



DATE: 19 August 2010

ATTENTION: The News Editor

## **PRESS RELEASE**

### **AGRA CONVERSION TO PUBLIC COMPANY DELAYED**

Coinciding with its 30<sup>th</sup> anniversary, the conversion of Agra from an agricultural cooperative to a public company was approved by the required majority of members in April 2010. Its final implementation has, however, fallen behind schedule.

Agra complied with all the relevant requirements as stipulated in Section 76(1) of the Co-operatives Act, 1996, including:

- passing of a special resolution at an extraordinary general meeting of Agra's members held on 31 March 2010 authorising the conversion.
- giving three months' notice of the conversion to Agra's creditors.
- providing the registrar with a sworn statement in which the chairman of Agra declared that the written consent of the requisite number of members of the cooperative had been obtained for the proposed conversion.

Agra Limited (a public company) was registered by the registrar of companies (registration number 2010/0406) on 27 July 2010. Application was made to the registrar of cooperatives to complete the conversion by cancelling the registration of the cooperative with effect from 1 August 2010.

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All planning processes on Agra's side were based on the assumption that the conversion into a company could take place on 1 August 2010, which would also be the start of Agra's new financial year. This date would, among others, have required only one external audit, saving Agra a substantial amount in audit fees.

Having complied with all the legal procedures and processes required by the Cooperatives' Act, Agra also assumed that its deregistration as a cooperative would be a process that could be concluded smoothly and in time for the proposed date of 1 August 2010.

The registrar of cooperatives has unfortunately not completed her own procedures of validating the process carried out by Agra in respect of the conversion. As such, the conversion could not be made effective on 1 August 2010 as envisaged.

While the registrar could not indicate when she would be able to approve the conversion, Agra assures members that it is fully cooperating with the registrar's office and hopes to obtain the approval imminently.

The new date for conversion will be communicated by Agra's board of directors as soon as further information from the registrar of cooperatives is obtained.

Marking three decades of service to Namibians, Agra's directors believe conversion into a public company will enable Agra to capitalise on significant opportunities for growth, for the benefit of all stakeholders.

**Ends.**

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