	<b>3,178</b>	<b>882</b>	<b>3,257</b>	<b>1,173</b>
<b>11. Operating lease asset / (accrual)</b>				
Current assets	51	85	51	85
Current liabilities	(257)	(202)	(257)	(202)
	<b>(206)</b>	<b>(117)</b>	<b>(206)</b>	<b>(117)</b>
<b>12. Inventories</b>				
Finished goods	68,601	62,880	68,601	62,880
Grain and other products	727	1,469	727	1,469
	<b>69,328</b>	<b>64,349</b>	<b>69,328</b>	<b>64,349</b>

Inventories are valued as stated in note 1.10 under accounting policies.

#### Inventory pledged as security

The following Notarial bonds over Inventory were registered as security for the Landbank facility as stated in note 14:

- Notarial bond Nr. BN 22274/1992 to the value of R 7,000,000.
- Notarial bond Nr. BN 34145/1992 to the value of R 3,000,000.
- Notarial bond Nr. BN 52795/2000 to the value of R 25,000,000.

### 13. Trade and other receivables

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Trade receivables	90,423	76,638	90,423	76,638
Prepayments	133	136	133	136
VAT	1,656	2,891	1,656	2,891
Other receivable	165	542	165	542
	<b>92,377</b>	<b>80,207</b>	<b>92,377</b>	<b>80,207</b>

#### Trade and other receivables pledged as security

All rights, title and interest to all owing to or in future become owing to Tuinroete Agri Ltd as per session dated 3 June 2002, were ceded as security for the Landbank facility.

#### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 6 months past due are not considered to be impaired. At 30 June 2011, R 7,339,668 (2010: R 3,454,902) were past due but not impaired.

## notes to the financial statements

### 13. Trade and other receivables (continued)

The ageing of amounts past due but not impaired is as follows:

Over 6 months

#### Trade and other receivables impaired

As of 30 June 2011, trade and other receivables of R 7,949,603 (2010: R 7,633,261) were impaired and provided for.

The amount of the provision was R 7,949,603 as of 30 June 2011 (2010: R 7,106,003).

The ageing of these loans is as follows:

Over 6 months

#### Reconciliation of provision for impairment of trade and other receivables

Opening balance

Provision for impairment

Amounts written off as uncollectable

The creation and release of provision for impaired receivables have been included in operating expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above.

### 14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand

Short-term deposits

Other cash and cash equivalents

Bank overdraft

Current assets

Current liabilities

Total amount of undrawn facilities available for future operating activities and commitments - Landbank

Total amount of undrawn facilities available for future operating activities and commitments - ABSA

Total amount of drawn facilities at year end - Landbank

Total amount of drawn facilities at year end - ABSA

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Over 6 months	7,340	3,455	7,340	3,455
<b>Trade and other receivables impaired</b>				
As of 30 June 2011, trade and other receivables of R 7,949,603 (2010: R 7,633,261) were impaired and provided for.				
The amount of the provision was R 7,949,603 as of 30 June 2011 (2010: R 7,106,003).				
The ageing of these loans is as follows:				
Over 6 months	7,950	7,633	7,950	7,633
<b>Reconciliation of provision for impairment of trade and other receivables</b>				
Opening balance	7,106	5,713	7,106	5,713
Provision for impairment	844	1,920	844	1,920
Amounts written off as uncollectable	-	(527)	-	(527)
	<b>7,950</b>	<b>7,106</b>	<b>7,950</b>	<b>7,106</b>
The creation and release of provision for impaired receivables have been included in operating expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.				
The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above.				
<b>14. Cash and cash equivalents</b>				
Cash and cash equivalents consist of:				
Cash on hand	838	807	838	807
Short-term deposits	26,704	25,631	26,704	25,631
Other cash and cash equivalents	185	588	185	588
Bank overdraft	(31,834)	(27,218)	(31,834)	(27,218)
	<b>(4,107)</b>	<b>(192)</b>	<b>(4,107)</b>	<b>(192)</b>
Current assets	27,727	27,026	27,727	27,026
Current liabilities	(31,834)	(27,218)	(31,834)	(27,218)
	<b>(4,107)</b>	<b>(192)</b>	<b>(4,107)</b>	<b>(192)</b>
Total amount of undrawn facilities available for future operating activities and commitments - Landbank	14,841	19,857	14,841	19,857
Total amount of undrawn facilities available for future operating activities and commitments - ABSA	39	3,993	39	3,993
	<b>14,880</b>	<b>23,850</b>	<b>14,880</b>	<b>23,850</b>
Total amount of drawn facilities at year end - Landbank	25,159	20,143	25,159	20,143
Total amount of drawn facilities at year end - ABSA	6,863	3,007	6,863	3,007
	<b>32,022</b>	<b>23,150</b>	<b>32,022</b>	<b>23,150</b>

## notes to the financial statements

### 14. Cash and cash equivalents (continued)

#### Credit quality of cash at bank and short term deposits, excluding cash on hand.

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to Moody's external credit ratings:

#### Credit rating

C (Standard bank of South Africa)

C- (ABSA Bank Ltd, FirstRand Bank and Investec Bank Ltd)

F1+ (Landbank - National short term fitch rating)

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
	16	347	16	347
	20,198	18,797	20,198	18,797
	(25,159)	(20,143)	(25,159)	(20,143)
	<b>(4,945)</b>	<b>(999)</b>	<b>(4,945)</b>	<b>(999)</b>

### 15. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

#### Group - 2011

Other financial assets  
Trade and other receivables  
Cash and cash equivalents

#### Group - 2010

Other financial assets  
Trade and other receivables  
Cash and cash equivalents

#### Company - 2011

Other financial assets  
Trade and other receivables  
Cash and cash equivalents

#### Company - 2010

Other financial assets  
Trade and other receivables  
Cash and cash equivalents

2011 - R'000		
Loans & Receivables	Available for sale	Total
174	2,070	2,244
90,721	-	90,721
27,727	-	27,727
<b>118,622</b>	<b>2,070</b>	<b>120,692</b>

2010 - R'000		
Loans & Receivables	Available for sale	Total
199	1,915	2,114
77,316	-	77,316
27,026	-	27,026
<b>104,541</b>	<b>1,915</b>	<b>106,456</b>

2011 - R'000		
Loans & Receivables	Available for sale	Total
174	829	1,003
90,721	-	90,721
27,727	-	27,727
<b>118,622</b>	<b>829</b>	<b>119,451</b>

2010 - R'000		
Loans & Receivables	Available for sale	Total
199	502	701
77,316	-	77,316
27,026	-	27,026
<b>104,541</b>	<b>502</b>	<b>105,043</b>

## notes to the financial statements

### 16. Discontinued operations

The group sold the following operations during the year:

- George and Riversdale spares and mechanisation outlets on 1 July 2010; and
- Kleinberg mixing, Kleinberg storage and Riversdale mixing outlets on 10 May 2011

The results, assets and liabilities of the disposal group are set out below.

The decision was made by the board to sell these operations as these operations require a more focused and skilled approach as well as material capital investments.

#### Profit and loss

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Revenue	47,307	82,950	47,307	82,950
Cost of sales	(43,307)	(70,155)	(43,307)	(70,155)
Other income - other	113	1,440	113	1,440
Other income - Profit on sale of discontinued operations	6,244	-	6,244	-
Operating expenses	(1,902)	(8,794)	(1,902)	(8,794)
Net profit before tax	8,455	5,441	8,455	5,441
Tax	(1,067)	(1,523)	(1,067)	(1,523)
Net profit after tax	7,388	3,918	7,388	3,918
Internal administration -, lease - and interest expense	(2,245)	(3,733)	(2,245)	(3,733)
Profit on sale of discontinued operations	(6,244)	-	(6,244)	-
<b>Net loss after tax, internal costs and profit on sale of discontinued operations</b>	<b>(1,101)</b>	<b>185</b>	<b>(1,101)</b>	<b>185</b>
<b>Assets and liabilities</b>				
<b>Assets of disposal groups</b>				
Inventories	-	9,588	-	9,588
<b>17. Share capital</b>				
<b>Authorised</b>				
50,000,000 Ordinary shares of 1 cent each	500	500	500	500
<b>Reconciliation of number of shares issued:</b>				
Opening balance	41,352	41,352	41,352	41,352
Purchase of own shares	(4,322)	-	(4,322)	-
	<b>37,030</b>	<b>41,352</b>	<b>37,030</b>	<b>41,352</b>
<b>Issued</b>				
Ordinary	370	414	370	414
Share premium	6,759	17,563	6,759	17,563
	<b>7,129</b>	<b>17,977</b>	<b>7,129</b>	<b>17,977</b>

## notes to the financial statements

### 18. Revaluation reserve

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Opening balance	376	335	376	335
Fair value adjustments	327	48	327	48
Deferred taxation	(45)	(7)	(45)	(7)
	<b>658</b>	<b>376</b>	<b>658</b>	<b>376</b>

### 19. Retirement benefits

#### Defined benefit plans

The company has an obligation to pay a fixed amount to a number of retired employees. There is no escalation in these amounts and the payments are capitalised by using a discount rate of 9% (2010: 11%). Other than these payments, the company has no post retirement obligations to employees. The plans are a post employment pension benefit plan and a post employment medical benefit plan.

#### Carrying value

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Present value of the defined benefit obligation	(171)	(172)	(171)	(172)

#### Movements for the year

Opening balance	(172)	(173)	(172)	(173)
Benefits paid	31	33	31	33
Fair value adjustment	(30)	(32)	(30)	(32)
	<b>(171)</b>	<b>(172)</b>	<b>(171)</b>	<b>(172)</b>

#### Defined contribution plan

It is the policy of the group to provide retirement benefits to all its employee. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The group is under no obligation to cover any unfunded benefits.

### 20. Loans received

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Tuinroete Agri Share Trust</b>				
Opening balance	647	463	647	463
Interest	(59)	(78)	(59)	(78)
Repayments during the year	486	540	486	540
Shares purchased by the trust during the year	-	(306)	-	(306)
Dividends paid to the trust	10	28	10	28
	<b>1,084</b>	<b>647</b>	<b>1,084</b>	<b>647</b>

The main objective of the Trust is to create an opportunity for the employees of Tuinroete Agri Ltd to acquire shares in the company. The purchase of the shares is financed over a maximum of 5 years and at the interest rate at which the company borrows money.

## notes to the financial statements

### 21. Provisions

#### Reconciliation of provisions - Group - 2011

	2011 - R'000				
	Opening Balance	Additions	Paid during the year	Adjustments	Total
Profit share incentive	7,216	4,297	(6,626)	-	4,887
Business combination	1,067	672	(390)	-	1,349
	<b>8,283</b>	<b>4,969</b>	<b>(7,016)</b>	<b>-</b>	<b>6,236</b>

#### Reconciliation of provisions - Group - 2010

	2010 - R'000				
	Opening Balance	Additions	Paid during the year	Adjustments	Total
Profit share incentive	8,720	6,424	(7,928)	-	7,216
Business combination	3,472	-	(953)	(1,452)	1,067
	<b>12,192</b>	<b>6,424</b>	<b>(8,881)</b>	<b>(1,452)</b>	<b>8,283</b>

#### Reconciliation of provisions - Company - 2011

	2011 - R'000				
	Opening Balance	Additions	Paid during the year	Adjustments	Total
Profit share incentive	7,216	4,297	(6,626)	-	4,887
Business combination	1,067	672	(390)	-	1,349
	<b>8,283</b>	<b>4,969</b>	<b>(7,016)</b>	<b>-</b>	<b>6,236</b>

#### Reconciliation of provisions - Company - 2010

	2010 - R'000				
	Opening Balance	Additions	Paid during the year	Adjustments	Total
Profit share incentive	8,720	6,424	(7,928)	-	7,216
Business combination	3,472	-	(953)	(1,452)	1,067
	<b>12,192</b>	<b>6,424</b>	<b>(8,881)</b>	<b>(1,452)</b>	<b>8,283</b>

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Non-current liabilities	676	677	676	677
Current liabilities	5,560	7,606	5,560	7,606
	<b>6,236</b>	<b>8,283</b>	<b>6,236</b>	<b>8,283</b>

#### Profit share incentive

The provision for the profit sharing incentive is payable within nine months after year-end.

#### Business combination

The business combination purchase price is based on management's assessment of future profitability of the company's paint business. The calculated future obligation was discounted at a rate of 9% (2010: 10%).

## notes to the financial statements

### 22. Loans to / (from) group companies

Subsidiaries	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
LBK Agri (Pty) Ltd	-	-	(2,619)	(2,060)
Terms and conditions				

No formal repayment conditions have been established and interest is payable at prime less 1.5%.

### 23. Other financial liabilities

#### Held at amortised cost

Investment by members	250	430	250	430
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No repayment conditions have been established. The interest rate varies between 4% and 5%.

#### Current liabilities

At amortised cost	250	430	250	430
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### 24. Trade and other payables

Trade payables	37,864	36,621	37,842	36,597
VAT	83	-	-	-
Accrued leave pay	2,502	2,694	2,502	2,694
Other accrued expenses	1,528	2,139	1,528	2,139
	42,183	41,454	42,078	41,430

### 25. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

#### Group - 2011

Other financial liabilities	
Trade and other payables	
Bank overdraft	
Loans received	

2011 - R'000	
Financial liabilities at amortised cost	Total
250	250
42,100	42,100
31,834	31,834
1,084	1,084
<b>75,268</b>	<b>75,268</b>

#### Group - 2010

Other financial liabilities	
Trade and other payables	
Bank overdraft	
Loans received	

2010 - R'000	
Financial liabilities at amortised cost	Total
430	430
41,454	41,454
27,218	27,218
647	647
<b>69,749</b>	<b>69,749</b>

## notes to the financial statements

### 25. Financial liabilities by category (continued)

#### Company - 2011

Loans from group companies
Other financial liabilities
Trade and other payables
Bank overdraft
Loans received

2011 - R'000	
Financial liabilities at amortised cost	Total
2,619	2,619
250	250
42,078	42,078
31,834	31,834
1,084	1,084
<b>77,865</b>	<b>77,865</b>

#### Company - 2010

Loans from group companies
Other financial liabilities
Trade and other payables
Bank overdraft
Loans received

2010 - R'000	
Financial liabilities at amortised cost	Total
2,060	2,060
430	430
41,430	41,430
27,218	27,218
647	647
<b>71,785</b>	<b>71,785</b>

### 26. Revenue

Sale of goods
Silo income
Commission received

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
435,000	441,154	435,000	441,154	
867	1,583	867	1,583	
2,515	1,405	2,515	1,405	
<b>438,382</b>	<b>444,142</b>	<b>438,382</b>	<b>444,142</b>	

### 27. Operating profit

Operating profit for the year is stated after accounting for the following:

#### Operating lease charges

Premises
• Contractual amounts

Profit/(Loss) on disposal of property, plant and equipment
Profit on sale of other financial assets
Impairment on intangible assets
Impairment of available for sale financial assets
Amortisation on intangible assets
Depreciation on property, plant and equipment
Depreciation on investment property
Employee costs

2,057	1,875	2,707	2,389
6,061	(361)	6,061	(361)
170	38	-	-
-	143	-	143
-	153	-	153
251	-	251	-
2,505	2,412	2,438	2,340
16	16	16	16
<b>40,980</b>	<b>42,132</b>	<b>40,980</b>	<b>42,132</b>

## notes to the financial statements

### 28. Investment revenue

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Dividend revenue</b>				
Unlisted financial assets - Local	1,118	1,296	1,118	1,296
<b>Interest revenue</b>				
Bank	83	268	83	268
South African Revenue Service	35	-	35	-
	<b>118</b>	<b>268</b>	<b>118</b>	<b>268</b>
	<b>1,236</b>	<b>1,564</b>	<b>1,236</b>	<b>1,564</b>

### 29. Fair value adjustments

Other financial assets	<b>179</b>	<b>216</b>	-	-
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### 30. Finance costs

Group companies	-	-	190	143
Finance leases	-	16	-	16
Bank	1,125	1,287	1,125	1,287
Late payment of tax	6	-	-	-
Investments by members	12	41	12	41
Other interest paid	18	10	18	10
	<b>1,161</b>	<b>1,354</b>	<b>1,345</b>	<b>1,497</b>

### 31. Taxation

#### Major components of the tax expense

#### Current

Local income tax - current period - Continued operations	1,880	1,090	1,631	930
Local income tax - current period - Discontinued operations	1,067	1,523	1,067	1,523
	<b>2,947</b>	<b>2,613</b>	<b>2,698</b>	<b>2,453</b>

#### Deferred

Originating and reversing temporary differences	1,723	469	1,742	489
	<b>4,670</b>	<b>3,082</b>	<b>4,440</b>	<b>2,942</b>



## notes to the financial statements

### 34. Earnings per share

Heading	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Numerator for basic earnings for profit for the period	17,427	16,037	16,957	15,871
Net profit from discontinued operations	(7,388)	(3,918)	(7,388)	(3,918)
<b>Numerator for basic earnings for profit from continuing operations</b>	<b>10,039</b>	<b>12,119</b>	<b>9,569</b>	<b>11,953</b>
<b>Reconciliation of denominators used for basic and headline earnings per share</b>				
Weighted average number of shares used for basic and headline earnings per share	39,191	41,352	39,191	41,352
<b>Reconciliation between headline earnings and basic earnings</b>				
Net profit for the period	17,427	16,037	16,957	15,871
(Profit) / Loss on disposal of property, plant and equipment	(6,061)	361	(6,061)	361
Profit on disposal of other financial assets	(170)	(38)	-	-
Profit on disposal of available for sale financial assets	(140)	-	(140)	-
Impairment of available for sale financial asset	-	153	-	153
Impairment of intangible asset	-	143	-	143
Fair value adjustment of other financial assets	179	216	-	-
	<b>11,235</b>	<b>16,872</b>	<b>10,756</b>	<b>16,528</b>
<b>35. Cash (used in) / generated from continuing operations</b>				
Profit before taxation	13,642	13,678	12,942	13,372
<b>Adjustments for:</b>				
Depreciation and amortisation	2,772	2,428	2,705	2,356
Loss / (profit) on sale of assets	112	323	182	361
Dividends received	(1,118)	(1,296)	(1,118)	(1,296)
Interest received	(118)	(268)	(118)	(268)
Finance costs	1,161	1,354	1,345	1,497
Fair value adjustments	179	216	-	-
Impairment loss	-	296	-	296
Movements in operating lease assets and accruals	89	65	89	65
Movements in retirement benefit assets and liabilities	(1)	(1)	(1)	(1)
Movements in provisions	(2,047)	(3,909)	(2,047)	(3,909)
Changes in working capital:				
Inventories	(4,979)	17,174	(4,979)	17,174
Trade and other receivables	(12,170)	(9,488)	(12,170)	(9,488)
Trade and other payables	729	875	648	937
	<b>(1,749)</b>	<b>21,447</b>	<b>(2,522)</b>	<b>21,096</b>

## notes to the financial statements

### 36. Tax paid

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
Balance at beginning of the year	882	(1,780)	1,173	(1,649)
Current tax for the year recognised in profit or loss - Continued operations	(1,880) (3,178)	(1,090) (882)	(1,631) (3,257)	(930) (1,173)
Balance at end of the year	<b>(4,176)</b>	<b>(3,752)</b>	<b>(3,715)</b>	<b>(3,752)</b>

### 37. Cash flows of discontinued operations

Profit after taxation	7,388	3,918	7,388	3,918
Changes in working capital - inventory	9,588	(9,588)	9,588	(9,588)
Loss / (profit) on sale of assets	(6,244)	-	(6,244)	-
	<b>10,732</b>	<b>(5,670)</b>	<b>10,732</b>	<b>(5,670)</b>

### 38. Dividends paid

Dividends	(2,068)	(2,481)	(2,068)	(2,481)
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### 39. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

- Property, plant and equipment
- Intangible assets

Property, plant and equipment	11,000	-	11,000	-
Intangible assets	-	1,000	-	1,000
Not yet contracted for and authorised by directors	5,346	12,376	5,346	12,376

This committed expenditure relates to property and will be financed by available bank facilities, retained profits and existing cash resources.

#### Operating leases – as lessee (expense)

##### Minimum lease payments due

- within one year	1,336	1,230	1,336	1,230
- in second to fifth year inclusive	1,651	2,365	1,651	2,365
	<b>2,987</b>	<b>3,595</b>	<b>2,987</b>	<b>3,595</b>

Operating lease payments represent rentals payable by the group for certain of its properties. Leases are negotiated for an average term of one to five years. No contingent rent is payable.

#### Operating leases – as lessor (income)

##### Minimum lease payments due

- within one year	708	669	708	669
- in second to fifth year inclusive	775	1,483	775	1,483
	<b>1,483</b>	<b>2,152</b>	<b>1,483</b>	<b>2,152</b>

Certain of the group's property is held to generate rental income. Lease agreements are non-cancellable and have terms from one to five years. There are no contingent rents receivable.

## notes to the financial statements

### 40. Contingencies

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Bank guarantees</b>				
Eskom	48	48	48	48
George municipality	50	50	50	50
	<b>98</b>	<b>98</b>	<b>98</b>	<b>98</b>

### 41. First-time adoption of International Financial Reporting Standards

The group has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these standards have been applied retrospectively and the comparatives contained in these financial statements differ from those published in the financial statements published for the year ended 30 June 2010.

### 42. Related parties

#### Relationships

Subsidiaries  
Employee trust  
Directors  
Shareholder with significant influence  
Members of key management

LBK Agri (Pty) Ltd - Refer to note 7  
Tuinroete Agri Share Trust  
Refer to the directors report  
PS Norris  
OJ Badenhorst  
LG Fivaz  
K Rost  
P Swart  
A van Wyk

#### Related party balances

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Loan accounts - Owing to related parties</b>				
LBK Agri (Pty) Ltd	-	-	(2,619)	(2,060)
Tuinroete Agri Share Trust	(1,084)	(647)	(1,084)	(647)
<b>Amounts included in Trade and other receivables regarding related parties</b>				
Directors (executive and non-executive)	5,401	6,671	5,401	6,671
Key management	31	15	31	15
<b>Amounts included in Trade and other payables regarding related parties</b>				
Key management	(13)	(9)	(13)	(9)
<b>Related party transactions</b>				
<b>Interest paid to / (received from) related parties</b>				
LBK Agri (Pty) Ltd	-	-	190	143
Tuinroete Agri Share Trust	(59)	(78)	(59)	(78)
Directors (executive and non-executive)	(552)	(756)	(552)	(756)
Key management	-	(1)	-	(1)
<b>Sales to related parties</b>				
Directors (executive and non-executive)	(13,699)	(15,106)	(13,699)	(15,106)
Key management	(334)	(195)	(334)	(195)
<b>Rent paid to related parties</b>				
LBK Agri (Pty) Ltd	-	-	650	514

## notes to the financial statements

### 42. Related parties (continued)

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Administration fees paid to related parties</b>				
LBK Agri (Pty) Ltd	-	-	97	77
<b>Dividends paid to related parties</b>				
Tuinroete Agri Share Trust	10	28	10	28
Directors (executive and non-executive)	280	365	280	365
Key management	7	8	7	8

### 43. Directors' emoluments

#### Executive

2011	2011 - R'000					
	Emolu-ments	Bonus	Pension contrib.	Allowances	Medical aid contributions	Total
For services as Director	1,213	559	191	234	40	2,237

2010	2010 - R'000					
	Emolu-ments	Bonus	Pension contrib.	Allowances	Medical aid contributions	Total
For services as Director	1,118	815	179	239	35	2,386

#### Non-executive

2011	2011 - R'000			
	Directors' fees	Travel allowance	Bonus	Total
For services as Directors	316	44	749	1,109

2010	2010 - R'000			
	Directors' fees	Travel allowance	Bonus	Total
For services as Directors	218	33	648	899

Details of Directors' remuneration is available in the financial statements.

## notes to the financial statements

### 44. Comparative figures

Certain comparative figures have been reclassified. The reclassification is due to the following:

- Rebates and payment discount received reclassified from other income to cost of sales; and
- Transport costs reclassified from operating expenses to cost of sales.

The effects of the reclassification are as follows:

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Profit or Loss</b>				
Cost of sales	-	(5,150)	-	(5,150)
Other income	-	6,015	-	6,015
Operating expenses	-	(865)	-	(865)

### 45. Risk management

#### Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 20, 22, 23, cash and cash equivalents disclosed in note 14, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2011 and 2010 respectively were as follows:

	Group		Company	
	2011 R'000	2010 R'000	2011 R'000	2010 R'000
<b>Total borrowings</b>				
Loans received	20	647	-	647
Loans to from group companies	22	-	2,619	2,060
Other financial liabilities	23	430	250	430
		<b>1,077</b>	<b>2,869</b>	<b>3,137</b>
Less: Cash and cash equivalents	14	(192)	(4,107)	(192)
Net debt		1,269	6,976	3,329
Total equity		164,163	168,895	164,572
<b>Total capital</b>		<b>165,432</b>	<b>175,871</b>	<b>167,901</b>
Gearing ratio		3%	4%	2%

## notes to the financial statements

### 45. Risk management (continued)

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
<b>At 30 June 2011</b>				
Borrowings	31,834	-	-	-
Trade and other payables	42,183	-	-	-
Loans received	1,084	-	-	-
Other financial liabilities	250	-	-	-
At 30 June 2010	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
Borrowings	27,218	-	-	-
Trade and other payables	41,454	-	-	-
Loans received	647	-	-	-
Other financial liabilities	430	-	-	-
Company	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
<b>At 30 June 2011</b>				
Borrowings	31,834	-	-	-
Loans from group companies	2,619	-	-	-
Trade and other payables	42,078	-	-	-
Loans received	1,084	-	-	-
Other financial liabilities	250	-	-	-
At 30 June 2010	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Over 5 years R'000
Borrowings	27,218	-	-	-
Loans from group companies	2,060	-	-	-
Trade and other payables	41,430	-	-	-
Loans received	647	-	-	-
Other financial liabilities	430	-	-	-

## notes to the financial statements

### 45. Risk management (continued)

#### Interest rate risk

The group's interest rate risk arises from interest bearing borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

The company manage interest rate risk so the fluctuations in variable rates do not have a material impact on profit. The company's exposure to interest rate risk on borrowings is exclusively bank credit that is subject to fluctuations in the prime overdraft rate.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

#### Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. The group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified a available for sale.

**Tuinroete Agri Ltd (Registration number: 1997/003183/06)**  
**Industry Road**  
**Mossel Bay**  
**6500**

**FORM OF PROXY - Annual General Meeting**

For use by the shareholders of Tuinroete Agri Limited at the Annual General Meeting of Tuinroete Agri Limited to be held at 10:00 on Friday, 25 November, 2011.

I/We (name in print) \_\_\_\_\_ Account number: \_\_\_\_\_

Being the holder(s) of  ordinary shares in Tuinroete Agri Limited, hereby appoint (see note 1)

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the shareholders' meeting,  
as my/our proxy to act for me/us on my/our behalf at the shareholders meeting which will be held for the purpose of considering and/ if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at each adjournment thereof, and to vote for or against the special and ordinary resolutions or to abstain from voting in respect of the ordinary shares in Tuinroete Agri Limited registered in my/our name, in accordance with the following instructions (see note 2):

	For	Against	Abstain
Approval of financial statements, auditors' report, directors' report, directors' remuneration, dividend and the appointment of the auditors.			
Approval of the placement of unissued shares under the the control of the directors and the granting of a general authority to the directors.			
SPECIAL RESOLUTION See Annexure "A"			
Election of Directors (Only 5(five) may be elected)			
- Mr HH Pienaar			
- Mr JH Robertson			
- Mr JJ Streicher			
- Mr S Mkhize			
- Mr B Zondagh			
- Mr FD Zondagh			
The objective of 8 (eight) non-executive directors will be achieved end of 2012			

Insert a **cross** in the relevant spaces above according to how you wish your votes to be cast.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2011

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

**NOTES**

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholders' choice in the space(s) provided, with or without deleting the chairman of the members' meeting, **but any such deletion must be initialed by the shareholder**. The person mentioned first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Kindly indicate by way of a cross in the appropriate space your instruction as to how your votes should be cast. Failure to furnish voting instructions, will be deemed to be authorisation to the proxy to vote at the meeting as the proxy seems fit, in respect of all the votes exercisable thereat, subject to note 3 below.
3. Shareholders must note that if they grant a proxy, appointment or autorisation to the chairman of the Board in his capacity as such to act on their behalf at general meetings, and no voting instruction are indicated therein, the chairman or his delegated co-director shall cast the votes attached to the shares concerned in consultation with the Board as to how the relevant proposed resolutions ought to be voted.
4. **Forms of proxy must be lodged at or posted to the registered office of Tuinroete Agri Limited at Industry Road, Mossel Bay, 6500 (P.O. Box 70, Mossel Bay, 6500), to be received by the secretary of Tuinroete Agri Limited by not later than 10:00 on Wednesday, 23 November 2011.**
5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in representative capacity must be attached to this form of proxy, unless previously lodged with the secretary of Tuinroete Agri Limited or waived by the chairman of the meeting.
7. **Any alteration/deletion/correction made to this form of proxy must be initialed by the signatory(ies).**
8. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been lodged with the secretary of Tuinroete Agri Limited.
9. The chairman of the meeting may accept any form of proxy which is completed other than in accordance with these notes if he is satisfied as to the manner in which the shareholder wishes to vote.

**Tuinroete Agri Beperk (Registrasienuommer: 1997/003183/06)**  
**Industrieweg**  
**Mosselbaai**  
**6500**

**VOLMAGVORM - Algemene Jaarvergadering**

Vir gebruik deur die aandeelhouers tydens die Algemene Jaarvergadering van Tuinroete Agri Beperk wat belê is vir 10:00 op Vrydag 25 November 2011.

Ek/Ons (naam in drukskrif) Rekening nommer:

Synde die houër(s) van  gewone aandele in Tuinroete Agri Beperk, stel hiermee aan (Sien nota 1)

1. of by gebrek aan hom/haar,

2. of by gebrek aan hom/haar,

3. die voorsitter van die aandeelhouersvergadering,

as my/ons gevolmagtigde om namens my/ons op te tree tydens die Algemene Jaarvergadering en enige verdagting daarvan wat gehou sal word om oorweging te skenk aan, en indien goed geag, met of sonder wysiging goedkeuring te verleen aan die spesiale en gewone besluite wat daarop voorgestel sal word, en om namens my/ons vir of teen die gemelde besluite te stem of buite stemming te bly met betrekking tot die gewone aandele in Tuinroete Agri Beperk wat in my/ons naam geregistreer is, ooreenkomstig die volgende opdragte (sien nota 2).

	Ten gunste	Teen	Buite stemming
Goedkeuring van finansiële state, ouditeursverslag, direkteursverslag, direkteursvergoeding, dividend en die aanstelling van die ouditeure.			
Goedkeuring vir die plasing van onuitgereikte aandele onder beheer van die direkteure en verlening van algemene magtiging aan die direkteure			
<b>SPEZIALE BESLUIT</b>			
Sien Aanhangsel "A"			
Verkieping van Direkteure: (Daar kan slegs vir 5(vyf) direkteure gestem word)			
- Mnr HH Pienaar			
- Mnr JH Robertson			
- Mnr JJ Streicher			
- Mnr S Mkhize			
- Mnr B Zondagh			
- Mnr FD Zondagh			
Die doelwit van 8(agt) nie-uitvoerende Direkteure sal einde 2012 behaal word.			

Bring 'n kruisie in die toepaslike blok(ke) hierby aan ooreenkomstig hoe u verlang namens u gestem moet word.

Geteken te op 2011

Handtekening

Bygestaan deur (waar toepaslik)

**NOTAS**

- 'n Aandeelhouer is geregtig om die naam van 'n gevolmagtigde of die name van twee alternatiewe gevolmagtigdes van sy/haar keuse in die spasie(s) op die volmagvorm daarvoor voorsien, in te vul, met of sonder skraping van die voorsitter van die vergadering, **maar enige sodanige skraping moet deur die aandeelhouer geparafeer word.** Die persoon wie se naam eerste op die volmagvorm as gevolmagtigde aangedui word of wat by die vergadering teenwoordig is, sal geregtig wees om as gevolmagtigde op te tree tot die uitsluiting van daardie persone wie se name daarop volg.
- Dui asseblief by wyse van 'n kruisie in die toepaslike spasie aan hoe daar namens u gestem moet word. Versuim om aan die bogemelde te voldoen, sal geag word die gevolmagtigde te magtig om na goedunke te stem of buite stemming te bly tydens die vergadering met betrekking tot al die stemme daartydens uitvoerbaar, onderworpe aan nota 3 hieronder.
- Aandeelhouers moet daarop let dat indien hulle 'n volmag, aanstelling of magtiging aan die voorsitter van die Direksie in sy hoedanigheid as sulks verleen om namens hulle tydens algemene vergaderings op te tree, en geen stemopdragte daarin aangedui word nie, die voorsitter of sy gedelegeerde mede-direkteur die stemme verbonde aan die betrokke aandele kan uitbring.
- Volmagvorms moet ingedien word by of gepos word aan Tuinroete Agri Beperk se geregistreerde kantoor te Industrieweg, Mosselbaai, 6500 (Posbus 70, Mosselbaai, 6500), om deur Tuinroete Agri Beperk se sekretaris ontvang te word teen nie later nie as 10:00 op Woensdag 23 November 2011.**
- Die voltooiing en indiening van hierdie volmagvorm verhoed nie die betrokke aandeelhouer om self die vergadering by te woon of daarop te praat en te stem tot die uitsluiting van enige gevolmagtigde hier kragtens aangestel nie.
- Dokumentêre bewys wat die magtiging van 'n persoon wat hierdie volmagvorm in verteenwoordigende hoedanigheid onderteken, bevestig, moet by hierdie volmagvorm aangeheg word, tensy dit voorheen by Tuinroete Agri Beperk se sekretaris ingedien is, of afstand daarvan gedoen word deur die voorsitter van die vergadering.
- Enige wysigings/skraping/toevoegings tot hierdie volmagvorm moet deur die ondertekenaar(s) geparafeer word.**
- 'n Minderjarige moet deur sy/haar ouers of voog bygestaan word, tensy die betrokke dokumente waardeur sy/haar regsbevoegdheid bevestig word, voorgelê word of by die sekretaris van Tuinroete Agri Beperk ingedien is.
- Die voorsitter van die vergadering mag enige volmagvorm wat nie volkome in ooreenstemming met hierdie notas voltooï is nie, aanvaar indien hy tevrede gestel is ten opsigte van die wyse waarop die aandeelhouer wens te stem.

## ANNEXURE “A”

TUINROETE AGRI LIMITED  
 REGISTRATION NUMBER: 1997/003183/06  
 "Tuinroete Agri Limited" or "the Company")

### SPECIAL RESOLUTION NUMBER 1: *Share Buyback*

RESOLVED that the Company be and is hereby authorised by way of a general authority-

- to re-purchase issued shares in the capital of the company;
- at a purchase price as determined by the share trading house and to make payment to shareholders.

As and when deemed appropriate, subject to the following provisions-

- That the Company provides a general authorisation to the Directors until the next Annual General Meeting provided that it shall not exceed 15(fifteen) months from the date that this authority is given, taking into consideration the requirements and the applicable provisions as stipulated in the Act.
- to re-purchase shares at a purchase price as determined by the share trading house and to make payments to shareholders.
- that in determining the price at which shares may be purchased in terms of this authority be the weighted average of the market value of the shares as determined over the last 6 (six) months prior to the day upon which the price was agreed.
- that this authority shall be automatically amended so as to conform with the Act, and the applicable requirements from time to time.

### REASON FOR AND EFFECT OF SPECIAL RESOLUTION

- The reason for and effect of the above resolution is to grant a renewable general authority to the Company to repurchase the shares of the Company which are in issue from time to time.
- That the issued shares will be reduced and reimbursements will be made to shareholders from retained capital.
- The Directors are of the opinion after considering the effect of such an acquisition of shares, if implemented, and on the assumption that the maximum of 20% of the current issued shares be repurchased using the mechanism of the general authority at a maximum price at which the repurchase may take place (a 10% premium above the weighted average of the market value for the shares for 6 (six) months immediately prior to the day upon which the price was agreed) that the company and its subsidiaries (“the group”) will be able, in the ordinary course of business, to pay its debts;
- the consolidated assets of the group, fairly valued in accordance with accounting policies applied for purposes of the latest audited annual group financial statements, will be in excess of its consolidated liabilities, and will have adequate ordinary share capital and reserves.
- The group will have adequate working capital, for the 12 (twelve) month period after the Notice of Annual General Meeting of which this explanatory note forms part.

## AANHANGSEL "A"

TUINROETE AGRI LIMITED  
REGISTRATION NUMBER: 1997/003183/06  
"Tuinroete Agri Limited" or "the Company")

### SPESIALE BESLUIT NOMMER 2: Lenings en Finansiële bystand

Algemene goedkeuring in terme van artikel 45 van die Wet, enige direkte of indirekte finansiële bystand verleen of wat verleen staan te word deur die Maatskappy aan enige verwante of inter-verwante maatskappy van die Maatskappy, soos gemagtig deur die Direksie in terme van artikel 45(2) van die Wet, hiermee goedgekeur word. Hierdie besluit is geldig vir 2 jaar.

Hierdie Spesiale besluit sluit in finansiële bystand aan direkteure verleen in die gewone loop van besigheid, onderhewig aan voortgaande goedkeuring deur die kredietkomitee.

*Verduideliking: Sodanige magtiging is in die verlede deur die Statuut verleen, maar die Wet bepaal spesifiek dat 'n spesiale besluit vereis word wat voorrang geniet oor die Statuut. Die effek van hierdie besluit sal wees dat algemene magtiging aan die Maatskappy verleen word (onderhewig aan die bepalings van die Wet, om befondsing te verskaf aan sy filiaal, verwante partye asook finansiële bystand aan direkteure soos genoem) deur aandeelhouers.*

*Die Raad sal bogenoemde finansiële bystand slegs toeken indien:*

- 1. Tevrede is dat die Maatskappy direk na finansiële bystand toegeken is, steeds aan likwiditeit en sovensie standarde voldoen soos uitgesit in Artikel 45 (3)(b)(i).*
- 2. Die terme waaronder finansiële bystand toegeken is, regverdig en billik is tot die Maatskappy.*
- 3. Enige beperkings en voorwaardes soos uiteengesit in die Akte van Statute aan voldoen word.*

### SPESIALE BESLUIT NOMMER 3.1: Direkteursvergoeding

Die besluit dat vergoeding van die nie-uitvoerende direkteure goedgekeur word in terme van artikel 66(8) van die Wet soos gewysig, effektief vanaf 25 November 2011

- Voorsitter van Direksie en Ouditkomitee R5,800 per vergadering.
- Ondervoorsitter van Direksie en Voorsitters van ander Komitees R4,700 per vergadering.
- Alle ander Direkteure R3,700 per vergadering.
- Reiskoste: R4.10 per Kilometer

### SPESIALE BESLUIT NOMMER 3.2: Direkteursvergoeding

Indien goedkeuring nie verleen sou word vir die nie-uitvoerende direkteursvergoeding soos voorgestel in spesiale besluit nummer 3.1 nie, sodanige direkteure geregtig sal wees om vergoeding te ontvang gelykstaande aan dit wat tans betaal word ooreenkomstig die gewone besluit geneem deur aandeelhouers by die 2010 algemene jaarvergadering en totdat die aandeelhouers anders sou besluit.

*Verduideliking: Artikel 66(9) van die Wet vereis egter nou dat die vergoeding goedgekeur word by wyse van 'n spesiale besluit geneem deur aandeelhouers, teenoor in verlede wat dit ooreenkomstig bepalings van artikel 28.5 van Statuut deur 'n gewone besluit op algemene vergadering geneem was.*

**notes**

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**notas**

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tuinroete  
**agri**  
FARM & HOME



tuinroete  
**agri**  
FUEL & GAS



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WINE & LIQUOR



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PAINT CENTRE



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VERSEKERING • INSURANCE



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GRAAN • GRAIN



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**agri**  
HAARLEM

## TAKKE / BRANCHES

ABERDEEN • ALBERTINIA • AVONTUUR • CLAREMONT (PAINT)  
GEORGE • HERBERTSDALE • HEROLD • JEFFREYSBAAI / BAY • KLEINBERG  
KNYSNA • KRAKEEL • HAARLEM • MISGUND • MOSSELBAAI / BAY • NOLL  
PLETTENBERGBAAI / BAY • RIVERSDAL / E • STILBAAI / BAY • TWEE RIVIERE • UNIONDALE