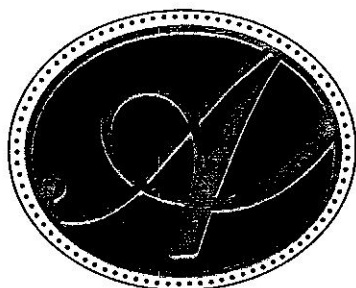


THE SORGHUM TRUST
(Registration number IT9221/97)
Annual financial statements
for the year ended 28 February 2013



ASHTON

The Sorghum Trust

(Registration number IT9221/97)

Annual Financial Statements for the year ended 28 February 2013

General Information

Country of incorporation and domicile	South Africa
Trustees	JH Gordon (Chairperson) LH Claassen MG Morule DT Mashile JJ van der Westhuizen
Registered office	Grain Building 477 Witherite Road The Willows Pretoria 0040
Postal address	PO Box 74626 Lynwood Ridge 0040
Auditors	The Ashton CA (SA) Group Chartered Accountants (S.A.) Registered Auditor
Trust registration number	IT9221/97

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2013

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Annual Financial Statements for the year ended 28 February 2013

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS for Small and Medium Sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2014 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The trustees acknowledge the responsibility of the Trust towards any possible shortages incurred by the Sorghum Levy Administration. The trustees also wish to point out the fact that levies expire end of February 2014. In the case of the Minister of Agriculture, Forestry and Fisheries deciding not to renew the levies, the impact on the Sorghum Levy Administration will have an effect on the financial obligations of the Trust towards the Sorghum Levy Administration.

The external auditors are responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 4.

The annual financial statements set out on pages 5 to 12, which have been prepared on the going concern basis, were approved by the board on 18 June 2013 and were signed on its behalf by:



Trustee



Trustee

Pretoria

18 June 2013



ASHTON GROUP

REGISTERED ACCOUNTANTS
AND AUDITORS

Ashton House, 51 Lebombo St,
Ashlea Gardens, 0181
PO Box 1620, Groenkloof, 0027
Tel: +27 (012) 460 3050
Fax: +27 (012) 460 1263
E-mail: karin@ashtongroup.co.za

Independent Auditors' Report

To the trustees of The Sorghum Trust

We have audited the annual financial statements of The Sorghum Trust, which comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the trustees' report, as set out on pages 5 to 11.

Trustees' Responsibility for the Annual Financial Statements

The trust's trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with IFRS for Small and Medium Sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual 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 annual financial statements present fairly, in all material respects, the financial position of The Sorghum Trust as at 28 February 2013, and its financial performance and its cash flows for the year then ended in accordance with IFRS for Small and Medium Sized Entities

Supplementary Information

Without qualifying our opinion, we draw attention to the fact that supplementary information set out on page 12 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

The Ashton CA (SA) Group
Registered Auditor

Partners: A. Robberts B.Compt (Hons) CA (SA) RA, H.J. Windell B.Compt (Hons) CA (SA) RA,
W. Delpont B.Compt (Hons) CA (SA) RA
Assisted by: G.D. de Bruin Professional Accountant (SA)
Practice no: 902161

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2013

Trustees' Report

The trustees submit their report for the year ended 28 February 2013.

1. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

2. Events after the reporting period

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

3. Trustees

The trustees of the trust during the year and to the date of this report are as follows:

Name

JH Gordon (Chairperson)

LH Claassen

MG Morule

DT Mashile

JJ van der Westhuizen

4. Auditors

The Ashton CA (SA) Group will continue in office for the next financial period.

5. Sorghum Levy

The trustees acknowledge the responsibility of the Trust towards any possible shortages incurred by the Sorghum Levy Administration. The trustees also wish to point out the fact that levies expire end of February 2014. In the case of the Minister of Agriculture, Forestry and Fisheries deciding not to renew the levies, the impact on the Sorghum Levy Administration will have an effect on the financial obligations of the Trust towards the Sorghum Levy Administration.

The Sorghum Trust

(Registration number IT9221/97)

Annual Financial Statements for the year ended 28 February 2013

Statement of Financial Position

Figures in Rand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Investments	2	20 280 467	17 744 884
Current Assets			
Trade and other receivables		41 164	-
Total Assets		20 321 631	17 744 884
Equity and Liabilities			
Equity			
Accumulated surplus		20 321 630	17 720 836
Liabilities			
Non-Current Liabilities			
Trade and other payables		-	24 048
Total Equity and Liabilities		20 321 630	17 744 884

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2013

Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Operating deficit before fair value adjustments, investment revenue and disposal of investments		(443 831)	(418 694)
		(443 831)	(418 694)
Investment revenue		900 817	823 782
Fair value adjustments		2 143 808	650 963
(Loss) gain on disposal of assets		-	140 540
		2 600 794	1 196 591
Surplus for the year		-	-
Other comprehensive income		-	-
		2 600 794	1 196 591
Total comprehensive income for the year		2 600 794	1 196 591

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2013

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 March 2011	16 524 245	16 524 245
Changes in equity	1 196 591	1 196 591
Total comprehensive income for the year	1 196 591	1 196 591
Total changes	17 720 836	17 720 836
Balance at 01 March 2012		
Changes in equity	2 600 794	2 600 794
Total comprehensive income for the year	2 600 794	2 600 794
Total changes	20 321 630	20 321 630
Balance at 28 February 2013	20 321 630	20 321 630
Note(s)		

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2013

Statement of Cash Flows

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash generated from operations	5	1 699 977	232 269
Interest income		695 613	672 506
Dividends received		205 204	151 275
Net cash from operating activities		2 600 794	1 056 050
Cash flows from investing activities			
Financial assets movements		(2 535 582)	(1 281 214)
Gain (loss) on sale of assets		-	140 540
Increase in loans receivable		(41 164)	-
Other financial instrument movements		-	60 575
Net cash from investing activities		(2 576 746)	(1 080 099)
Cash flows from financing activities			
Movement in trade and other payables		(24 049)	24 049

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with IFRS for Small and Medium Sized Entities. The annual financial statements have been prepared on the historical cost basis, 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.

1.1 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.2 Revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

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Annual Financial Statements for the year ended 28 February 2013

Notes to the Annual Financial Statements

Figures in Rand	2013	2012
2. Investments		
Investments managed by Nedbank Private Wealth		
Listed Securities	11 682 870	9 313 771
Fixed Capital Funds	8 597 596	8 431 113
	20 280 466	17 744 884
Book value of listed securities on 28 February 2013 - R 5 579 810. (2012 - R 5 355 846)		
Non-current assets	20 280 466	17 744 884
At fair value		
3. Taxation		
No provision has been made for taxation as the Trust is exempt from income tax.		
4. Auditors' remuneration		
Current fees	15 200	14 950
5. Cash generated from operations		
Surplus before taxation	2 600 794	1 196 591
Adjustments for:		
Surplus on sale of assets	-	(140 540)
Dividends received	(205 204)	(151 276)
Interest received	(695 613)	(672 506)
	1 699 977	232 269

6. Contingencies

The Sorghum levy will expire end of February 2014. In the case of the Minister of Agriculture, Forestry and Fisheries deciding not to renew the levies, the impact on the Sorghum Levy Administration will have an effect on the financial obligations of the Trust towards the Sorghum Levy Administration.

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2013

Detailed Income Statement

Figures in Rand	Note(s)	2013	2012
Income			
Dividend revenue		205 204	151 276
Interest received		695 613	672 506
Gains on disposal of assets		-	140 540
		900 817	964 322
Operating expenses			
Auditors' remuneration	4	(15 200)	(14 950)
Conference costs		(12 779)	(12 897)
Asset Management Fees		(144 958)	(133 205)
Membership fees - GFADA		(100)	(200)
Professional fees		(12 800)	(5 505)
Administration fees - Trust		(80 390)	(75 186)
Sorghum Forum costs		(87 078)	(81 441)
Website & marketing		(401)	(511)
Trustees remuneration		(90 125)	(94 799)
		(443 831)	(418 694)
Operating surplus before fair value adjustments		456 986	545 628
Fair value adjustment of investments		2 143 808	650 963
Surplus for the year		2 600 794	1 196 591