11. CONCLUSION

It was Agra's 25th birthday on 1 July 2005. Fortunately we can report a positive financial result for the year under review and a general improvement in most other spheres of our business.

This year also marks the end of our current chairman's term of office. Mr Chapman has been an inspiration and a pillar of strength and support whenever we needed him. Our thanks go to him for his excellent leadership, his business acumen and for keeping a cool head during the typical Agra upswings and downturns which occurred during his 12 years of being Agra's Chairman of the board.

The year ahead will bring with it new challenges:

- the FAN Meat traceability system will be introduced,
- the Green Scheme will be launched in the Kavango, and
- Agra's competition will become even more aggressive.

No organization can be successful without its employees. Once again we have been able to rely on our committed workforce to support the strategies and objectives set. A big thank you to all of you and the hope that we can count on you again in the year ahead.

To the Board of Directors, thank you for the support and guidance during the last 12 months.

To our clients and members: Thank you for making it possible for Agra to achieve a satisfactory result. We will continue to strive to improve our service levels and the availability of products at a competitive price.

PM KAZMAIER
CHIEF EXECUTIVE OFFICER
HOOF UITVOERENDE BEAMPTE

11. SLOT

Dit was Agra se 25ste verjaarsdag op 1 Julie 2005. Gelukkig kan ons rapporteer op 'n positiewe resultaat vir die jaar onder oorsig en 'n algehele verbetering in die meeste aspekte van ons besigheid.

Hierdie jaar is ook die einde van die termyn vir die huidige voorsitter. Mnr Chapman was 'n inspirasie en 'n pilaar van krag en ondersteuning wanneer ons hom ookal nodig gehad het. Ons bedank hom vir sy uitstekende leierskap, sy besigheids insig en vir sy kalmte gedurende tipiese opwaartse of afwaartse tendense van Agra gedurende die 12 jaar as voorsitter van Agra se direksie.

Die komende jaar sal nuwe uitdagings bring:

- die FAN Meat opsporingsstelsel word bekend gestel,
- die "Green Scheme" begin in die Kavango, en
- kompetisie vir Agra sal selfs meer aggressief raak.

Geen organisasie kan suksesvol wees sonder sy werknemers nie. Ons kon weereens vertrou op die betrokkenheid van ons personeel in die ondersteuning van ons strategië en doelwitte. 'n Groot dankie aan julle almal en hopelik sal ons weer op julle kan staatmaak in die jaar wat voorlê.

Aan die direksie, dankie vir die ondersteuning en leiding gedurende die 12 maande.

Aan ons kliente en lede, dankie dat u dit moontlik gemaak het vir Agra om hierdie aanvaarbare resultaat te behaal. Ons sal strewe om te verbeter op ons diens en die beskikbaarheid van voorraad teen kompeterende pryse.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGRA (CO-OPERATIVE) LIMITED

We have audited the annual financial statements and group annual financial statements of Agra (Co-operative) Limited set out on pages 15 to 50 for the year ending 31 July 2005. These financial statements are the responsibility of the directors of the co-operative. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of Namibian Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair presentation is achieved in the financial statements. An audit includes:

- an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles and significant estimates made by management;
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion these financial statements fairly present, in all material respects, the financial position of the co-operative and group at 31 July 2005, and the results of their operations and cash flows for the year then ended in accordance with Namibian statements of Generally Accepted Accounting Practice and in the manner required by the Namibian Co-operatives Act.

VERSLAG VAN DIE ONAFHANKLIKE OUDITEURE AAN DIE LEDE VAN AGRA (KOÖPERATIEF) BEPERK

Ons het die finansiële jaarstate en die groeps- finansiële jaarstate van Agra (Koöperatief) Beperk soos uiteengesit op bladsye 15 tot 50 vir die jaar geëindig 31 Julie 2005 geouditeer. Hierdie finansiële state is die verantwoordelikheid van die koöperasie se direkteure. Ons verantwoordelikheid is om op grond van ons oudit 'n mening oor hierdie finansiële state uit te spreek.

Omvang

Ons het die oudit ooreenkomstig standpunte van Namibiese ouditstandaarde uitgevoer. Hierdie standaarde vereis dat ons die oudit beplan en onderneem om redelike gerusstelling te verkry dat daar geen wesenlike wanvoorstelling in die finansiële state is nie. 'n Oudit behels:

- 'n ondersoek, op 'n toetsgrondslag, van bewyse wat die bedrae en openbaarmakings in die finansiële state steun;
- 'n beoordeling van die rekeningkundige beginsels wat gebruik is en beduidende ramings wat deur die bestuur gemaak is;
- 'n oorweging van die algehele aanbieding van die finansiële state.

Ons is van mening dat ons oudit 'n redelike grondslag vir ons mening bied.

Ouditmening

Na ons mening is hierdie finansiële state in alle wesenlike opsigte 'n redelike weergawe van die finansiële stand van die koöperasie en van die groep op 31 Julie 2005 en van die resultate van hulle bedrywighede en kontantvloei vir die jaar geëindig op daardie datum, in ooreenstemming met Namibiese standpunte van Algemeen Aanvaarde Rekeningkundige Praktyk en op die wyse deur die Namibiese Koöperasiewet bepaal.

PRICEWATERHOUSECOOPERS
CHARTERED ACCOUNTANTS (NAMIBIA)
WINDHOEK
27 OCTOBER 2005

The board takes pleasure in presenting the financial statements and group financial statements for the year ended 31 July 2005 and reports to the members in terms of Clause 64 of the Co-operatives Act.

The revenue for the group decreased with 1% compared to the previous year. The gross profit however increased with 4% for the group. Other income increased by 6,9% while operating and administrative costs increased by 1,2% for the group.

Financial management

Finance cost for the group decreased by N$0,9 million compared to the previous year mainly as a result of the financing of lower inventory balances. Accounts receivable increased by 6,6% while inventories decreased by 20% for the group.

Expansions and capital expenditure

Fixed assets acquisitions for the group amounted to N$2,4 million (2004:N$2,5 million). A total amount N$1,2 million was spent on the structural upgrading of branches. Other capital expenditure consisted of motor vehicles of N$0,5 million, computer equipment of N$0,5 million and other operational assets of N$0,2 million.

Dit is vir die raad aangenaam om die finansiële state en groeps- finansiële state vir die jaar geëindig 31 Julie 2005 aan die lede voor te lê en daaroor te rapporteer in terme van Artikel 64 van die Koöperasiewet.

Die omset vir die groep het gedaal met 1% in vergelyking met die vorige jaar. Die bruto wins daarteenoor het egter gestyg met 4% vir die groep. Ander inkomste het gestyg met 6,9% terwyl bedryfs- en administratiewe uitgawes gestyg het met 1,2% vir die groep.

Finansiële bestuur

Finansieringskoste vir die groep het gedaal met N$0.9 miljoen in vergelyking met die vorige jaar hoofsaaklik as gevolg van die finansiering van laer voorraadbalanse. Rekeninge ontvangbaar het gestyg met 6,6% terwyl voorraad gedaal het met 20% vir die groep.

Uitbreidings en kapitale spanderings

Aankope van vaste bates in die groep het N$2,4 miljoen (2004:N$2,5 miljoen) beloop. 'n Bedrag van N$1,2 miljoen is spandeer aan die strukturele opgradering van takke. Ander kapitale spanderings het bestaan uit motorvoertuie van N$0,5 miljoen, rekenaartoerusting van N$0,5 miljoen en ander operasionele bates van N$0,2 miljoen.

Balance sheet ratios

Certain important balance sheet ratios for the co-operative and the group are presented below:

Balansstaatverhoudings

Sekere belangrike balansstaatverhoudings word hieronder weergegee vir sowel die groep as die koöperasie:

	Consolidated		Co-operative		
	2005	2004	2004	**2005**	
Assets exceed liabilities by	**N$50,96 m**	N$48,58 m	N$47,63 m	**N$50,85 m**	Bates oorskry laste met
Debt: equity	**54%**	55%	58%	**54%**	Vreemde tot eie kapitaal
Own capital: total assets	**33,2%**	31,2%	31,5%	**34,01%**	Eie kapitaal: totale bates
Current asset ratio	**1,25:1**	1,21:1	1,21:1	**1,15:1**	Bedryfskapitaalverhouding
Quick ratio	**0,71:1**	0,59:1	0,60:1	**0,69:1**	Vuurproefverhouding

The following interest rates were applicable at the end of the financial year:

Die volgende rentekoerse was aan die einde van die finansiële jaar van toepassing:

	Consolidated		Co-operative		
	2005	2004	2004	**2005**	
Mortgage bond loans	**10,58%**	11,25%	11,25%	**10,58%**	Verbandlenings
Prime overdraft rate	**11,75%**	12,50%	12,50%	**11,75%**	Prima oortrekkingskoers

Revenue

Net revenue for the group and the co-operative for the year under review is presented in the table below:

Omset

Netto omsette vir die groep en die koöperasie vir die jaar onder oorsig word in die tabel hieronder weergegee:

	Consolidated 2005 N$	Consolidated 2004 N$	Co-operative 2004 N$	Co-operative 2005 N$	
Livestock	**20 682 125**	17 870 069	17 870 069	**20 682 125**	Lewendehawe
Trade	**338 278 286**	344 952 430	327 627 116	**303 621 230**	Handel
Total	**358 960 411**	362 822 499	345 497 185	**324 303 355**	Totaal

Gross profit

Net revenue of the co-operative and the group with regard to livestock, karakul and wool comprises the gross commission income and is therefore identical with the gross profit of the co-operative and the group for those commodities.

Gross profits are reflected below:

Bruto wins

Netto omsette van die koöperasie en die groep met betrekking tot lewende hawe, karakoel en wol bestaan uit die bruto kommissie inkomste en is daarom dieselfde as die bruto wins van die koöperasie en die groep vir daardie kommoditeite.

Bruto wins was die volgende:

	Consolidated 2005 N$	Consolidated 2004 N$	Co-operative 2004 N$	Co-operative 2005 N$	
Livestock	**20 682 125**	17 870 069	17 870 069	**20 682 125**	Lewendehawe
Trade	**53 337 095**	53 278 582	48 286 022	**46 256 954**	Handel
Total	**74 019 220**	71 148 651	66 156 091	**66 939 079**	Totaal

Financial results

Your co-operative reports a profit before tax of N$4 671 381 compared to N$567 189 of the previous year. The group reports a profit before tax of N$4 818 255 compared to N$1 177 923 of the previous year.

No transfer has been made to the deferred expenditure fund, but in terms of Section 58(2)(b) of the Co-operatives Act an amount of N$772 441 (2004: N$385 104) will be utilised as capital in the business.

Share capital

The shareholding in your co-operative was as follows:

Finansiële resultate

U koöperasie rapporteer 'n wins voor belasting van N$4 671 381 in vergelyking met N$567 189 van die vorige jaar. Die groep rapporteer 'n wins voor belasting van N$4 818 255, in vergelyking met N$1 177 923 van die vorige tydperk.

Geen oorplasing word gemaak na die uitgestelde uitgawe fonds nie, maar in terme van Artikel 58(2)(b) van die Koöperasiewet word 'n bedrag van N$772 441 (2004: N$385 104) aangewend as kapitaal in die besigheid.

Aandelekapitaal

Die aandeelhouding in u koöperasie was as volg:

Co-operative

	2004	**2005**	
Number of members	6 784	**6 676**	Ledetal
Paid-up share capital	N$2 312 112	**N$2 229 399**	Opbetaalde aandelekapitaal

Investment in subsidiaries

Agra (Co-operative) Limited is the holding company of the following subsidiaries and associate with its interest in shares and loans to / (from) as follows:

Belegging in filiale

Agra (Koöperatief) Beperk is die houermaatskappy van die volgende filiale en geassosieerde maatskappy met sy belang in aandele en lenings aan / (van) as volg:

	Shares 2005 N$	Shares 2004 N$	Loans 2004 N$	Loans 2005 N$	
100% Shareholding					**100% Aandeelhouding**
Agra Verspreiders (Pty) Ltd (N$1 shares)	**2**	2	1 744 103	**2 832 080**	Agra Verspreiders (Edms) Bpk (N$1 aandele)
Agra Eiendomme (Pty) Ltd (N$1 shares)	**100**	100	-	**2 786 206**	Agra Eiendomme (Edms) Bpk (N$1 aandele)
SWA Amalgameerde Afslaers (Pty) Ltd (stated share capital)	**350 000**	350 000	(317 619)	**(317 619)**	SWA Amalgameerde Afslaers (Edms) Bpk (verklaarde kapitaal)
Star Plastics (Pty) Ltd (N$ 1 shares)	**4 000**	166 939	(37 458)	**(330 072)**	Star Plastics (Edms) Bpk (N$1 aandele)
Auas Vet Med (Pty) Ltd (N$ 1 shares)	**1**	1	(1 515 294)	**191 293**	Auas Vet Med (Edms) Bpk (N$1 aandele)
Auas Wholesalers (Pty) Ltd	**100**	-	-	**5 195 141**	Auas Wholesalers (Edms) Bpk
Agra Livestock Company (Pty) Ltd	**100**	-	-	**(100)**	Agra Livestock Company (Edms) Bpk
70% Shareholding					**70% Aandeelhouding**
Ondangwa Service Station (Pty) Ltd (N$1 shares)	**700**	700	301 742	**199 771**	Ondangwa Service Station (Edms) Bpk (N$1 aandele)
Associate company					**Geassosieerde maatskappy**
45% Shareholding					**45% Aandeelhouding**
Wire Industries (Pty) Ltd (N$1 shares)	**450**	450	1 817 873	**1 507 878**	Wire Industries (Edms) Bpk (N$1 aandele)

The holding company's interest in the income/(loss) after tax of the subsidiaries is as follows:

Die houermaatskappy se belang in die inkomste/(verlies), na belasting, van die filiale is die volgende:

	2004 N$	2005 N$	
Agra Verspreiders (Pty) Ltd	-	-	Agra Verspreiders (Edms) Bpk
Agra Eiendomme (Pty) Ltd	-	-	Agra Eiendomme (Edms) Bpk
SWA Amalgameerde Afslaers (Pty) Ltd	(373)	373	SWA Amalgameerde Afslaers (Edms) Bpk
Star Plastics (Pty) Ltd	(88 560)	(1 281 091)	Star Plastics (Edms) Bpk
Auas Vet Med (Pty) Ltd	-	-	Auas Vet Med (Edms) Bpk
Auas Wholesalers (Pty) Ltd	-	(29 292)	Auas Wholesalers (Edms) Bpk
Agra Livestock Company (Pty) Ltd	-	-	Agra Livestock Company (Edms) Bpk
Ondangwa Service Station (Pty) Ltd	294 140	104 619	Ondangwa Service Station (Edms) Bpk

Other investments

At 31 July 2005 the co-operative had a 50% interest in Lumley Agra Farmers Insurance Brokers (Pty) Ltd, a 50% interest in Bloukop Voerkraal (Pty) Ltd, and a 14% interest in Farmers Meat Market Holdings.

Board of Directors

The following director retires in terms of the Statute of your co-operative:

Region 2: Mr J W Chapman

The current directors are as follows:

J W Chapman
J B Coetzee
R van der Merwe
P Schonecke
L C van Wyk
Dr F Tjingaete (co-opted)

Ander beleggings

Die koöperasie het op 31 Julie 2005 'n 50% belang in Lumley Agra Farmers Insurance Brokers (Edms) Bpk, 'n 50% belang in Bloukop Voerkraal (Edms) Bpk, en 'n 14% belang in Farmers Meat Market Holdings gehad.

Raad van Direkteure

In terme van die Statuut van u koöperasie, tree die volgende direkteur uit:

Streek 2: Mnr J W Chapman

Die huidige direkteure is as volg:

J W Chapman
J B Coetzee
R van der Merwe
P Schonecke
L C van Wyk
Dr F Tjingaete (gekoöpteer)