



SERVICE. RANGE. COUNTRYWIDE.

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During the year, the SC functioned with only two members. Mr. Ryno van der Merwe was released to the board in the interest of Agra and accepted the position of secretary after the conclusion of the last annual general meeting. The Board also functioned with a vacancy in the southern region. The enthusiasm of the two newcomers on the board is promising.

Issues of concern were highlighted in the previous annual report. Amongst other unacceptable high stock losses and a “lack of loyalty and commitment” of personnel were mentioned. During this year these problems caught up with Agra. This resulted in even higher stock losses, and an abnormal turnover in personnel, as a result of resignations and dismissals. In addition, three of our senior personnel left our service. In addition Agra closed down three of its branches during the year, which was subsequently rented out to third parties. The abovementioned issues portray a total different situation at the end of the year compared to the previous year.

The SC expressed its concern during the year about the high number of resignations and dismissals. Our opinion was that it was not necessarily the intention of personnel to act to the detriment of Agra and that undisciplined behaviour could have been a result of frustrations to become familiar with the systems. The queries were answered to our satisfaction.

The uncertainty around land reform and the caution of members to invest continued during the year to the detriment of Agra. The repercussions of the last drought also resulted in a lack of cash flow for members. Agra could not manage, for the first time, to increase the turnover of its trade division compared to that of the previous year, even with inflation and higher prices. It has to be accepted that the agricultural sector will remain under pressure in the future. Agra will have to regain a bigger market share through the rendering of an excellent service. The fact remains that there is a responsibility on the members of Agra.

The conditions were not favourable for the Livestock division. The numbers did not change substantially, but the turnover decreased as a result of a lack of purchasing power. The “farmer buyers” which normally stabilize the market, were absent. The small stock marketing scheme had a negative effect on the slaughter stock auctions. The direct marketing to abattoirs by small stock producer’s weekend Agra’s role as broker and agent for livestock. A feedlog for small stock was established at Mariental during the year. It is a project on which members can be proud of and holds a promise to prepare lambs for the market at economical costs. It is a typical example of an initiative aimed at the replacement of traditional income streams.

Gedurende die jaar het die TK slegs met twee lede gefunksioneer. Mnr Ryno van der Merwe is in belang van Agra aan die direksie afgestaan. Na afloop van die vorige algemene jaarvergadering het hy die pos van sekretaris oorgeneem. Ook die direksie het gefunksioneer met ‘n vakature in die suidelike streek, maar die ywer van die twee nuwelinge op die direksie hou baie belofte in.

In die vorige jaarverslag is items uitgelig wat kommerwekkend was. Onaanvaarbare hoë voorraadverliese en ‘n “onrusbarende gebrek aan lojaliteit en verbondenheid” van sommige personeel is ondermeer genoem. In hierdie jaar het daardie probleme vir Agra geskud. Dit het gelei tot nog hoër voorraadverliese-syfers en ‘n abnormale hoë omset in personeel as gevolg van bedankings en afdankings. Daarbenewens het drie senior personelede ons diens verlaat. Voeg hierby nog die feit dat drie kleiner takke van Agra gedurende die jaar gesluit het en verhuur is aan ondernemers, dan is ons aan die einde van die jaar in ‘n totaal ander situasie as ‘n jaar gelede.

Die TK het gedurende die jaar bedenkinge uitgespreek oor die groot hoeveelheid bedankings en afdankings. Ons mening was dat daar dalk nie altyd opset was om Agra te benadeel nie en dat ongedissiplineerde optrede ook verband kan hou met frustrasie wat spruit uit stelsels wat nie onder die knie gekry kan word nie. Die navrae is bevredigend beantwoord.

Die onsekerheid oor grondhervorming en die gepaardgaande traagheid by lede om te investeer het vanjaar voortgegaan om sy tol te eis. Die nagevolge van die vorige droogte het ‘n verdere demper op beskikbare kontant van lede geplaas. Vir die eerste keer kon Agra se handelsomset, ten spyte van inflasie en prysstygings, nie die vorige jaar se syfers verbeter nie. Dit kan aanvaar word dat landboubesigheid vir die afsienbare toekoms onder druk gaan bly. Agra sal dus moet poog om ‘n groter deel van beskikbare besigheid te kry deur goeie dienslewering. Dit is egter ook ‘n feit dat daar ‘n verantwoordelikheid rus op die skouers van Agra se lede.

Ten opsigte van Lewendehawe was die omstandighede nie gunstig nie. Hoewel getalle nie drasties verskil het nie, het omsette gedaal vanweë veral ‘n koopkrag probleem. Die “boere kopers”, wat gewoonlik ‘n stabiliserende faktor is, was grootliks afwesig. Die bemarkingskema vir kleinvee het sy merk gelaat op die vetveeveilings en kleinveeprodusente het ook begin met direkte lewering aan slagpale, wat Agra se rol as makelaar en agent verder verwater het. Die voerkraal vir kleinvee op Mariental het vanjaar tot stand gekom. Dit is ‘n projek waarop Agra lede trots kan wees en hou die belofte in dat lammers ekonomies afgerond kan word. Dit is ‘n tipiese voorbeeld van inisiatief wat daarop gemik is om die tradisionele inkomstebronne te vervang.

## REPORT OF THE SUPERVISORY COMMITTEE

for the year ended 31 July 2004

For the agronomists it was an exceptional good year with high yields and stable prices. The harvests of the dry land producers were sold in full. For the irrigation farmers of the north the market may improve when the new mill at Rundu becomes operational.

The outsourcing of the internal audit function a few years ago started a professional process. As a result high risk areas were identified. These risk areas were visible in most of the branches of Agra. The shortcoming however was that the internal audit reports were not taken seriously enough, not by the branches, nor by the management or the audit committee. Agra suffered substantial losses during the year. Corrective measures were implemented by the audit committee to ensure that the problem areas mentioned in the internal audit reports will be addressed properly. The responsibility to manage this process should be at the highest level of the organization.

The role of the directors of Agra was never as important as now and the balance between knowledgeable representatives at regional level and specialists at board level will have to be found quickly. The direction and support to management on policy issues from the board is of utmost importance. The situation is currently of such a nature that decisions need to be taken about the future and possible diversification outside agriculture. The board meetings should not be dominated by the transfer of information from management to the board. Information should be available already, and the board should rather decide what to do with the information, identifying threats and any opportunities arising from it.

Although the year closed with a disappointing and below budget performance we have to be realistic. It could have been worse under these circumstances. We have to admit however that a quicker reponse from management could have resulted in better results at the end of the year.

The past year was a shocker. The good news is that it is over. We must never forget the lessons that we have learned during this year in a hard way. We must apply these lessons to our benefit in the future. We have to acknowledge the fact that we do our business in a harsh country, where ideals and reality seldom meet. We must however proceed by striving for harmony between modern technology, the realities of Namibia, it's infra-structure and it's people. This is our challenge.

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**J H NIEUWOUT**

**VOORSITTER: TOESIGHOUDENDE KOMITEE**

**CHAIRMAN: SUPERVISORY COMMITTEE**

## VERSLAG VAN DIE TOESIGHOUDENDE KOMITEE

vir die jaar geëindig 31 Julie 2004

Vir die akkerbouers was dit 'n besondere goeie jaar waar hulle 'n buitengewone ryk oes teen stabiele pryse van die hand kon sit. Die droëland produsente se oes is totaal opgekoop. Vir die besproeiingsboere in die noorde sal afsetprobleme ook verbeter sodra die nuwe meule op Rundu begin maal.

Die uitkontraktering van die interne oudit funksie 'n paar jaar gelede het 'n baie professionele proses aan die gang gesit. Dit het hoë risiko areas uitgewys wat dikwels by verskeie takke dieselfde was. Daar was egter 'n leemte in die opsig dat die ouditverslae waarskynlik nie met die nodige dringendheid hanteer is nie, nie by die takke nie, nie deur bestuur nie en ook nie deur die ouditkomitee nie. Gedurende die jaar, is optrede geneem wat daartoe gaan lei dat ouditverslae voortaan met die nodige eerbied hanteer gaan word. Die verantwoordelikheid vir die bestuur van hierdie proses behoort in die hoogste gesag wat "tande" het, te setel.

Die rol van die Agra-direksie was nog selde in die verlede so belangrik as tans. Die balans tussen kundige streeksvertegenwoordigers van lede en spesialis-kundiges op die direksie moet vinnig gevind word. Die direksie se leiding en ondersteuning aan bestuur in hierdie tyd is uiters noodsaaklik, spesifiek oor beleidsaspekte. Die scenario tans is van so 'n aard dat daar besin sal moet word oor die toekoms en moontlik verdere diversifisering buite die landbou. Direksievergaderings behoort nie oorheers te word deur die oordra van 'n massa inligting deur bestuur aan direksie nie. Daardie inligting behoort reeds aan direkteure bekend te wees sodat hulle kan besin oor wat om daarmee te maak, watter bedreigings dit inhou en watter geleenthede daarin bestaan.

Hoewel die jaar afsluit met 'n teleurstellende swakker as begroting prestasie, moet ons realisties wees. Dit kon onder die omstandighede selfs nog swakker gewees het. In dieselfde asem moet egter ook gesê word dat as probleme korrek geïdentifiseer was en daar betyds opgetree is toe rooi ligte begin flikker het, kon dit dalk beter afgesluit het.

Die afgelope jaar was 'n spreekwoordelike riller. Dit is verby. Die lesse wat daaruit geleer is mag egter nooit vergeet word nie, dit moet gebruik word in die toekoms. Ons moet ook weet dat ideaal en praktyk in 'n harde land soos ons s'n dikwels nie bymekaar uitkom nie, maar parallel moet bly hardloop soos 'n spoorlyn. Om die ideale balans te vind tussen die wondere van die moderne tegnologie en die realiteite van ons land, sy infrastruktuur en sy mense, bly vir ons 'n uitdaging.

## REPORT OF THE CHAIRMAN

for the year ended 31 July 2004

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The results for the year under review is something that we would probably like to improve on as quickly as possible. External and internal factors impacted negatively on the results which realized a profit before tax of only N\$1,8 million for the year. The reports of the Chief Executive Officer and the Supervisory committee have more detail on this.

Stronger actions to enforce discipline within AGRA are important. We have to focus on important issues to perform in the best interest of our members.

Perhaps more important than the performance and mistakes of the year, is our attitude towards the future. To approach the future with an attitude of uncertainty and doubt will be detrimental and even destructive to us. I would like to call on every member to have faith in our Creator and to do what you find appropriate to do. We have to make use of every opportunity which arises to create jobs and to contribute to make Namibia an even better place for ourselves. We all know that it is not about the circumstances in which we find ourselves that makes a difference, but rather our reaction and attitude in which we handle these circumstances. Negative attitudes amongst ourselves can only result in poverty for ourselves and eventually our country. Even the government will benefit from stability and growth by reducing uncertainty and creating a positive spirit.

I would like to thank each member, director and employee for the loyal contribution towards the results achieved for the year. May we all be rewarded with success in the new year for our efforts.

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**JW CHAPMAN  
CHAIRMAN  
VOORSITTER**

## VERSLAG VAN DIE VOORSITTER

vir die jaar geëindig 31 Julie 2004

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Die prestasie van die jaar onder oorsig is een wat ons waarskynlik so gou moontlik sal wil verbeter. Faktore ekstern en intern het negatiewe resultate tot gevolg gehad wat uiteindelik slegs 'n wins voor belasting van N\$1,8 miljoen laat realiseer het. Meer detail hieroor is in die verslae van die Hoof Uitvoerende Beampste sowel as die Toesighoudende Komitee.

Sterker optrede om dissipline af te dwing binne AGRA is noodsaaklik. Ons moet fokus behou op dit wat wesenlik is om te presteer in belang van ons lede.

Miskien baie belangriker as die prestasie vir die afgelope jaar en foute wat gemaak is, is ons gesindheid ten opsigte van die toekoms. Om in 'n gees van onsekerheid en twyfel die toekoms aan te pak sal ons onself benadeel en selfs vernietig. Ek wil op elke lid 'n beroep doen om met vertroue in ons Skepper voort te gaan en te doen wat u hand vind om te doen. Waar geleenthede hulleself voordoen, moet ons dit aangryp, om werk te skep en 'n bydrae te lewer om Namibië vir ons almal 'n nog beter plek te maak. Ons weet tog almal dat dit nie die omstandighede is waarin ons onself bevind wat so deurslaggewend is nie, as hoe ons op ons omstandighede reageer en optree nie. Onderlinge negatieweit sal net onself en ons land uiteindelik verarm. Ook die regering sal baat daarby om onsekerheid te verminder en 'n positiewe gees te help skep en sodoende stabiliteit en groei te bevorder.

Baie dankie aan elke lid, direkteur en personeellid wie lojaal bygedra het tot dit wat wel in die afgelope jaar bereik is. Mag ons almal in die volgende jaar met groot sukses op ons pogings beloon word.

**OVERVIEW**

The year under review can probably be classified as one in which Agra had to deal with more challenges than ever before:

- the strength of the SA Rand (and thereby the N\$) which depressed meat prices for the duration of the year.
- the rain season yielding very divergent grazing conditions.
- uncertainty amongst a large number of Agra members regarding their future and the future land reform process.
- Increased competition at virtually all levels of business, depressing volumes and thereby gross margin.
- Increased incidence of stock shortages and losses as well as higher levels of fraud and theft.

All the above had a major impact on the turnover, gross margins and costs of your co-operative.

We are nevertheless in a situation to report a net operating surplus before tax of N\$1,8 million (2003:N\$4.0 million) for the co-operative and N\$2,5 million (2003:N\$4,1 million) for the group for the year ended 31 July 2004.

A detailed analysis of the results follows hereunder.

**OORSIG**

Die jaar onder oorsig kan waarskynlik geklassifiseer word as een waarin Agra met meer uitdagings moes deel as ooit tevore:

- die sterk wisselkoers van die SA Rand (en daardeur ook die N\$) wat vleispryse vir die hele jaar onder druk geplaas het.
- 'n reënseisoen wat wisselvallige weidingstoestande opgelewer het.
- onsekerheid onder 'n groot getal van Agra se lede aangaande hulle toekoms en die toekomstige grondhervormingsproses.
- 'n toename in kompetisie op alle vlakke van besigheid wat omsetvolume en daarmee saam die bruto marges onder druk geplaas het.
- 'n toename van voorraadtekorte asook 'n toename in diefstal en bedrog.

Al die bogenoemde het 'n wesenlike invloed op omset, bruto wins marges en die koste van u koöperasie gehad.

Ons is nieteenstaande in 'n posisie om 'n bedryfsurplus voor belasting van N\$1,8 miljoen (2003:N\$4.0 miljoen) vir die koöperasie en N\$2,5 miljoen (2003:N\$4,1 miljoen) vir die groep vir die jaar geëindig 31 Julie 2004 te rapporteer.

'n Ontleding van die resultate volg hieronder:

**REPORT OF THE CHIEF EXECUTIVE OFFICER**

**VERSLAG VAN DIE HOOF UITVOERENDE BEAMPTE**

**for the year ended 31 July 2004**

**vir die jaar geëindig 31 Julie 2004**

**1. LIVESTOCK**

Gross value of livestock transactions for the year under review (excluding karakul pelts and wool) amounted to N\$374 million compared to N\$413 million in 2003. This represents a decrease of 9%.

**1. LEWENDE HAWE**

Die bruto waarde van lewende hawe transaksies vir die jaar onder oorsig (uitsluitend karakoelpelse en wol) het N\$374 miljoen beloop in vergelyking met N\$413 miljoen in 2003. Dit verteenwoordig 'n daling van 9%.

This decrease in turnover is attributable to two factors:

Die daling in omset kan toegeskryf word aan twee faktore:

a) number of heads marketed during the year:

a) die aantal diere wat gedurende die jaar verkoop is:

	<u>2004</u>	<u>2003</u>	<u>% change</u>	<u>2002</u>
cattle	139,415	139,870	(0,3%)	148,615
sheep	220,889	264,191	(16%)	312,074
goat	116,287	114,341	(2%)	127,398
	<b>476,591</b>	<b>518,402</b>	<b>( 8 )</b>	<b>588,087</b>

	<u>2004</u>	<u>2003</u>	<u>% verskil</u>	<u>2002</u>
beeste	139,415	139,870	(0,3%)	148,615
skape	220,889	264,191	(16%)	312,074
bokke	116,287	114,341	(2%)	127,398
	<b>476,591</b>	<b>518,402</b>	<b>( 8 )</b>	<b>588,087</b>

b) actual N\$ value achieved per animal marketed:

b) prys per kop behaal:

	<u>2004</u> N\$	<u>2003</u> N\$	<u>% change</u>
cattle	1 895	2 132	(11)
sheep	294	297	( 1)
goat	271	231	17

	<u>2004</u> N\$	<u>2003</u> N\$	<u>% verkil</u>
beeste	1 895	2 132	(11)
skape	294	297	( 1)
bokke	271	231	17

Net turnover achieved in this category amounted to N\$17.5 million compared to N\$18.0 million in 2003, a decrease of 3%.

Netto omset behaal in hierdie kategorie beloop N\$17.5 miljoen teenoor N\$18.0 miljoen in 2003, 'n daling van 3%.

Gross profit margins increased from 4.36% in 2003 to 4.67% in 2004. Costs rose from 4.23% of turnover in 2003 to 4.67% in 2004, representing an increase of 10%.

Bruto wins marges het vanaf 4.36% in 2003 tot 4.67% in 2004 gestyg. Koste het verhoog vanaf 4.23% van omset in 2003 tot 4.67% in 2004, wat 'n verhoging van 10% verteenwoordig.

**1.1 KARAKUL**

Pelt quantities sold at the two auctions in Copenhagen during December 2003 and June 2004 amounted to 128 284 which reflects an increase of 0,2% compared to the 127 981 skins sold during the year ending July 2003. Prices of pelts decreased from an average of N\$148,15 in the previous financial period to N\$139,27 for the year under review, a decrease of 6%. This was mainly due to the strong N\$/Danish Krone exchange rate.

**1.1 KARAKOEL**

By die twee veilings wat in Copenhagen gedurende Desember 2003 en Junie 2004 gehou is, is daar 128 284 pelse verkoop. Dit verteenwoordig 'n 0,2% verbetering in vergelyking met die 127 981 pelse wat gedurende die jaar geëindig Julie 2003 verkoop was. Die pelse het verminder van 'n gemiddeld van N\$148,15 vir die vorige finansiële jaar tot N\$139,27 vir die jaar onder oorsig, 'n daling van 6%. Dit is hoofsaaklik as gevolg van die sterk N\$/Deense Kroon wisselkoers.

**for the year ended 31 July 2004**

The Agra Pelt Centre was once again not in a position to break even and showed a loss of N\$39 000 (2003: N\$24 000). This is largely as a result of lower than expected income generated in both wool commission and pelt sorting fees received.

**OVERALL LIVESTOCK DIVISION**

Net profit figures decreased from a net surplus of N\$3,0 million in 2003 to a figure of N\$2,9 million this year, mainly as a result of lower turnover generated (see 1. above).

**2. RETAIL/WHOLESALE DIVISION**

Total Retail/Wholesale Division turnover amounted to N\$319 million for the current year compared to N\$334 million in 2003. This represents a decrease of 4%.

**2.1 RETAIL AGRA BRANCHES**

Turnover was affected negatively mainly in the following categories (compared to 2003):

- Water equipment 3,5%
- Building material 13%
- Hardware 10%
- Feeds & Lick 9%
- Fencing 12%

Various reasons including the low meat prices, uncertainty of farmers regarding their future as well as competition and service levels at certain branches resulted in a situation where only Omaruru, Otavi, Otjiwarongo and Windhoek achieved better results than in the previous financial year.

Gross Profit Margins were once again under pressure deteriorating from an average of 12,5% in 2003 to 11,9% in 2004. This is a situation which is not sustainable in the long term, and corrective action has already been taken. Stock losses due to theft, fraud and write-offs increased by N\$1,76 million compared to last year and amounts to 1,45% of turnover compared to 0,77% of turnover in 2003. Various additional control measures as well as certain personnel changes have been effected to ensure a return to acceptable norms in the year ahead.

The decrease in turnover coupled with a decrease in gross profit margin, and the dramatic increase in inventory costs mentioned above, resulted in a surplus in the Branch Retail Division of N\$1,2 million for the year compared to N\$5,9 million in 2003.

**vir die jaar geëindig 31 Julie 2004**

Die Agra Pelsentrum kon weereens nie gelykbreek nie en het weereens 'n verlies van N\$39 000 (2003: N\$24 000) getoon. Dit is hoofsaaklik veroorsaak deur 'n laer as verwagte inkomste in beide wolkommissie en pelssorteringsfoeie ontvang.

**ALGHELE LEWENDE HAWE AFDELING**

Netto wins syfers het verlaag vanaf 'n netto surplus van N\$3,0 miljoen in 2003 tot N\$2,9 miljoen in hierdie jaar, hoofsaaklik as gevolg van 'n laer omset (sien 1. hierbo).

**2. HANDEL/GROOTHANDEL AFDELING**

Die totale omset van Handel/Groothandel afdeling was N\$319 miljoen vir die huidige jaar teenoor N\$334 miljoen in 2003. Dit verteenwoordig 'n daling van 4%.

**2.1 AGRA KLEINHANDEL TAKKE**

Omset het gedaal in die volgende kategorieë (teenoor 2003):

- Watertoerusting 3,5%
- Boumateriaal 13%
- Hardware 10%
- Voer en lek 9%
- Omheinings 12%

Verskeie redes, insluitende lae vleispryse, onsekerheid van boere oor hulle toekoms asook kompetisie en diensvlakke by sekere takke het gelei tot 'n situasie waar slegs Omaruru, Otavi, Otjiwarongo en Windhoek beter resultate as die vorige jaar kon behaal.

Bruto wins marges was weereens onder druk, en het afgeneem vanaf 'n gemiddeld van 12,5% in 2003 tot 11,9% in 2004. Dit is 'n situasie wat nie oor die langtermyn volhoubaar is nie en korrektiewe aksie is reeds geneem. Voorraadverliese as gevolg van diefstal, bedrog en afskrywings het met N\$1,76 miljoen teenoor die vorige jaar gestyg en kom te staan op 1,45% van omset teenoor 0,77% van omset in 2003. Verskeie bykomende kontroles en personeelveranderinge is aangebring om te verseker dat tot aanvaarbare norme terugkeer word.

Die verlaging in omset asook die verlaging in die bruto wins marge, en die dramatiese verhoging in voorraadkoste soos hierbo genoem, het gelei tot 'n surplus van N\$1,2 miljoen vir die kleinhandeltakke teenoor N\$5,9 miljoen in 2003.

**2.2 WHOLESALE DIVISION**

This division comprises the Agra Distribution Centre and Auas Vet Med. Turnover increased by 8,2% to N\$37 million compared to N\$34,7 million in 2003. Although high stock holding costs still remain a concern we are pleased to report a net surplus of this division of N\$1,4 million compared to N\$895 000 in 2003.

**3. SAFARI DEN**

Turnover increased by 10,4% and cost decreased by 9,6% compared to last year, with the net surplus showing an improvement of N\$288 000 compared to 2003. This division is now showing a net surplus to sales ratio of 3,2% - a really commendable achievement.

**4. PROPERTIES**

Rent received increased by 9% compared to last year's N\$10,6 million and with effective cost control the net surplus increased to N\$6,2 million from N\$3,2 million in 2003 with Auas Valley Shopping Mall showing an increase in net profit of N\$2 million compared to 2003.

**5. SUBSIDIARIES AND OTHER INVESTMENTS****5.1 Wire Industries (Pty) Ltd**

Agra holds 45% of the shares in Wire Industries and received a dividend of N\$ 225,000 during the year under review.

**5.2 Star Plastics (Pty) Ltd**

This company is a 100% subsidiary of Agra. Due to budgeted turnover not being achieved as a result of a shortage of raw material, this company incurred a loss of N\$88, 000 for the year ended 31 July 2004.

**2.2 GROOTHANDEL**

Die afdeling bestaan uit Agra Distribusiesentrum en Auas Vet Med. Omset het met 8,2% verhoog tot N\$37 miljoen teenoor N\$34,7 miljoen in 2003. Alhoewel hoë voorraadvlakke nog steeds 'n rede tot kommer is, is dit vir ons aangenaam om 'n netto surplus van N\$1,4 miljoen teenoor N\$895 000 in 2003 te rapporteer.

**3. SAFARI DEN**

Omset het met 10,4% verhoog, terwyl koste met 9,6% verminder het teenoor die vorige jaar, met 'n netto surplus wat 'n verbetering van N\$288 000 teenoor 2003 getoon het. Hierdie afdeling toon 'n netto wins tot omset verhouding van 3,2% - 'n merkwaardige prestasie.

**4. EIENDOMME**

Huurinkomste het gestyg met 9% in vergelyking met verlede jaar tot N\$10,6 miljoen en effektiewe koste beheer het die netto surplus verhoog tot N\$6,2 miljoen vanaf N\$3,2 miljoen in 2003. Auas Valley Shopping Mall toon 'n verhoging in netto wins van N\$2 miljoen teenoor 2003.

**5. FILIALE EN ANDER BELEGGINGS****5.1 Wire Industries (Edms) Bpk**

Agra besit 45% van die aandele in Wire Industries. 'n Dividend van N\$ 225,000 is vir die jaar onder oorsig ontvang.

**5.2 Star Plastics (Edms) Bpk**

Hierdie maatskappy is 'n 100% filiaal van Agra. 'n Tekort aan roumateriaal was die rede hoekom begrote omset syfers nie behaal is nie. Hierdie maatskappy toon 'n verlies van N\$88, 000 vir die jaar geëindig 31 Julie 2004.

## REPORT OF THE CHIEF EXECUTIVE OFFICER

## VERSLAG VAN DIE HOOF UITVOERENDE BEAMPTE

for the year ended 31 July 2004

### 5.3 Ondjamba Service Station

This company in which AGRA holds 70% of the issued share capital increased turnover from N\$16,4 million to N\$18,0 million (10%) and its net surplus from N\$234 000 to N\$420,000. Dividends receivable amounted to N\$240,485

### 5.4 Lumley Agra Farmers Insurance Brokers

The company in which AGRA has a 50% shareholding performed very well, increasing its net profit by 20% while management fees received by AGRA increased to N\$565,000 for the year.

### 5.5 Consolidated Sugar Industries

This company in which AGRA has a 24,5% shareholding, experienced stiff competition in the market place. No dividends were received for the year under review.

### 5.6 Farmers Meat Market Holding (FMMH)

AGRA holds 14% of the issued share capital of this company. FMMH showed a net profit of N\$547,314 for the year under review. No dividends have been declared. The low throughput of 40% - 60% at the Mariental abattoir and the negative effect of the strong N\$ on exports made 2003/2004 an extremely difficult year for the company.

The foreseen implementation of the small stock scheme did not take place during this financial year. It was only implemented on 1 July 2004.

The postponement caused a big stir amongst producers and large quantities of lamb left the country during December 2003 and January 2004 causing an even lower throughput in the Namibian abattoirs.

Since the start of this scheme however, throughput increased to 80% which should produce positive results for FMMH in the next financial year.

vir die jaar geëindig 31 Julie 2004

### 5.3 Ondjamba Diensstasie

Hierdie maatskappy waarin AGRA 70% van die uitgereikte aandele besit het 'n groei in omset getoon vanaf N\$16,4 miljoen na N\$18,0 miljoen (10%) en die netto surplus het gegroei vanaf N\$234 000 tot N\$420,000. Dividende ontvangbaar was N\$240,485.

### 5.4 Lumley Agra Farmers Insurance Brokers

Hierdie maatskappy waarin AGRA 50% aandeelhouing besit, het baie goed vertoon, deur die netto wins met 20% te verhoog terwyl bestuursfooie ontvang deur AGRA N\$565,000 vir die jaar beloop.

### 5.5 Consolidated Sugar Industries

AGRA besit 24,5% van die aandele in CSI. CSI het sterk kompetisie in die mark ervaar. Geen dividende vir die jaar onder oorsig is ontvang nie.

### 5.6 Farmers Meat Market Holding (FMMH)

AGRA hou 14% van die uitgereikte aandeelkapitaal van hierdie maatskappy. FMMH het 'n netto wins van N\$547,314 getoon vir die jaar onder oorsig. Geen dividende is verklaar nie. Die lae deurset van 40% - 60% by die Mariental slagpale en die negatiewe uitwerking van die sterk N\$ op uitvoere het 2003/2004 'n uitsonderlik moeilike jaar gemaak vir die maatskappy.

Die voorgestelde implementering van die kleinveeskema het nie gedurende die jaar plaasgevind nie. Dit is eers op 1 Julie 2004 geïmplementeer.

Die vertraging hiervan het 'n groot beroering onder die produsente veroorsaak en groot hoeveelhede lammers is in Desember 2003 en Januarie 2004 die land uit wat selfs 'n laer deurset vir die Namibiese slagpale tot gevolg gehad het.

Die deurset het egter met 80% gestyg van die ontstaan van hierdie skema wat positiewe resultate vir FMMH in die volgende finansiële jaar tot gevolg behoort te hê.

## 6. FINANCIAL RESULTS

The AGRA Group achieved a net operating surplus, before taxation and distribution to members, of N\$ 2,5 million (2003:N\$4,09 million) and the Co-operative a net surplus of N\$1,8 million (2003:N\$4 million). The Board of Directors decided not to allocate any bonus to members for the year under review.

Gross Profits decreased by 7% for the group and 6% for the Co-operative to N\$71 million and N\$66 million respectively.

### Other income increased by:

- 16% for the Group mainly as a result of higher interest received (N\$80,600), profit on Sale of Property (N\$260,000) and Bad Debts recovered (N\$280,000)
- 17% for the Co-operative as a result of increased Bad Debts recovered (N\$250,000) higher management fees received (N\$490,000) and interest received on Debtors and Loans (N\$1,062,000).

Total expenses decreased by 0,01% for the Group and increased by 1,9% for the Co-operative. Major cost categories of the Co-operative performed as follows compared to the preceding year:

### 6.1 Stock Costs

As mentioned previously, the incidence of theft and stock losses increased dramatically during the year under review. Although more controls and systems have been implemented, it has become very difficult to contain this cost item to acceptable levels. Current stock shortages amount to N\$4,1 million compared to N\$2,4 million in 2003 or 1,27% of turnover compared to 0,73% of turnover in 2003. It is the objective of management to reduce this figure to 0,4% of turnover for the current year.

### 6.2 Marketing Costs

Decreased by 6% due to savings achieved on Entertainment Costs (N\$42,000), reduced Advertising Expenses at our Auas Valley Shopping Mall (N\$140,000) and more focused Corporate Advertising expenses (N\$130,000).

## 6. FINANSIËLE RESULTATE

Die AGRA Groep het 'n netto surplus, voor belasting en toedeling aan lede van N\$ 2,5 miljoen (2003:N\$4,09 miljoen) behaal en die Koöperasie 'n netto surplus van N\$1,8 miljoen (2003:N\$4 miljoen). Die Direksie het besluit om nie 'n bonus aan lede vir die jaar onder oorsig toe te deel nie.

Bruto winste het gedaal met 7% vir die groep en met 6% vir die Koöporasie tot N\$71 miljoen and N\$66 miljoen onderskeidelik.

### Ander inkomste het verhoog met:

- 16% vir die groep hoofsaaklik as gevolg van hoër rente ontvang (N\$80,600), wins met verkoop van bates (N\$260,000) en slegte skulde verhaal (N\$280,000)
- 17% vir die Koöporasie as gevolg van 'n styging in die verhaling van slegte skulde (N\$250,000) hoër bestuursfooie ontvang (N\$490,000) en rente ontvang op debiteure en lenings (N\$1,062,000).

Die totale uitgawes het verlaag met 0,01% vir die groep en verhoog met 1,9% vir die Koöporasie. Die belangrikste kostekategorieë het as volg vertoon teenoor die vorige jaar:

### 6.1 Voorraadkoste

Soos reeds vroeër genoem was daar 'n dramatiese toename in diefstal en voorraadverliese gedurende die jaar onder oorsig. Alhoewel meer kontroles en stelsels geïmplementeer is word dit al hoe moeiliker om hierdie koste tot 'n aanvaarbare vlak te beperk. Huidige voorraadtekorte beloop N\$4,1 miljoen teenoor N\$2,4 miljoen in 2003 of 1,27% van omset teenoor 0,73% van omset in 2003. Dit is die doelstelling van bestuur om hierdie syfer na 0,4% van omset vir die huidige jaar te verminder.

### 6.2 Bemarkingskoste

Het verlaag met 6% as gevolg van besparings op onthaalkoste (N\$42,000), verminderde advertensie uitgawes by Auas Valley Shopping Mall (N\$140,000) en korporatiewe advertensie uitgawes (N\$130,000).

for the year ended 31 July 2004

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6.3 Building Costs

Increased by 10% compared to last year as a result of normal Rental increases, Municipal Costs and an increase of 33% in Security Costs.

6.4 Transport and Asset Costs

Decreased by 6% as a result of lower Fuel and Repair costs as well as a lower depreciation write-off.

6.5 Personnel Costs

Increased by 4%. Medical Aid costs rose by N\$554,000 compared to last year as a result of increased premiums payable to AGRA Pensioners. Relocation costs amounted to N\$73,000 more than 2003 due to higher mobility of staff.

6.6 Administration Costs

Decreased by 14 % due to very effective control on most cost items plus a saving in computer costs of N\$400,000 and lower bad debts written-off of N\$1,2 million.

6.7 Interest Paid

Decreased by N\$1,3 million due to improved working capital management and decreases in the prime lending rate.

6.8 Balance Sheet Ratios

Debt to Equity ratio: This ratio currently stands at 33% for the Group and 35% for the Co-operative against 47% for the group in 2003 and 46% for the Co-operative.

Current Assets: Current Liabilities for the Group has changed from 1,33:1 to 1,23:1. The target is 2:1 in 2008.

Current Assets: Current Liabilities for the Co-operative has changed from 1,29:1 to 1,23:1.

6.3 Geboue koste

Verhoog met 10% teenoor die vorige jaar as gevolg van normale verhogings in huur, munisipale kostes en 'n styging van 33% in sekuriteitskoste.

6.4 Vervoer- en batekoste

Verlaag met 6% as gevolg van laer brandstof- en herstelkoste, asook laer waardevermindering.

6.5 Personeelkoste

Verhoog met 4%. Mediese Fonds koste het gestyg met N\$554,000 teenoor die vorige jaar as gevolg van verhoogde premies betaalbaar aan pensioenarisse. Hervestigingskoste was N\$73,000 hoër as in 2003 as gevolg van die verhoogde mobiliteit van personeel.

6.6 Administratiewe koste

Verlaag met 14 % as gevolg van effektiewe kostebeheer op die meeste koste items plus 'n besparing op rekenaarkostes van N\$400,000 en laer slegte skulde afgeskryf van N\$1,2 miljoen.

6.7 Rente betaal

Verlaag met N\$1,3 miljoen as gevolg van verbeterde bedryfskapitaalbestuur en 'n verlaging in die prima uitleenkoers.

6.8 Balansstaatverhoudings

Vreemde tot eie kapitaal: Hierdie verhouding is tans op 33% vir die groep en 35% vir die Koöperasie teenoor 47% vir die groep en 46% vir die Koöperasie in 2003.

Bedryfsbates: Bedryfslaste vir die groep het verander vanaf 1,33:1 tot 1,23:1. Die teiken is 2:1 in 2008.

Bedryfsbates: Bedryfslaste vir die Koöperasie het verander vanaf 1,29:1 tot 1,23:1.

**7. TAXATION**

The net surplus of the Group amounts to N\$2,5 million. The net surplus after taxation is N\$2,0 million for the Group in 2004.

**8. FUTURE OUTLOOK**

The current interest and exchange rate scenario seems to remain relatively static for the next financial year. Hopefully the prediction by our weather prophets of a normal rain season to December 2004 and an above normal season in 2005 will come true. It is also important for the Agricultural community that intensive communication and deliberation takes place amongst all the agricultural stakeholders regarding the implementation of the land reform process to ensure the future stability in the Namibian farming sector.

Opportunities for AGRA exist in the exports to Angola of both livestock and inputs for agriculture, while the home market will remain our highest priority.

**7. BELASTING**

Die netto surplus vir die groep beloop N\$2,5 miljoen. Die netto surplus na belasting is N\$2,0 miljoen vir die groep in 2004.

**8. TOEKOMSTIGE VERWAGTINGE**

Dit wil voorkom asof die huidige rente- en wisselkoerse redelik onveranderd gaan bly vir die volgende finansiële jaar. Die voorspelling van ons weerprofete van 'n normale reënseisoen tot Desember 2004 en 'n bo-normale seisoen vir 2005 sal hopelik waar word. Dit is ook belangrik vir die landbougemeenskap dat goeie kommunikasie en bespreking sal plaasvind onder die landbou belanghebbendes aangaande die implementering van die grondhervormingsproses om toekomstige stabiliteit van die Namibiese boerderysektor te verseker.

Daar bestaan geleenthede vir AGRA om lewendehawe uit te voer na Angola en om insette te lewer in landbou, maar die plaaslike mark sal nog steeds die hoogste prioriteit bly.

for the year ended 31 July 2004

vir die jaar geëindig 31 Julie 2004

9. BUDGETS FOR THE YEAR ENDING 31 JULY 2005

9.1 CAPITAL EXPENDITURE BUDGET

In line with stiff cash flow requirements the capital expenditure budget has been drawn up in such a way that only capital items absolutely necessary for the continued operation of Agra have been budgeted for the year 2004/2005.

The structural upgrading of certain branches plus the investment in operating equipment at the branches and continued upgrading of our Information Technology Systems comprise the bulk of the Capital Expenditure Budget for 2004/2005 as follows:

	2004/2005 N\$ million	2003/2004 N\$ million
Upgrading and development of Fixed Property	1,93	1,85
Information Technology	0,75	0,59
Commercial Vehicles	0,27	0,35
Office furniture and Equipment	0,19	0,02
Operational Assets	0,31	0,17
<b>Total</b>	<b><u>3,45</u></b>	<b><u>2,98</u></b>

9. BEGROTINGS VIR DIE JAAR GEËINDIG 31 JULIE 2005

9.1 KAPITALE SPANDERINGS BEGROTING

In ooreenstemming met stram kontantvloeivereistes is die kapitale spanderings begroting opgestel om slegs vir uifers noodsaaklike items vir die jaar 2004/2005 te begroot.

Strukturele opgradering van sekere takke asook die investering in bedryfstoerusting by takke en die voortgesette opgradering van die Inligtingstegnologieselsels maak die grootste gedeelte van die kapitale uitgawes begroting vir 2004/2005 uit en is as volg:

	2004/2005 N\$ miljoen	2003/2004 N\$ miljoen
Opgradering en ontwikkeling van vaste eindom	1,93	1,85
Inligtingstegnologie	0,75	0,59
Handelsvoertuie	0,27	0,35
Meubels en toerusting	0,19	0,02
Operasionele bates	0,31	0,17
<b>Totaal</b>	<b><u>3,45</u></b>	<b><u>2,98</u></b>

for the year ended 31 July 2004

vir die jaar geëindig 31 Julie 2004

9.2 OPERATIONAL BUDGET

The proposed operational budget for the year 2004/2005 can be summarised as follows:

	<u>N\$ million</u>
Gross value of livestock transactions	423,608
Trade division	303,249
Wholesale division	45,102
Safari Den	10,534
Property Division	<u>11,536</u>
<b>Total turnover</b>	<b>794,029</b>
Cost of sales	<u>(716,994)</u>
<b>Gross profit</b>	<b>77,035</b>
Other income	<u>9,683</u>
<b>Gross income</b>	<b>86,718</b>
Less:	
Inventory Costs	(1,920)
Marketing Costs	(4,881)
Building Costs	(9,597)
Transport Costs	(6,370)
Personnel Costs	(42,955)
Directors Costs	(0,573)
Administration Costs	<u>( 9,746)</u>
<b>Surplus before finance charges</b>	<b>10,676</b>
Finance charges	<u>(4,141)</u>
<b>Net surplus before tax</b>	<b><u>6,535</u></b>

9.2 OPERASIONELE BEGROTING

Die voorgestelde operasionele begroting vir die jaar 2004/2005 kan as volg opgesom word:

	<u>N\$ million</u>
Bruto waarde van lewende hawe transaksies	423,608
Handelsafdeling	303,249
Groothandelaafdeling	45,102
Safari Den	10,534
Eiendomsafdeling	<u>11,536</u>
<b>Totale omset</b>	<b>794,029</b>
Koste van verkope	<u>(716,994)</u>
<b>Bruto wins</b>	<b>77,035</b>
Ander inkomste	<u>9,683</u>
<b>Bruto inkomste</b>	<b>86,718</b>
Min:	
Voorraadkoste	(1,920)
Bemarkingskoste	(4,881)
Geboukoste	(9,597)
Vervoerkoste	(6,370)
Personeelkoste	(42,955)
Direkteurskoste	(0,573)
Administratiewe koste	<u>( 9,746)</u>
<b>Surplus voor finansieringskoste</b>	<b>10,676</b>
Finansieringskoste	<u>(4,141)</u>
<b>Netto surplus voor belasting</b>	<b><u>6,535</u></b>

**10. CONCLUSION**

One of the most difficult and challenging years of my career at AGRA lies behind us. We had to face numerous problems on both the personnel and the systems side.

Most of these have been resolved and with new hope, energy and innovation we want to tackle the next financial year. It's our aim to achieve our targets through excellent service to our clients and commitment to our goals.

Let us hope and pray that:

- the rain season ahead of us will be normal to above normal as forecast by our weather bureau,
- the meat prices experience a healthy upswing, and
- the uncertainty regarding land reform in our country will be resolved.

To all our committed employees of AGRA a special huge thank you for helping us through a difficult year.

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

To all our loyal and esteemed members and clients; without you we are nothing. We appreciate the constructive criticism received and assure you that we will continuously strive to improve our service and the availability of inventory as well as ensuring competitive pricing of our products.

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**P M KAZMAIER**

**CHIEF EXECUTIVE OFFICER**

**HOOF UITVOERENDE BEAMPTE**

**10. SLOT**

Een van die moeilikste en mees uitdagendste jare van my loopbaan by Agra is agter die rug. Ons moes verskeie probleme, met mense en stelsels, die hoof bied.

Die meeste van die probleme is opgelos en met nuwe hoop, energie en inisiatief wil ons die nuwe finansiële jaar aanpak. Dit is ons strewe om ons teikens te bereik deur uitstekende diens aan ons kliënte en verbondenheid aan ons doelwitte.

Laat ons hoop en bid dat:

- die reënseisoen wat voorlê 'n normale tot bo-normale seisoen sal wees soos voorspel deur ons weerburo,
- die vleispryse 'n gesonde opswaai sal ondervind, en
- die onsekerheid oor grondhervorming in ons land opgelos sal word.

Aan al ons lojale werknemers van AGRA 'n spesiale groot dankie vir julle hulp in 'n baie moeilike jaar.

Aan die Raad van Direkteure, dankie vir die ondersteuning en leiding gedurende die laaste 12 maande.

Aan al ons lojale en gewaardeerde kliënte; sonder julle is ons niks. Ons waardeer die konstruktiewe kritiek wat ons ontvang en wil u verseker dat ons sal strewe om te verbeter op ons diens, beskikbaarheid van voorraad asook kompeterende pryse van ons produkte.

## REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF AGRA (CO-OPERATIVE) LIMITED

## VERSLAG VAN DIE ONAFHANKLIKE OUDITEURE

AAN DIE LEDE VAN AGRA (KOÖPERATIEF) BEPERK

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We have audited the annual financial statements and group annual financial statements of Agra (Co-operative) Limited set out on pages 17 to 52 for the year ending 31 July 2004. 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 2004, 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.

Ons het die finansiële jaarstate en die groeps- finansiële jaarstate van Agra (Koöperatief) Beperk soos uiteengesit op bladsye 17 tot 52 vir die jaar geëindig 31 Julie 2004 geouditeer. Hierdie finansiële state is die verantwoordelikheid van die koöperasie se direkteure. Ons verantwoordelikheid is om op grond van ons audit 'n mening oor hierdie finansiële state uit te spreek.

### Omvang

Ons het die audit ooreenkomstig standpunte van Namibiese auditstandaarde uitgevoer. Hierdie standaard vereis dat ons die audit beplan en onderneem om redelike gerusstelling te verkry dat daar geen weselike 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 audit 'n redelike grondslag vir ons mening bied.

### Ouditmening

Na ons mening is hierdie finansiële state in alle weselike opsigte 'n redelike weergawe van die finansiële stand van die koöperasie en van die groep op 31 Julie 2004 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  
21 OCTOBER 2004**

## DIRECTORS' REPORT

for the year ended 31 July 2004

The board takes pleasure in presenting the financial statements and group financial statements for the year ended 31 July 2004 and reports to the members in terms of Clause 64 of the Co-operatives Act.

Agra did not achieve its budget for the year under review. Total revenue for the group decreased slightly with 0,25% compared to the previous year. The gross profit however decreased with 7% for the group. Other income increased by 16,3% while other operating costs decreased by 0,14% for the group.

### Financial management

Interest paid for the group decreased by N\$1,9 million compared to the previous year mainly as a result of a decrease in the prime lending rate of the bank. Accounts receivable and inventories increased with 4,2% and 9% respectively for the group.

### Expansions and capital expenditure

Fixed assets acquisitions for the group amounted to N\$2,6 million (2003:N\$3,9 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\$0,4 million, computer equipment of N\$0,9 million and other operational assets of N\$0,1 million.

## DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2004

Dit is vir die raad aangenaam om die finansiële state en groeps- finansiële state vir die jaar geëindig 31 Julie 2004 aan die lede voor te lê en daarvoor te rapporteer in terme van Artikel 64 van die Koöperasiewet.

AGRA het nie sy begroting behaal gedurende die jaar onder oorsig nie. Die omset vir die groep het minimaal met 0,25% gedaal in vergelyking met die vorige jaar. Die bruto wins daarteenoor het egter met 7% gedaal vir die groep. Ander inkomste het gestyg met 16,3% terwyl ander bedryfsuitgawes 'n daling van 0,14% getoon het vir die groep.

### Finansiële bestuur

Rente betaal vir die groep het gedaal met N\$1,9 miljoen in vergelyking met die vorige jaar, hoofsaaklik as gevolg van 'n verlaging in die prima uitleenkoers van die bank. Rekeninge ontvangbaar en voorraad het onderskeidelik met 4,2% en 9% gestyg vir die groep.

### Uitbreidings en kapitale spanderings

Aankope van vaste bates in die groep het N\$2,6 miljoen (2003:N\$3,9 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\$0,4 miljoen, rekenaartoerusting van N\$0,9 miljoen en ander operasionele bates van N\$0,1 miljoen.

**DIRECTORS' REPORT**

for the year ended 31 July 2004

**DIREKTEURSVERSLAG**

vir die jaar geëindig 31 Julie 2004

**Balance sheet ratios**

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

Assets exceed liabilities by  
Debt: equity  
Own capital: total assets  
Current asset ratio  
Quick ratio

**Consolidated**

2004 N\$	2003 N\$
<b>N\$62,78 m</b>	N\$61,49m
<b>33,34%</b>	46,63%
<b>38,18%</b>	39,21%
<b>1,23:1</b>	1,33:1
<b>0,55:1</b>	0,61:1

**Balansstaatverhoudings**

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

**Co-operative**

2003 N\$	2004 N\$
N\$60,85m	<b>N\$61,83 m</b>
46,16%	<b>35,44%</b>
40,30%	<b>38,72%</b>
1,29:1	<b>1,23:1</b>
0,60:1	<b>0,57:1</b>

Bates oorskry laste met  
Vreemde tot eie kapitaal  
Eie kapitaal: totale bates  
Bedryfskapitaalverhouding  
Vuurproefverhouding

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

Mortgage bond loans  
Prime overdraft rate

**Consolidated**

2004 N\$	2003 N\$
<b>11,25%</b>	14,63%
<b>12,50%</b>	16,25%

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

**Co-operative**

2003 N\$	2004 N\$
14,63%	<b>11,25%</b>
16,25%	<b>12,50%</b>

Verbandlenings  
Prima oortrekkingskoers

**DIRECTORS' REPORT**

for the year ended 31 July 2004

**DIREKTEURSVERSLAG**

vir die jaar geëindig 31 Julie 2004

**Revenue**

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

	<b>Consolidated</b>	
	<b>2004 N\$</b>	<b>2003 N\$</b>
Livestock	<b>17 870 069</b>	18 458 027
Trade	<b>344 952 430</b>	345 271 365
<b>Total</b>	<b>362 822 499</b>	363 729 392

**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:

	<b>Consolidated</b>	
	<b>2004 N\$</b>	<b>2003 N\$</b>
Livestock	<b>17 870 069</b>	18 458 027
Trade	<b>53 278 582</b>	58 081 018
<b>Total</b>	<b>71 148 651</b>	76 539 045

**Omset**

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

	<b>Co-operative</b>		
	<b>2003 N\$</b>	<b>2004 N\$</b>	
Livestock	18 458 027	<b>17 870 069</b>	Lewende Hawe
Trade	316 878 120	<b>327 627 116</b>	Handel
<b>Total</b>	335 336 147	<b>345 497 185</b>	Totaal

**Bruto wins**

Netto omsette van die koöperasie en die groep met betrekking tot lewendehawe, 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:

	<b>Co-operative</b>		
	<b>2003 N\$</b>	<b>2004 N\$</b>	
Livestock	18 458 027	<b>17 870 069</b>	Lewendehawe
Trade	51 617 734	<b>48 286 022</b>	Handel
<b>Total</b>	70 075 761	<b>66 156 091</b>	Totaal

## DIRECTORS' REPORT

for the year ended 31 July 2004

## DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2004

### Financial results

Your co-operative reports an operating surplus before tax of N\$1 847 814 compared to an operating surplus of N\$3 992 914 of the previous year. The group reports an operating surplus before tax of N\$2 458 548 compared to an operating surplus of N\$ 4 089 500 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\$ 385 104 (2003: N\$913 772) will be utilised as capital in the business.

### Share capital

The shareholding in your co-operative was as follows:

Number of members  
Paid-up share capital

2003 N\$
6 680
2 410 011

### Co-operative

2004 N\$
6 784
2 312 112

Ledetal  
Opbetaalde aandelekapitaal

### Finansiële resultate

U koöperasie rapporteer 'n bedryfswins voor belasting van N\$1 847 814 in vergelyking met 'n bedryfswins van N\$3 992 914 van die vorige jaar. Die groep rapporteer 'n bedryfswins voor belasting van N\$2 458 548, in vergelyking met die bedryfswins van N\$4 089 500 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\$ 385 104 (2003: N\$913 772) aangewend as kapitaal in die besigheid.

### Aandelekapitaal

Die aandeelhouing in u koöperasie was as volg:

**DIRECTORS' REPORT**

for the year ended 31 July 2004

**DIREKTEURSVERSLAG**

vir die jaar geëindig 31 Julie 2004

**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:

	<b>Shares</b>	
	<b>2004 N\$</b>	<b>2003 N\$</b>
<b>100% Shareholding</b>		
Wire Industries (Pty) Ltd (N\$1 shares and share premium)	-	1 000
Agra Verspreiders (Pty) Ltd (N\$1 shares)	2	2
Agra Eiendomme (Pty) Ltd (N\$1 shares)	100	100
SWA Amalgameerde Afslaers (Pty) Ltd (stated share capital)	350 000	350 000
Star Plastics (Pty) Ltd (N\$ 1 shares)	166 939	166 939
Auas Vet Med (Pty) Ltd (N\$ 1 shares)	1	1
<b>70% Shareholding</b>		
Ondangwa Service Station (Pty) Ltd (N\$1 shares)	700	700
<b>Associate company</b>		
<b>45% Shareholding</b>		
Wire Industries (Pty) Ltd (N\$1 shares)	450	-

**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:

	<b>Loans</b>	
	<b>2003 N\$</b>	<b>2004 N\$</b>
Wire Industries (Edms) Bpk (N\$1 aandele en aandele premie)	2 649 261	-
Agra Verspreiders (Edms) Bpk (N\$1 aandele)	1 553 204	1 744 103
Agra Eiendomme (Edms) Bpk (N\$1 aandele)	-	-
SWA Amalgameerde Afslaers (Edms) Bpk (verklaarde kapitaal)	(317 619)	(317 619)
Star Plastics (Edms) Bpk (N\$1 aandele)	392 049	(37 458)
Auas Vet Med (Edms) Bpk (N\$1 aandele)	-	(1 515 294)
<b>70% Aandeelhouding</b>		
Ondangwa Service Station (Edms) Bpk (N\$1 aandele)	336 543	301 742
<b>Geassosieerde maatskappy</b>		
<b>45% Aandeelhouding</b>		
Wire Industries (Edms) Bpk (N\$1 aandele)	-	1 817 873

**DIRECTORS' REPORT**

for the year ended 31 July 2004

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

	2003 N\$
Wire Industries (Pty) Ltd	645 753
Agra Verspreiders (Pty) Ltd	-
Agra Eiendomme (Pty) Ltd	-
SWA Amalgameerde Afslaers (Pty) Ltd	-
Star Plastics (Pty) Ltd	(60 286)
Auas Vet Med (Pty) Ltd	-
Ondangwa Service Station (Pty) Ltd	163 457

**Other investments**

At 31 July 2004 the co-operative had a 50% interest in Lumley Agra Farmers Insurance Brokers (Pty) Ltd, a 24,5% interest in Consolidated Sugar Industries (Namibia) (Pty) Ltd, a Namibian sugar packing company and 50% in Bloukop Voerkraal (Pty) Ltd. The co-operative sold 55% of it's share in Wire Industries (Pty) Ltd on 1 August 2003. Wire Industries (Pty) Ltd is therefore accounted for as an associated company.

**Board of Directors**

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

Region 1: Mr J B Coetzee

The current directors are as follows:

J W Chapman  
J B Coetzee  
R van der Merwe  
P Schonecke  
L C van Wyk  
J H Nieuwoudt  
S Zensi  
S K Shikongo  
J Hoffmann

**DIREKTEURSVERSLAG**

vir die jaar geëindig 31 Julie 2004

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

	2004 N\$	
	-	Wire Industries (Edms) Bpk
	-	Agra Verspreiders (Edms) Bpk
	-	Agra Eiendomme (Edms) Bpk
	(28)	SWA Amalgameerde Afslaers (Edms) Bpk
	(88 559)	Star Plastics (Edms) Bpk
	-	Auas Vet Med (Edms) Bpk
	294 138	Ondangwa Service Station (Edms) Bpk

**Ander beleggings**

Die koöperasie het op 31 Julie 2004 'n 50% belang in Lumley Agra Farmers Insurance Brokers (Edms) Bpk, 'n 24,5% belang in Consolidated Sugar Industries (Namibia) (Edms) Bpk, 'n Namibiese suikerverpakker, en 'n 50% belang in Bloukop Voerkraal (Edms) Bpk, gehad. Die Koöperasie het op 1 Augustus 2003 55% van sy belang in Wire Industries (Edms) Bpk verkoop. Die gevolg hiervan is dat Wire Industries (Edms) Bpk as 'n geassosieerde maatskapy teboek gestel word.

**Raad van Direkteure**

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

Streek 1: Mnr J B Coetzee

Die huidige direkteure is as volg:

J W Chapman  
J B Coetzee  
R van der Merwe  
P Schonecke  
L C van Wyk  
J H Nieuwoudt  
S Zensi  
S K Shikongo  
J Hoffmann

### **Supervisory Committee**

The following member retires in terms of the Statute from the Supervisory Committee.

Region 3: Mr J H Nieuwoudt

The current members are as follows:

J H Nieuwoudt  
S. Zensi

### **Secretary**

The secretary of the co-operative is Mr R van der Merwe. The registered address is 8 Bessemer Street, Windhoek. The postal address is Private Bag 12011, Windhoek.

### **Approval of the annual financial statements**

The annual financial statements and group annual financial statements set out on pages 16 to 51 have been approved by the Board of Directors on 21 October 2004 and were signed on their behalf by:

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**J W CHAPMAN**  
**CHAIRMAN/VOORSITTER**

### **Toesighoudende Komitee**

In terme van die Statuut, tree die volgende lid van die Toesighoudende Komitee uit.

Streek 3: Mnr J H Nieuwoudt

Die huidige lede is as volg:

J H Nieuwoudt  
S. Zensi

### **Sekretaris**

Die sekretaris van die koöporasie is Mnr R van der Merwe. Die gerigistreeerde adres is Bessemerstraat 8, Windhoek. Die posadres is Privaatsak 12011, Windhoek.

### **Goedkeuring van finansiële jaarstate**

Die finansiële jaarstate en groeps - finansiële jaarstate wat op bladsye 16 tot 51 verskyn, is deur die Raad van Direkteure goedgekeur op 21 Oktober 2004 en namens hulle onderteken.

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**R VAN DER MERWE**  
**SECRETARY/SEKRETARIS**

## BALANCE SHEETS

31 July 2004

## BALANSSTATE

31 Julie 2004

		Consolidated		Co-operative			
	Notes	2004 N\$	2003 N\$	2003 N\$	2004 N\$	Aan- teke- ninge	
<b>ASSETS</b>							<b>BATES</b>
<b>Non-current assets</b>							<b>Nie-bedryfsbates</b>
Property, plant and equipment	2	29 129 950	29 427 938	28 945 031	28 736 384	2	Eiendomme, aanleg en toerusting
Investment properties	3	40 469 471	39 264 532	39 232 151	40 437 090	3	Beleggingseiendomme
Investment in subsidiaries	4	-	-	4 731 695	693 216	4	Beleggings in filiale
Investment in associate	5	1 817 873	-	-	1 818 323	5	Belegging in geassosieerde maatskappy
Financial assets	6	6 280 049	6 235 114	6 235 114	6 280 049	6	Finansiële bates
Deferred tax assets	7	2 152 443	2 689 565	1 482 945	1 226 285	7	Uitgestelde belastingbates
		<u>79 849 786</u>	<u>77 617 149</u>	<u>80 626 936</u>	<u>79 191 347</u>		
<b>Current assets</b>							<b>Bedryfsbates</b>
Inventories	8	46 498 019	42 665 480	37 608 526	43 319 168	8	Voorraad
Accounts receivable	9	38 083 443	36 550 066	32 765 293	37 152 955	9	Rekeninge ontvangbaar
		<u>84 581 462</u>	<u>79 215 546</u>	<u>70 373 819</u>	<u>80 472 123</u>		
<b>Total assets</b>		<u>164 431 248</u>	<u>156 832 695</u>	<u>151 000 755</u>	<u>159 663 470</u>		<b>Totale bates</b>
<b>EQUITY AND LIABILITIES</b>							<b>EKWITEIT EN AANSPREEKLIKHEDE</b>
<b>Capital and reserves</b>							<b>Kapitaal en reserwes</b>
Share capital		2 312 112	2 410 011	2 410 011	2 312 112		Aandelekapitaal
Members' funds		18 545 375	19 057 585	19 057 585	18 545 375		Ledefondse
Retained income		27 012 140	25 114 401	24 470 145	26 061 299		Onaangewende inkomste
General reserve		9 604 351	9 604 351	9 604 351	9 604 351		Algemene reserwe
Contingency reserve		1 313 028	1 313 028	1 313 028	1 313 028		Gebeurlikheidsreserwe
Deferred expenditure fund		3 992 986	3 992 986	3 992 986	3 992 986		Uitgestelde uitgawe fonds
		<u>62 779 992</u>	<u>61 492 362</u>	<u>60 848 106</u>	<u>61 829 151</u>		
Outside shareholder's interest	11	50 100	27 106	-	-	11	Buite-aandeelhoudersbelang
<b>Total equity</b>		<u>62 830 092</u>	<u>61 519 468</u>	<u>60 848 106</u>	<u>61 829 151</u>		<b>Totale ekwiteit</b>
<b>Non-current liabilities</b>							<b>Nie-bedryfslaste</b>
Long-term liabilities	13	7 723 666	10 859 581	10 751 462	7 568 505	13	Langtermynlaste
Retirement benefit obligations	14	25 000 000	25 000 000	25 000 000	25 000 000	14	Na-aftrede voordele
		<u>32 723 666</u>	<u>35 859 581</u>	<u>35 751 462</u>	<u>32 568 505</u>		
<b>Current liabilities</b>							<b>Bedryfslaste</b>
Accounts payable		58 801 752	45 421 763	40 926 298	54 131 325		Rekeninge betaalbaar
Receiver of Revenue		55 645	78 981	-	-		Ontvanger van Inkomste
Bank overdraft	10	10 020 093	13 952 902	13 474 889	11 134 489	10	Bankoortrekking
		<u>68 877 490</u>	<u>59 453 646</u>	<u>54 401 187</u>	<u>65 265 814</u>		
<b>Total equity and liabilities</b>		<u>164 431 248</u>	<u>156 832 695</u>	<u>151 000 755</u>	<u>159 663 470</u>		<b>Totale ekwiteit en aanspreeklikhede</b>

**INCOME STATEMENTS**

for the year ended 31 July 2004

**INKOMSTESTATE**

vir die jaar geëindig 31 Julie 2004

	Notes	Consolidated		Co-operative		Aante- keninge
		2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>Revenue</b>		<b>362 822 499</b>	363 729 392	335 336 147	<b>345 497 185</b>	<b>Omset</b>
Cost of sales		<b>(291 673 848)</b>	(287 190 347)	(265 260 386)	<b>(279 341 094)</b>	Kosprys van verkope
Gross profit		<b>71 148 651</b>	76 539 045	70 075 761	<b>66 156 091</b>	Bruto wins
Other operating income		<b>12 264 176</b>	10 542 772	10 819 176	<b>12 656 391</b>	Ander bedryfsinkomste
		<b>83 412 827</b>	87 081 817	80 894 937	<b>78 812 482</b>	
<b>Expenses</b>		<b>(76 533 458)</b>	(76 637 576)	(71 314 348)	<b>(72 645 242)</b>	<b>Uitgawes</b>
Administrative expenses		<b>21 159 357</b>	24 115 754	23 233 074	<b>21 720 346</b>	Administratiewe uitgawes
Operating expenses		<b>55 374 101</b>	55 521 822	48 081 274	<b>50 924 896</b>	Bedryfsuitgawes
<b>Operating Profit</b>	<b>23</b>	<b>6 879 369</b>	10 444 241	9 580 589	<b>6 167 240</b>	<b>23 Bedryfswins</b>
Finance cost		<b>(4 420 821)</b>	(6 354 741)	(5 587 675)	<b>(4 319 426)</b>	Finansieringskoste
<b>Profit before taxation</b>		<b>2 458 548</b>	4 089 500	3 992 914	<b>1 847 814</b>	<b>Wins voor belasting</b>
Taxation	<b>7</b>	<b>(434 750)</b>	71 635	125 010	<b>(256 660)</b>	<b>7 Belasting</b>
<b>Profit after taxation</b>		<b>2 023 798</b>	4 161 135	4 117 924	<b>1 591 154</b>	<b>Wins na belasting</b>
Outside shareholder's interest in profit		<b>(126 059)</b>	(70 053)	-	<b>-</b>	Buite-aandeelhoudersbelang in wins
<b>Net Profit</b>		<b>1 897 739</b>	4 091 082	4 117 924	<b>1 591 154</b>	<b>Netto wins</b>

## STATEMENTS OF CHANGES IN EQUITY

## EKWITEIT

## STATE VAN VERANDERING IN

for the year ended 31 July 2004

vir die jaar geëindig 31 Julie 2004

	Notes	Consolidated		Co-operative		Aan- tekeninge
		2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>Share capital</b>						<b>Aandelekapitaal</b>
Fully paid shares of N\$1 each		2 312 112	2 410 011	2 410 011	2 312 112	Volopbetaalde aandele van N\$1 elk
Add: application fees received		-	-	-	-	Plus: Aansoekgelde ontvang
		<u>2 312 112</u>	<u>2 410 011</u>	<u>2 410 011</u>	<u>2 312 112</u>	
<b>Members' funds</b>						<b>Ledefondse</b>
Balance: beginning of year		19 057 585	16 215 547	16 215 547	19 057 585	Saldo: begin van die jaar
Repayments during the year		(512 210)	(157 962)	(157 962)	(512 210)	Terugbetalings gedurende die jaar
Distribution to members		-	3 000 000	3 000 000	-	Toedeling aan lede
Balance: end of year		<u>18 545 375</u>	<u>19 057 585</u>	<u>19 057 585</u>	<u>18 545 375</u>	Saldo: einde van die jaar
<b>Retained income</b>						<b>Onaangewende inkomste</b>
Balance: beginning of year		25 114 401	24 023 319	23 352 221	24 470 145	Saldo: begin van die jaar
As previously stated		21 767 347	20 580 715	19 909 617	21 123 091	Soos voorheen getoon
Deferred tax: previous year	1.19	3 347 054	3 442 604	3 442 604	3 347 054	1.19 Uitgestelde belasting: vorige jaar
Surplus for the year		1 897 739	4 091 082	4 117 924	1 591 154	Surplus vir die jaar
Distribution to members		-	(3 000 000)	(3 000 000)	-	Toedeling aan lede
Balance: end of year		<u>27 012 140</u>	<u>25 114 401</u>	<u>24 470 145</u>	<u>26 061 299</u>	Saldo: einde van jaar
<b>General reserve</b>		<u>9 604 351</u>	<u>9 604 351</u>	<u>9 604 351</u>	<u>9 604 351</u>	<b>Algemene reserwe</b>
<b>Contingency reserve</b>		<u>1 313 028</u>	<u>1 313 028</u>	<u>1 313 028</u>	<u>1 313 028</u>	<b>Gebeurlikheidsreserwe</b>
<b>Deferred expenditure fund</b>						<b>Uitgestelde uitgawe fonds</b>
Balance: beginning of year		3 992 986	3 992 986	3 992 986	3 992 986	Balans: begin van die jaar
Transfer from retained income		-	-	-	-	Oorgeplaas vanaf onaangewende inkomste
Balance: end of year		<u>3 992 986</u>	<u>3 992 986</u>	<u>3 992 986</u>	<u>3 992 986</u>	Saldo: einde van die jaar
<b>Total</b>		<u><u>62 779 992</u></u>	<u><u>61 492 362</u></u>	<u><u>60 848 106</u></u>	<u><u>61 829 151</u></u>	<b>Totale</b>

**CASH FLOW STATEMENTS**

for the year ended 31 July 2004

**KONTANTVLOEISTATE**

vir die jaar geëindig 31 Julie 2004

	Notes	Consolidated		Co-operative		Aante- keninge	Kontantvloei uit bedryfsaktiwiteite
		2004 N\$	2003 N\$	2003 N\$	2004 N\$		
<b>Cash flows from operating activities</b>							
Surplus before taxation		2 458 548	4 089 500	3 992 914	1 847 814		Surplus voor belasting
Adjustments for:							Aansuiwerings vir:
- Interest received		-	(3 558)	-	(226 619)		- Rente ontvang
- Interest paid		4 420 821	6 354 741	5 587 675	4 319 426		- Rente betaal
- Profit on disposal of investments	12	(341 862)	(40 440)	(40 440)	-	12	- Wins met verkoop van beleggings
- Depreciation		2 393 775	2 749 556	2 586 740	2 231 829		- Waardevermindering
- Profit on disposal of fixed assets		(599 033)	(255 972)	(256 022)	(542 520)		- Wins met verkoop van vaste bates
- Revaluation investment property		(1 280 625)	(273 000)	(273 000)	(1 280 625)		- Herwaardering beleggingseiendom
- Working capital changes	19	5 090 890	783 781	1 071 224	3 106 723	19	- Bedryfskapitaalveranderinge
Cash generated from operations		12 142 514	13 404 608	12 669 091	9 456 028		Kontant gegenereer deur bedrywighede
Outside shareholder's interest		(22 994)	(14 011)	-	-		Buiteaandeelhouersbelang
Dividends paid to outside shareholder		(103 065)	(56 042)	-	-		Dividend betaal aan buiteaandeelhouer
Interest received		-	3 558	-	226 619		Rente ontvang
Interest paid		(4 420 821)	(6 354 741)	(5 587 675)	(4 319 426)		Rente betaal
Distribution to members		-	(3 000 000)	(3 000 000)	-		Toedeling aan lede
Normal taxation paid		(240 101)	(164 267)	-	-		Normale belasting betaal
<i>Net cash from operating activities</i>		<b>7 355 533</b>	3 819 105	4 081 416	<b>5 363 221</b>		<i>Netto kontant uit bedryfsaktiwiteite</i>
<b>Cash flows from investing activities</b>							<b>Kontantvloei uit beleggingsaktiwiteite</b>
Purchase of fixed assets		(2 604 561)	(3 928 262)	(3 876 322)	(2 502 116)		Koop van vaste bates
Proceeds on disposals of fixed assets		1 161 735	621 417	620 893	1 097 140		Opbrengs met verkoop van vaste bates
Net cash outflow on sale of subsidiary		975 975	40 440	40 440	550		Opbrengs met verkoop van beleggings
Investments made		(44 885)	(1 899 901)	(1 899 901)	(44 885)		Beleggings gemaak
Loans repaid		-	-	-	2 219 606		Lenings terugbetaal
Decrease in loan to associate company		812 092	-	-	-		Afname in lening aan geassosieerde maatskapy
Loans advanced		(50)	-	(107 320)	(50)		Lenings toegestaan
<i>Net cash from / (used in) investing activities</i>		<b>300 306</b>	(5 166 306)	(5 222 210)	<b>770 245</b>		<i>Netto kontant van / (gebruik in) beleggingsaktiwiteite</i>

CASH FLOW STATEMENTS (CONTINUED)

KONTANTVLOEISTATE (VERVOLG)

for the year ended 31 July 2004

vir die jaar geëindig 31 Julie 2004

	Consolidated		Co-operative		
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>Cash flows from financing activities</b>					<b>Kontantvloei uit finansieringsaktiwiteite</b>
Decrease in share capital	(97 899)	(30 278)	(30 278)	(97 899)	Afname in aandelekapitaal
Decrease in long-term loans	(3 135 915)	(4 045 180)	(4 068 800)	(3 182 957)	Afname in langtermynlenings
(Decrease)/Increase in members' funds	(512 210)	2 842 038	2 842 038	(512 210)	(Afname)/Toename in ledebelang
Increase in outside shareholder's interest	22 994	14 011	-	-	Toename in buiteaandeelhouersbelang
<i>Net cash used in financing activities</i>	(3 723 030)	(1 219 409)	(1 257 040)	(3 793 066)	<i>Netto kontant gebruik in finansieringsaktiwiteite</i>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3 932 809</b>	(2 566 610)	(2 397 834)	<b>2 340 400</b>	<b>Netto toename/(afname) in kontant en kontantekwivalente</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(13 952 902)</b>	(11 386 292)	(11 077 055)	<b>(13 474 889)</b>	<b>Kontant en kontantekwivalente aan begin van jaar</b>
<b>Cash and cash equivalents at end of year</b>	<b>(10 020 093)</b>	(13 952 902)	(13 474 889)	<b>(11 134 489)</b>	<b>Kontant en kontantekwivalente aan einde van jaar</b>

## 1. Basis of preparation

The financial statements are prepared on the historical cost basis, adjusted by the revaluation of investment properties and certain financial assets to fair value. These financial statements comply with Namibian Statements of Generally Accepted Accounting Practice. The following are the principal accounting policies adopted by the co-operative and group which are consistent with those of the previous year, except as stated in note 1.19.

### 1.1 Group Accounting

#### Subsidiaries

Subsidiaries, which are those entities in which the group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are consolidated.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued, or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Inter-company transactions, balances, and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered.

Subsidiaries are excluded from consolidation when:

- a) control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or
- b) it operates under severe long-term restrictions that significantly impair its ability to transfer funds to the parent.

Minority interest is stated at the minority's proportion of the fair values of the identifiable assets and liabilities recognized.

## 1. Basis van voorbereiding

Die finansiële state word volgens die historiese koste grondslag opgestel, behalwe vir die herwaardasie van beleggingseiendomme en die aanpassing van sekere finansiële bates na billike waarde. Hierdie finansiële state voldoen aan Namibiese standpunte van Algemene Aanvaarde Rekeningkundige Praktyk. Hier volg die hoofrekeningkundige beleid wat deur die koöperasie en die groep gevolg is en wat ooreenstem met dié van die vorige jaar, behalwe soos aangedui in nota 1.19.

### 1.1 Groepsverantwoording

#### Filiale

Filiale, wat daardie entiteite is waarin die groep 'n belang van meer as die helfte van die stemreg hou of andersins oor die vermoë beskik om beheer oor die bedrywigheede, finansiële en operasioneel, uit te oefen, word gekonsolideer.

Die bestaan en uitwerking van potensiële stemreg wat tans uitoefenbaar is of tans omskepbaar is, word in ag geneem wanneer bepaal word of die groep 'n ander entiteit beheer.

Filiale word gekonsolideer vanaf die datums waarop effektiewe beheer verkry is tot en met die datums waarop effektiewe beheer opgehou het. Die aankoopmetode van verantwoording word gebruik om verkrygings van filiale te boek te stel. Die koste van 'n verkryging word gemeet as die billike waarde van bates vervreem, aandele uitgereik, of verpligtinge opgeneem op die datum van verkryging plus koste direk toeskryfbaar aan die verkryging. Die oorskot van die koste van verkryging oor die billike waarde van die netto bates van die filiaal verkry, word as klandisiewaarde getoon. Intergroeptransaksies, - balanse en ongerealiseerde winste word op konsolidasie uitgeskakel; ongerealiseerde verliese word ook uitgeskakel, behalwe as die koste nie verhaal kan word nie.

Filiale word uitgesluit van konsolidasie wanneer:

- a) daar verwag word beheer sal tydelik wees omrede die filiaal verkry is en gehou word insluitlik met die voorneme om dit in die nabye toekoms weer te verkoop; of
- b) dit handel dryf onder swaar langtermynbeperkings wat sy vermoë om fondse oor te plaas na die houermaatskappy ernstig beperk.

Buite-aandeelhoudersbelang word getoon teen die minderheid se gedeelte van die billike waarde van die identifiseerbare bates en laste erken.

## Associates

Associates are entities over which the group generally has between 20% and 50% of the voting rights, or over which the group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting. Under this method, the group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The group's investment in associates includes goodwill (net of accumulated amortisation) on acquisition. When the group's share of losses in an associate equals or exceeds its interest in the associate, the group does not recognise further losses, unless the group has incurred obligations, issued guarantees, or made payments on behalf of the associate.

## 1.2 Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

Buildings:	50	Years
Office and other equipment:	5	Years
Motor vehicles:	5	Years
Information technology:	5	Years

Land is not depreciated as it is deemed to have an indefinite life. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognized).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

## Geassosieerde maatskappye

Geassosieerde maatskappye is entiteite waarin die groep 'n belang van tussen 20% en 50% in die stemreg het, of waarin hulle wesentliche invloed het, maar nie beheer nie. Beleggings in geassosieerde maatskappye word verantwoord deur die ekwiteitsmetode. In terme van hierdie metode, word die groep se aandeel in die naverkryggingswinste of – verliese van die geassosieerde maatskappy erken in die inkomstestaat en sy deel van die naverkryggingsbewegings in reserwes word erken in reserwes. Die kumulatiewe beweging in na-verkryggingsreserwes word aangepas teen die koste van die beleggings. Ongerealiseerde winste of transaksies tussen die groep en die geassosieerde maatskappy word uitgeskakel tot die mate van die groep se belang in die geassosieerde maatskappy; ongerealiseerde verliese word ook uitgeskakel, behalwe as die transaksie bewys dat die bate oorgedra waardedaling ondervind het. Die groep se belegging in geassosieerde maatskappye sluit klandisiewaarde by verkryging in (netto van geakkumuleerde amortisasie). Wanneer die groep se belang in verliese van 'n geassosieerde gelyk is aan of meer is as sy belang in die geassosieerde, erken die groep nie verdere verliese nie, behalwe as die groep verpligtinge aangegaan het, waarborgte verskaf het, of betalings gemaak het namens die geassosieerde maatskappy.

## 1.2 Eiendomme, aanleg en toerusting

Alle eiendomme, aanleg en toerusting word aanvanklik teen kosprys te boek gestel.

Waardevermindering word op 'n reguitlynbasis bereken om die kosprys van hierdie bates oor die verwagte bruikbaarheidsleef tyd daarvan af te skryf na hul reswaardes, as volg:

Geboue:	50	jaar
Kantoor-en ander toerusting:	5	jaar
Motor voertuie:	5	jaar
Inligtingstechnologie:	5	jaar

Geen waardevermindering word op grond afgeskryf nie. Waar die drabedrag van 'n bate groter is as sy verwagte verhaalbare bedrag, word dit onmiddelik afgeskryf na sy verhaalbare bedrag (m.a.w. waardedalings word erken).

Winsten en verliese by verkoop word bepaal deur die opbrengste te vergelyk met die drabedrag en word ingesluit in bedryfswins.

### **1.3 Investment property**

Investment property is held for long-term rental yields and is not occupied by the group. Investment property is treated as a long-term investment and is carried at fair value, representing open market value determined annually by external valuers and the directors. Changes in fair values are recorded as part of operating income in the income statement.

### **1.4 Impairment of assets**

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

### **1.5 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is calculated on an average basis. In the case of manufactured products, cost includes production overheads. Provision is made for slow moving and redundant stock on a continuous basis.

### **1.6 Deferred taxation**

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from depreciation on fixed assets, revaluations of investment properties, post-retirement healthcare benefits, provisions and tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

### **1.3 Beleggingseiendom**

Beleggingseiendom word gehou vir langtermyn huuropbrengs en word nie deur die groep geokkupeer nie. Beleggingseiendom word beskou as 'n langtermynbelegging en word geteen billike waarde getoon, verteenwoordigend van die ope markwaarde soos jaarliks vasgestel deur eksterne waardeerders en die direksie. Veranderings in billike waardes word getoon as deel van bedryfswins in die inkomstestaat.

### **1.4 Waardedaling van bates**

Eiendomme, aanleg en toerusting en nie-bedryfbates word hersien vir waardedalingsverliese wanneer veranderde omstandighede aandui dat die drabedrag nie verhaalbaar is nie. 'n Waardedalingverlies word erken wanneer die drabedrag van 'n bate die verhaalbare bedrag oorskry, wat die hoogste is van die netto verkoopwaarde van die bate of die waarde in gebruik. Vir doeleindes van waardedaling analiese word bates gegroep op die laagste vlak van afsonderlike kontantvloei van die bate.

### **1.5 Voorraad**

Voorraad word getoon teen die laagste van kosprys, bereken op 'n gemiddelde kosprysmetode, of netto realiseerbare waarde. 'n Proporsionele gedeelte van produksieboekoste word aan vervaardigde klaarprodukte toegedeel. Voorsiening vir stadigbewegende en verouderde voorraad word op 'n deurlopende basis gedoen.

### **1.5 Uitgestelde belasting**

Uitgestelde belasting word bereken, deur gebruik van die aanspreeklikheidsmetode, vir alle tydsberekenningsverskille wat ontstaan tussen die belastingbasisse van bates en laste en hul drawaardes vir finansiële verslagdoeningsdoeleindes. Huidige belastingkoerse word gebruik om uitgestelde inkomstebelasting te bepaal.

Die belangrikste tydsberekenningsverskille ontstaan as gevolg van waardevermindering op vaste bates, herwaardering van beleggingseiendomme, na-aftrede mediese voordele, voorsienings en belastingverliese. Uitgestelde belastingbates wat verband hou met die vorentoe dra van onbenutte belastingverliese word erken tot die mate dat dit waarskynlik is dat toekomstige winste beskikbaar sal wees waarteen die onbenutte belastingverliese aangewend kan word.

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**1.7 Investments**

Investment in subsidiaries, associates, and joint ventures are recognized at cost less accumulated impairment losses.

The group classifies its investments in debt and equity securities into the following categories: trading, held-to-maturity, and available-for-sale. The classification is dependent on the purpose for which the investment were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets; for the purpose of these financial statements, short term is defined as three months.

Investments with a fixed maturity and fixed or determinable payments that management has intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for those assets with maturities within twelve months from the balance sheet date, which are classified as current assets. Investments intended to be held for an indefinite period of time which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale. They are included in non-current assets unless management has the express intention of holding the investment for less than twelve months from the balance sheet date, or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Purchases and sales of investments are recognized on the trade date, which is the date that the group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value. Held-to-maturity investments are carried at amortised cost using the effective interest rate method. Realized and unrealized gains and losses arising from changes in the fair value of trading investments are included in the income statement in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognized in equity.

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**1.7 Beleggings**

Beleggings in filiale, geassosieerde maatskappye en gesamentlike ondernemings word getoon teen kosprys minus opgelope waardedalingsverliese.

Buiten die beleggings in filiale, klassifiseer die groep sy beleggings in skuld en ekwiteitsekuriteite in die volgende kategorieë: gehou vir verhandeling, gehou tot vervaldatum en beskikbaar vir verkoop. Die klassifikasie berus op die doel waarvoor die belegging verkry is. Bestuur bepaal die klassifikasie van die belegging op die aankoopdatum en herevalueer die klassifikasie op 'n gereelde basis. Beleggings wat hoofsaaklik verkry word vir die generering van wins uit korttermyn fluktuasies in prys word as beleggings gehou vir verhandeling geklassifiseer en word ingesluit by bedryfsbates. Vir die doeleindes van hierdie finansiële state word kortermyn gedefinieer as drie maande.

Beleggings met 'n vaste of bepaalbare vervaldatum ten opsigte waarvan die onderneming die positiewe bedoeling en vermoë het om dit tot die vervaldatum te hou word geklassifiseer as tot verval gehoude beleggings en word ingesluit by nie-bedryfsbates, behalwe vir vervaldatums binne twaalf maande van die balansstaatdatum, wat by bedryfsbates ingesluit word. Beleggings wat vir 'n onbepaalde tydperk gehou word en wat verkoop kan word om te kompenseer vir verandering in likiditeitsbehoefte en verandering in rentekoerse, word geklassifiseer as beleggings beskikbaar vir verkoop en word ingesluit in nie-bedryfsbates, tensy bestuur van voorneme is om die beleggings binne twaalf maande na balansstaatdatum te verkoop of die beleggings verkoop moet word om bedryfskapitaal aan te vul, in welke geval dit in bedryfsbates ingesluit word.

Aankope en verkope van beleggings word erken op die transaksiedatum, wat die datum is waarop die onderneming hom verbind tot die koop of verkoop van die bate. Die aankoopskoste sluit die transaksiekoste in. Gehou vir verhandeling- en beskikbaar vir verkoop – beleggings word na aanvanklike erkenning getoon teen billike waarde. Gehou tot verval-beleggings word getoon teen geamortiseerde waarde deur van die effektiewe opbrengs metode gebruik te maak. Gerealiseerde en ongerealiseerde winste en verliese voortspruitend uit verandering in billike waarde van gehou vir verhandeling beleggings word in die inkomstestaat ingesluit in die tydperk waarin dit plaasvind. Ongerealiseerde winste en verliese voortspruitend uit verandering in billike waarde van beleggings beskikbaar vir verkoop word erken in ekwiteit.

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The fair value of investments in an active market is based on quoted bid prices. Fair values for other investments are estimated using the available trading value, or if the fair values cannot be measured reliably are recognized at cost less impairment. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

### 1.8 Loans and receivables

Loans and receivables originated by the group, not held for trading and with no fixed maturity date, are measured at cost.

### 1.9 Pension scheme arrangements

All companies within the group provide a defined contribution pension plan for employees. The fund is valued once every three years by professionally qualified independent actuaries. The latest actuarial valuation was carried out on 30 April 2001, and in the actuary's opinion the fund was in a sound financial position

### 1.10 Post-retirement obligations

The group provides post-retirement healthcare benefits to their retirees. Employees who have joined the group after 1 August 1998 do not receive any post-retirement benefits. The entitlement to these benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out by an independent qualified actuary.

### 1.11 Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. Such provision for impairment of trade receivables is established if there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows, discounted at the market rate of interest for similar borrowers.

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Beleggings wat in 'n aktiewe mark verhandel se billike waarde word bepaal met verwysing na die mark se gekwoteerde aanbodspryse. Vir ander beleggings word billike waarde beraam met verwysing na die beskikbare handelingswaarde of waar dit nie geredelik beskikbaar is nie, word billike waarde gelyk geag aan die historiese drawaarde, min waardedaling. Wanneer beleggings geklassifiseer as beskikbaar vir verkoop, verkoop word of waardedaling ondergaan, word die geakkumuleerde billike waarde aanpassings ingesluit in die inkomstestaat as winste en verliese uit beleggings.

### 1.8 Lenings en bedrae ontvangbaar

Lenings en bedrae ontvangbaar geskep deur die groep, wat nie gehou word vir handeldryf nie en met geen vaste termyn nie, word gemeet teen kosprys.

### 1.9 Pensioenskema-arrangements

Alle maatskappye in die groep voorsien 'n gedefinieerde bydraepensioenplan aan werknemers. Die pensioenfonds word elke drie jaar deur professionele gekwalifiseerde onafhanklike aktuarisse gewaardeer. Die laaste aktuariële waardasie is op 30 April 2001 gedoen. Die aktuaris het bevind dat die fonds voldoende befonds is.

### 1.10 Na-aftredevoordele

Die groep voorsien mediese na-aftrede voordele aan sy afgetrede werknemers. Werknemers wie aangesluit het by die groep na 1 Augustus 1998 ontvang geen na-aftrede voordele nie. Die reg om die voordeel te ontvang is onderhewig daaraan dat die werknemer in diens van die groep bly tot aftree-ouderdom bereik is. Die verwagte koste van hierdie voordele word voorsien oor die dienstydperk. Waardasies van hierdie verpligtinge word gedoen deur 'n onafhanklike gekwalifiseerde aktuaris.

### 1.11 Handelsdebiteure

Handelsdebiteure word gedra teen die oorspronklike faktuurbedrag minus voorsienings vir waardedaling van hierdie ontvangstes. Die voorsiening vir waardedaling van handelsdebiteure word erken as daar objektiewe bewys is dat die groep nie alle bedrae sal verhaal soos bepaal volgens die aanvanklike terme van die debiteur nie. Die bedrag van die voorsiening is die verskil tussen die drabedrag en die verhaalbare bedrag, wat die huidige waarde van die verwagte kontantvloed is, verdiskonteer teen die markkoers vir rente vir soortgelyke leners.

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**1.12 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdrafts. Actual bank balances are disclosed. In the balance sheet, bank overdrafts are included under current liabilities.

**1.13 Borrowings**

Borrowings are recognized initially at the fair value of proceeds received, net of transaction costs incurred, when they become party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings as interest.

**1.14 Provisions**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economics benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

**1.15 Foreign currency translation**

Foreign currency transactions are translated into Namibian Dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

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**1.12 Kontant en kontantekwivalente**

Kontant en kontantekwivalente word in die balansstaat gedra teen koste. Vir die doeleindes van die kontantvloeistaat bestaan kontant en kontantekwivalente uit kontant voorhande, daggedeposito's met banke en beleggings in geldmarkinstrumente, netto van bankoortrekkings. Werklike banksaldos word openbaar. Oortrokke banksaldos word in die balansstaat getoon onder bedryfslaste.

**1.13 Lenings**

Lenings word aanvanklik erken teen 'n bedrag gelyk aan die teenprestasie ontvang, netto van enige transaksiekostes. Na die aanvanklike erkenning word lenings teen geamortiseerde koste met gebruik van die effektiewe rentekoersmetode gedra; enige verskil tussen die teenprestasie ontvang en die aflossingsbedrag word in die inkomstestaat erken oor die tydperk van die lening.

**1.14 Voorsienings**

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

Werknemers se geregtigheid op jaarlikse verlof en langdiensverlof word erken wanneer dit tot die werknemers ophoop. 'n Voorsiening word gemaak vir die beraamde aanspreeklikheid vir jaarlikse verlof en langdiensverlof as gevolg van dienste wat deur werknemers gelewer word tot op die balansstaatdatum.

**1.15 Buitelandse valuta omskakeling**

Buitelandse valuta transaksies word omgeskakel na Namibiese Dollars deur die wisselkoerse wat geheers het op die datums van die transaksies. Omrekeningswinste of -verliese wat spruit met die vereffening van sulke transaksies, en van die omskakeling van monetêre bates en laste in buitelandse valuta, word erken in die inkomstestaat.

## 1.16 Leases

A group company is the lessee

Leases of property, plant, and equipment, except land, where the group has substantially accepted all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

Lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

A group company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

## 1.16 Huurkontrakte

'n Groepsmaatskappy is die huurder

Die huur van eiendom, aanleg en toerusting, behalwe grond, word as finansierings-bruikhuur geklassifiseer indien, in wese, alle risiko's en voordele verbonde aan eienaarskap vanaf die verhuurder na die groep as huurder oorgedra word. Bruikhuurbates word gekapitaliseer teen die laagste van die billike waarde van die huurbate en die huidige waarde van die onderliggende minimum huurpaaielemente en die verwante huurverpligting word teen die huidige waarde van die minimum huurpaaielemente erken. Gekapitaliseerde bruikhuurbates word afgeskryf oor hulle verwagte ekonomiese lewensduur, maar word beperk tot die termyn van die huurkontrak. Die rente-uitgawe en kapitaalkomponent van bruikhuurbetalings word volgens die effektiewe rentekoersmetode verdeel.

Huur word as bedryfshuur geklassifiseer indien in wese alle risiko's en voordele verboude aan eienaarskap deur die derdeparty verhuurder behou word. Bedryfshuurkoste word op 'n reguitlynggrondslag oor die termyn van die huur teen bedryfswins erken.

'n Groepmaatskappy is die verhuurder

Bates wat uitverhuur word as bedryfhure, word ingesluit in eiendom, aanleg en toerusting in die balansstaat. Dit word gedepresieer oor hul verwagte lewensduur op 'n soortgelyke basis as eiendom, aanleg en toerusting wat besit word. Huurinkomste word erken op 'n reguitlynggrondslag oor die huurtermyn.

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**1.17 Financial instruments**

**Financial risk factors:** In the normal course of its operations, the group is exposed to foreign exchange, interest rate, liquidity and credit risk. The group manages these risks as follows:

**Foreign exchange risk:** Foreign exchange risk is created due to the influence of exchange rate fluctuations. The group has a policy to take out cover on outstanding foreign currency transactions.

**Interest rate risk:** The group's income and operating cash flows are dependent of changes in market interest rates.

On a long-term basis the group borrows from Commercial Bank of Namibia. The loan from Commercial Bank bears interest at prime less 1%. No hedging contracts are entered into to cover the group's interest rate exposure in respect of this loan or in respect of the group's overdrawn bank accounts.

**Credit risk:** The group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

**Liquidity risk:** Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

**1.18 Revenue Recognition**

Revenue comprises the invoiced value for the sale of goods and services net of value-added tax, and after eliminating sales within the group. Revenue from the sale of goods is recognised when goods are delivered or services are rendered.

Other income earned by the group, is recognised on the following basis:

- Interest income is recognised on a time proportion basis.
- Dividends are recognised when the right to receive payment is established.
- Rental income – on a straight-line basis over the lease term.

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**1.17 Finansiële instrumente**

**Finansiële risiko faktore:** Die groep se aktiwiteite stel hom bloot aan buitelandse wisselkoers-, rentekoers-, likwiditeits- en kredietrisiko's. Die groep bestuur hierdie risiko's as volg:

**Buitelandse wisselkoersrisiko:** Buitelandse wisselkoersrisiko word geskep as gevolg van die invloed van wisselkoersskommeling. Die groep het 'n beleid om dekking te neem op uitstaande buitelandse valuta transaksies.

**Rentekoersrisiko:** Die groep se inkomste en bedryfskontantvloei is afhanklik van veranderings in mark rentekoerse.

Die groep gaan langtermynlenings aan by Commercial Bank of Namibia. Die lening by Commercial Bank dra rente teen prima min 1%. Geen verskansingskontrakte word gesluit om die groep te dek teen rentekoersblootstellings ten opsigte van die lening, of die groep se oortrokke bankrekenings nie.

**Kredietrisiko:** Die groep het 'n beleid in plek om te verseker dat verkope van produkte en dienste gemaak word aan kliënte met 'n toepaslike kredietgeskiedenis.

**Likwiditeitsrisiko:** Omsigtige likwiditeitsrisikobestuur impliseer die hou van voldoende kontant en bemarkbare sekuriteite en die beskikbaarheid van fondse deur voldoende beskikbare kredietfasiliteite te handhaaf.

**1.18 Inkomste-erkenning**

Verkope van goedere en dienste verteenwoordig die netto gefaktureerde waarde van verkope van goedere en dienste, uitgesluit belasting op toegevoegde waarde, en word erken met lewering van produkte en dienste.

Ander inkomste wat deur die groep verdien word, word op die volgende basisse erken:

- Rente-inkomste – soos dit ooploop, tensy invorderbaarheid twyfelagtig is
- Dividende-inkomste – wanneer die aandeelhouer se reg om die dividend te ontvang gevestig word.
- Huurinkomste – op 'n reguitlynggrondslag oor die huurtermyn.

## NOTES TO THE FINANCIAL STATEMENTS

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### 1.19 Change in accounting policy

The group changed its accounting policy regarding the provision of deferred tax on the revaluation of investment property and post-retirement healthcare benefits.

Previously deferred tax was only provided on building allowances claimed. Full provision for deferred tax is now made on the revaluation surplus, in terms of AC102 (Taxation). This resulted in a reduction of retained income at the beginning of the previous year of N\$ 5 307 396 (group and co-operative) and an increase of the deferred tax liability with the same amount. The net income of the group and co-operative for 2003 was reduced by N\$ 95 550 and by N\$ 448 219 for 2004.

The deferred tax asset relating to post-retirement healthcare benefits is now recognised. This resulted in an increase of N\$ 8 750 000 in retained income at the beginning of the previous year and the creation of a deferred tax asset of the same amount. This had no effect on the net income of 2003 or 2004.

### 1.20 Comparatives

The distribution to members of N\$ 3 000 000 in 2003 is now disclosed in the statement of changes in equity, and not in the income statement. The profit for 2003 is therefore higher with this amount when compared with the profit as disclosed last year.

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### 1.19 Verandering in rekeningkundige beleid

Die groep het sy rekeningkundige beleid met betrekking tot die voorsiening van uitgestelde belasting op die herwaardasie van beleggingseiendomme en na-aftrede mediese voordele verander.

Voorheen is uitgestelde belasting slegs voorsien op gebouetoelaes geëis. Nou word volle voorsiening vir uitgestelde belasting gemaak op die herwaardasie surplus, in terme van RE 102 (Belasting). Dit het tot gevolg dat onaangewende inkomste aan die begin van die vorige jaar verlaag is met N\$ 5 307 396 (groep en koöperasie) met 'n ooreenstemmende toename in die uitgestelde belastingverpligting. Die netto inkomste van die groep en koöperasie vir 2003 is verminder met N\$ 95 550 en met N\$ 448 219 vir 2004.

Die uitgestelde belastingbate wat verband hou met die na-aftrede mediese voordele word nou erken. Dit het tot gevolg 'n toename van N\$ 8 750 000 in onaangewende inkomste aan die begin van die vorige jaar en die skepping van 'n uitgestelde belastingbate van dieselfde bedrag. Dit het geen effek op die netto inkomste van 2003 of 2004 nie.

### 1.20 Vergelykende syfers

Die toedeling aan lede van N\$ 3 000 000 in 2003 word nou getoon in die staat van verandering in ekwiteit, en nie meer in die inkomstestaat nie. Die wins vir 2003 is dus met die bedrag hoër in vergelyking met die wins soos verlede jaar getoon.

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	Consolidated		Co-operative		
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>2. Property, plant and equipment</b>					<b>2. Eiendomme, aanleg en toerusting</b>
Land and buildings	25 346 006	24 335 607	24 335 607	25 346 034	Grond en geboue
Office and other equipment	2 663 036	3 848 948	3 474 669	2 366 267	Kantoor- en ander toerusting
Motor vehicles	1 120 908	1 243 383	1 134 755	1 024 083	Motorvoertuie
<b>Net book value</b>	<b>29 129 950</b>	<b>29 427 938</b>	<b>28 945 031</b>	<b>28 736 384</b>	<b>Netto boekwaarde</b>
<b>2.1 Owner-occupied buildings</b>					<b>2.1 Eienaargeokkupeerde geboue</b>
<b>Cost</b>	<b>25 895 546</b>	<b>24 816 250</b>	<b>24 816 250</b>	<b>25 895 546</b>	<b>Kosprys</b>
Beginning of the year	24 816 250	24 272 112	24 255 477	24 816 250	Begin van jaar
Additions	1 127 090	560 773	560 773	1 127 090	Toevoegings
Disposals	(47 794)	(16 635)	-	(47 794)	Verkope
<b>Accumulated depreciation</b>	<b>549 540</b>	<b>480 643</b>	<b>480 643</b>	<b>549 512</b>	<b>Opgehoopte waardevermindering</b>
Beginning of the year	480 643	474 329	474 329	480 643	Begin van jaar
Charge for the year	71 173	6 314	6 314	71 145	Uitgawe vir die jaar
Disposals	(2 276)	-	-	(2 276)	Vervreemding
<b>Net book value</b>	<b>25 346 006</b>	<b>24 335 607</b>	<b>24 335 607</b>	<b>25 346 034</b>	<b>Netto boekwaarde</b>
<b>2.2 Office and other equipment</b>					<b>2.2 Kantoor- en ander toerusting</b>
<b>Cost</b>	<b>15 854 849</b>	<b>15 577 418</b>	<b>14 153 711</b>	<b>14 459 264</b>	<b>Kosprys</b>
Beginning of year	15 577 418	15 125 220	13 710 507	14 153 711	Begin van jaar
Additions	924 689	627 125	616 199	823 834	Toevoegings
Disposals	(518 281)	(174 927)	(172 995)	(518 281)	Verkope
Disposal of subsidiary	(128 977)	-	-	-	Verkoop van filiaal
<b>Accumulated depreciation</b>	<b>13 191 813</b>	<b>11 728 470</b>	<b>10 679 042</b>	<b>12 092 997</b>	<b>Opgehoopte waardevermindering</b>
Beginning of year	11 728 470	9 577 583	8 664 256	10 679 042	Begin van jaar
Charge for the year	1 927 521	2 292 997	2 155 538	1 765 604	Uitgawe vir die jaar
Depreciation on disposals	(351 649)	(142 110)	(140 752)	(351 649)	Komponent toegeskryf aan verkope
Disposal of subsidiary	(112 529)	-	-	-	Verkoop van filiaal
<b>Net book value</b>	<b>2 663 036</b>	<b>3 848 948</b>	<b>3 474 669</b>	<b>2 366 267</b>	<b>Netto boekwaarde</b>

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	Consolidated		Co-operative		
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>2.3 Motor vehicles</b>					<b>2.3 Motorvoertuie</b>
<b>Cost</b>	<b>4 042 232</b>	4 436 190	4 266 449	<b>3 925 284</b>	<b>Kosprys</b>
Beginning of year	4 436 190	4 479 894	4 351 455	4 266 449	Begin van jaar
Additions	429 806	547 798	506 496	428 216	Toevoegings
Disposals	(806 681)	(591 502)	(591 502)	(769 381)	Verkope
Disposal of subsidiary	(17 083)	-	-	-	Verkoop van filiaal
<b>Accumulated depreciation</b>	<b>2 921 324</b>	3 192 807	3 131 694	<b>2 901 201</b>	<b>Opgehoopte waardevermindering</b>
Beginning of year	3 192 807	3 329 527	3 293 771	3 131 694	Begin van jaar
Charge for the year	395 082	450 045	424 688	395 082	Uitgawe vir die jaar
Depreciation on disposals	(654 794)	(586 765)	(586 765)	(625 575)	Komponent toegeskryf aan verkope
Disposal of subsidiary	(11 771)	-	-	-	Verkoop van filiaal
<b>Net book value</b>	<b>1 120 908</b>	1 243 383	1 134 755	<b>1 024 083</b>	<b>Netto boekwaarde</b>

Land and buildings comprise numerous properties spread throughout Namibia. Detailed information is maintained in a register which is open for inspection by members and their authorised agents at the co-operative's registered office. Certain of the land and buildings have been encumbered as set out in note 13.2.

Grond en geboue bestaan uit verskeie eiendomme regoor die land. 'n Volledige register, wat alle inligting met betrekking tot vaste eiendomme vervat, is by die koöperasie se geregistreerde kantoor ter insae vir lede en hulle gemagtigde agente. Sekere grond en geboue is beswaar soos aangedui in aantekening 13.2

**3. Investment properties**

<b>Valuation</b>	2004 N\$	2003 N\$	2003 N\$	2004 N\$
Beginning of year	39 264 532	37 110 422	37 094 388	39 232 151
Additions	122 976	2 209 201	2 192 854	122 976
Revaluation	1 280 625	273 000	273 000	1 280 625
Disposals	(198 662)	(328 091)	(328 091)	(198 662)
<b>Net book value</b>	<b>40 469 471</b>	39 264 532	39 232 151	<b>40 437 090</b>

**3. Beleggingseiendomme**

<b>Waardasie</b>
Begin van jaar
Toevoegings
Herwaardasie
Verkope

**Netto boekwaarde**

Refer to detail provided in note 2 regarding land and buildings. The investment property portion of erf 2225 (the head office property) was valued by F.A. Frank – Shultz, a qualified property valuator, in 2004 at N\$31 million (2003: N\$29.273 million) using the income capitalization method and a capitalization rate of 12% (2003: 12.25%). The remaining investment properties were valued by the directors at market value.

Verwys na detail rakende grond en geboue verskaf in aantekening 2. Die beleggingseiendoms gedeelte van erf 2225 (die hoofkantoreiendom) is deur F.A. Frank – Schultz, 'n gekwalifiseerde eiendoms waardeerder, gewaardeer in 2004 teen N\$31miljoen (2003: N\$29.273 miljoen) volgens die inkomste – kapitaliseringsmetode en 'n kapitaliseringskoers van 12% (2003: 12.25%). Die ander beleggingseiendomme is deur die direkteure waardeer teen markwaarde.

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	Consolidated		Co-operative		
	2004	2003	2003	2004	
	N\$	N\$	N\$	N\$	
<b>4. Investments in subsidiaries</b>					<b>4. Beleggings in filiale</b>
4.1 Shares at cost and directors' valuation			518 742	<b>517 742</b>	4.1 Aandeel teen kosprys en direkteurswaardasie
4.2 Loans			4 212 953	<b>175 474</b>	4.2 Lenings
			<u>4 731 695</u>	<u><b>693 216</b></u>	
<b>5. Investment in associate</b>					<b>5. Belegging in geassosieerde maatskappy</b>
5.1 Shares at cost and directors' valuation		-	-	<b>450</b>	5.1 Aandeel teen kosprys en direkteurswaardasie
5.2 Loans	<b>1 817 873</b>	-	-	<b>1 817 873</b>	5.2 Lenings
	<u><b>1 817 873</b></u>			<u><b>1 818 323</b></u>	
The summarised financial information of the associate company at year-end, is as follows:					Die volgende finansiële inligting van die geassosieerde maatskappy op jaareinde, is as volg:
Non-current assets	<b>14 874</b>	-	-	<b>14 874</b>	Nie-bedryfsbates
Current assets	<b>6 424 751</b>	-	-	<b>6 424 751</b>	Bedryfsbates
Non-current liabilities	<b>(1 750 000)</b>	-	-	<b>(1 750 000)</b>	Nie-bedryfslaste
Current liabilities	<b>(5 417 707)</b>	-	-	<b>(5 417 707)</b>	Bedryfslaste
Deferred tax asset	<b>319 135</b>	-	-	<b>319 135</b>	Uitgestelde belastingbates
Revenue	<b>16 859 151</b>	-	-	<b>16 859 151</b>	Omset
Loss after tax and dividend	<b>(67 635)</b>	-	-	<b>(67 635)</b>	Verlies na belasting en dividende

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6. Financial assets

The investments include, amongst others, shares in Lumley Agra Farmers Insurance Brokers (Pty) Ltd, Consolidated Sugar Industries (Namibia) (Pty) Ltd, Bloukop Voerkraal (Pty) Ltd and Farmers Meat Market Holdings Ltd and are accounted for as follows:

Available for sale:

	Consolidated	
	2004 N\$	2003 N\$
<b>Unlisted</b>		
Shares at cost and directors' valuation	3 592 953	3 548 068
Loans	2 641 256	2 641 206
	<u>6 234 209</u>	<u>6 189 274</u>
<b>Listed</b>		
Share at fair value and market value	45 840	45 840
<b>Total</b>	<u>6 280 049</u>	<u>6 235 114</u>

The fair value has been determined with reference to the closing bid price on the JSE on 31 July 2004.

6. Finansiële bates

Die beleggings sluit in, onder andere, aandele in Lumley Agra Farmers Insurance Brokers (Edms) Bpk, Consolidated Sugar Industries (Namibia) (Edms) Bpk, Bloukop Voerkraal (Edms) Bpk en Farmers Meat Market Holdings Bpk. Die beleggings word as volg verantwoord:

Beskikbaar – vir – verkoop:

	Co-operative		
	2003 N\$	2004 N\$	
<b>Ongenoteer</b>			
Aandele teen kosprys en direkteurswaardasie	3 548 068	3 592 953	
Lenings	2 641 206	2 641 256	
	<u>6 189 274</u>	<u>6 234 209</u>	
<b>Genoteer</b>			
Aandele teen billike waarde en markwaarde	45 840	45 840	
<b>Totaal</b>	<u>6 235 114</u>	<u>6 280 049</u>	

Die billike waarde is bepaal na aanbieding van die sluitingsbodprys van die JSE op 31 Julie 2004.

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	Consolidated		Co-operative		
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>7. Taxation</b>					<b>7. Belasting</b>
Namibian normal tax					Namibiese normale belasting van 35%
Current tax	(216 762)	(161 117)	-	-	(2003:35%) Lopende belasting
Deferred tax					Uitgestelde belasting
Current year release	(217 988)	328 302	220 560	(256 660)	Huidige jaar aanpassing
Deferred tax prior adjustment	-	(95 550)	(95 550)	-	Uitgestelde belasting aanpassing t.o.v die vorige jaar
	<u>(434 750)</u>	<u>71 635</u>	<u>125 010</u>	<u>(256 660)</u>	
The tax on the group's profit before tax differs from the theoretical amount that would arise using the Namibian rate as follows					Die belasting op die groep se wins voor belasting verskil van die teoretiese bedrag wat verkry sou word as die Namibiese koers gebruik sou word, as volg:
					Wins voor belasting
Profit before tax	<u>2 458 548</u>	<u>4 089 500</u>	<u>3 992 914</u>	<u>1 847 814</u>	Belasting bereken teen 'n koers van 35% (2003:35%)
Tax calculated at a rate of 35% (2003:35%)	<u>(860 492)</u>	<u>(1 431 325)</u>	<u>(1 397 520)</u>	<u>(646 735)</u>	Vrygestelde inkomste
Income not subject to tax	449 251	457 921	477 491	413 584	Nie-toelaatbare aftrekkings
Expences not deductible for tax	(23 509)	(4 961)	(4 961)	(23 509)	Spesiale toelaes
Special allowances	-	1 050 000	1 050 000	-	
	<u>(434 750)</u>	<u>71 635</u>	<u>125 010</u>	<u>(256 660)</u>	
Gross calculated tax losses at the end of the financial year available for utilisation against future taxable income.	<u>11 950 893</u>	13 213 334	9 989 725	<u>9 269 954</u>	Bruto berekende belastingverlies aan die einde van die finansiële jaar beskikbaar vir gebruik teen toekomstige belasbare inkomste.
Less: Applied in reduction of deferred tax	<u>(5 801 056)</u>	<u>(5 528 863)</u>	<u>(5 752 740)</u>	<u>(5 766 283)</u>	Min: Aangewend om uitgestelde belasting te verminder
Net calculated tax losses carried forward	<u>6 149 837</u>	<u>7 684 471</u>	<u>4 236 985</u>	<u>3 503 671</u>	Netto berekende belastingverliese oorgedra
Tax relief calculated at current tax rates	<u>2 152 443</u>	<u>2 689 565</u>	<u>1 482 945</u>	<u>1 226 285</u>	Belastingverligting teen huidige belastingkoerse bereken
<b>8. Inventories</b>					<b>8. Voorraad</b>
Raw material	243 619	242 418	-	-	Grondstowwe
Finished products	45 917 350	41 979 980	37 187 327	42 984 961	Klaarprodukte
Consumables	337 050	443 082	421 199	334 207	Verbruikersmateriaal
	<u>46 498 019</u>	<u>42 665 480</u>	<u>37 608 526</u>	<u>43 319 168</u>	
<b>9. Accounts receivable</b>					<b>9. Rekeninge ontvangbaar</b>
Trade debtors	32 888 006	31 739 313	28 823 117	31 958 235	Handelsdebiteure
Other debtors	5 195 437	4 810 753	3 942 176	5 194 720	Ander debiteure
	<u>38 083 443</u>	<u>36 550 066</u>	<u>32 765 293</u>	<u>37 152 955</u>	

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	Consolidated		Co-operative		
	2004	2003	2003	2004	
	N\$	N\$	N\$	N\$	
<b>10. Bankoverdraft</b>					<b>10. Bankoortrekking</b>
The bank overdrafts are unsecured.					Die bankoortrekkings is ongesekureer.
<b>11. Outside shareholder's interest</b>					<b>11. Buite-aandeehouersbelang</b>
At beginning of year	27 106	13 095	-	-	Aan begin van die jaar
Share of net profit of subsidiary	126 059	70 053	-	-	Deel van netto wins van filiaal
Dividends paid	(103 065)	(56 042)	-	-	Dividende betaal
At end of year	<u>50 100</u>	<u>27 106</u>	<u>-</u>	<u>-</u>	Aan einde van jaar

**12. Disposal of subsidiary**

On 1 August 2003 the board of directors of Agra decided to dispose of 55% of its shares in Wire Industries (Pty) Ltd. The results of Wire Industries (Pty) Ltd were equity accounted for in the current year.

Assets and liabilities of Wire Industries on 1 August 2003 disposed of are as follows:

	2004	2003	2003	2004	
	N\$	N\$	N\$	N\$	
Property, plant and equipment	21 760	-	-	-	Eiendom, aanleg en toerusting
Current assets (except cash)	3 730 214	-	-	-	Bedryfsbates (uitgesluit kontant)
Cash	975 425	-	-	-	Kontant
Non-current assets	319 135	-	-	-	Nie - bedryfsbates
Non-current liabilities	(1 750 000)	-	-	-	Nie - bedryfslaste
Current liabilities	(3 637 846)	-	-	-	Bedryfslaste
Net liabilities	<u>(341 312)</u>	-	-	-	Netto laste
Proceeds from sale	550	-	-	-	Opbrenings met verkoop
Profit on disposal	<u>(341 862)</u>	-	-	-	Wins met verkoop

**12. Vervreemding van filiaal.**

Op 1 Augustus 2003 het die direksie van Agra besluit om 55% van sy aandele in Wire Industries (Edms) Bpk te verkoop. Die resultate van Wire Industries (Edms) Bpk is verantwoord op die ekwiteitsmetode gedurende die huidige jaar.

Bates en laste van Wire Industries op 1 Augustus 2003 verkoop, is as volg:

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	Consolidated		Co-operative	
	2004 N\$	2003 N\$	2003 N\$	2004 N\$
<b>13. Long-term loans</b>				
<b>13.1 Unsecured</b>				
Interest free loans not subject to any fixed terms of repayment.	<b>113 955</b>	169 924	169 924	<b>113 955</b>
Shareholder's loan which bears interest at 16,5% (2003:16,5%) and which is not subject to any fixed terms of repayment.	<b>155 161</b>	108 119	-	-
<b>13.2 Secured</b>				
Commercial Bank of Namibia Ltd Capital outstanding	<b>10 642 164</b>	14 441 562	14 441 562	<b>10 642 164</b>
Less:				
- Capital repayable in one year, and transferred to accounts payable	<b>(3 187 614)</b>	(3 860 024)	(3 860 024)	<b>(3 187 614)</b>
	<b>7 723 666</b>	10 859 581	10 751 462	<b>7 568 505</b>

The secured loans are due to the Commercial Bank of Namibia Ltd and are secured by a first continuing covering mortgage bond of N\$24 million (2003: N\$24 million) over certain land and buildings included in property, plant and equipment at a depreciated cost of N\$11 215 185 (2003: N\$11 203 642) and included in investment property at market value of N\$31 million (2003: N\$29 million). The loans bear interest at a rate of 11,25% p.a. (2003: 14,63%) per annum compounded monthly, payable on a monthly basis. Capital is repayable as follows:

Yearly instalments of N\$2 465 968 (2003:N\$3 787 570) until March 2005  
Yearly instalments of N\$1 696 203 (2003:N\$1 850 251) until August 2011

<b>Total borrowings</b>		
Interest free	<b>113 955</b>	169 924
At fixed rates	<b>155 161</b>	108 119
At floating rates	<b>20 662 257</b>	28 502 583
	<b>20 931 373</b>	28 780 626

**The effective interest rates at the balance sheet date were as follows:**

Bank overdrafts	<b>12,50%</b>	16,25%
Bank borrowings	<b>11,25%</b>	14,63%
Shareholder's loan	<b>16,50%</b>	16,50%

**13. Langtermynlenings**

**13.1 Onverseker**

Rentevrye lenings wat nie onderhewig is aan enige vaste terugbetalingsvoorwaardes nie.

Aandeelhouderslening wat rente dra teen 16,5% (2003:16,5%) en wat nie onderhewig is aan enige vaste terugbetalingsvoorwaardes nie.

**13.2 Verseker**

Commercial Bank van Namibië Bpk Kapitaal uitstaande  
Min:  
- Kapitaal binne een jaar betaalbaar en oorgedra na rekeninge betaalbaar

Die versekerde lenings is verskuldig aan die Commercial Bank van Namibië Bpk en is verseker deur 'n eerste dekkingsverband van N\$24 miljoen (2003: N\$24 miljoen) oor sekere grond en geboue ingesluit in eiendomme, aanleg en toerusting teen 'n depreseeerde waarde van N\$11 215 185 (2003: N\$11 203 642) en ingesluit in beleggingseiendomme teen 'n markwaarde van N\$ 31 miljoen (2003: N\$29 miljoen) Die lenings dra rente teen 11,25% p.a.(2003: 14,63%) per jaar, maandeliks saamgestel, wat maandeliks gedelg word. Die kapitaal is terugbetaalbaar soos volg:

Jaarlikse paaiemente van N\$2 465 968 (2003:N\$3 787 570) tot Maart 2005  
Jaarlikse paaiemente van N\$1 696 203 (2003:N\$1 850 251) tot Augustus 2011

<b>Totale lenings</b>		
Rentevry	<b>113 955</b>	-
Teen vaste koerse	-	27 916 451
Teen wisselende koerse	<b>21 776 653</b>	28 086 375
	<b>21 890 608</b>	

**Die effektiewe rentekoerse op die balansstaatdatum was as volg:**

Bankoortrekkings	<b>12,50%</b>	16,25%
Banklenings	<b>11,25%</b>	14,63%
Aandeelhouderslening	<b>16,50%</b>	16,50%

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14. Post-retirement obligations

The group provides post-retirement healthcare benefits to their retirees. The liability created in terms of the requirements of the revised AC 116 (Employee benefits) amounts to N\$25 million (2003: N\$25 million).

The principal actuarial assumptions used for accounting purposes were:

	2004 N\$	2003 N\$
Real rate of return	3,8 %	1 %
Discount rate	9,9 %	10,7 %
Medical inflation rate	6,1 %	9,7 %
	2004 N\$	2003 N\$
Balance of beginning of year	25 000 000	25 000 000
Current Service cost	321 000	600 000
Interest cost	2 639 000	3 800 000
Benefits paid	(1 854 000)	(1 400 000)
Benefit and assumption changes	(13 266 000)	-
Actuarial loss/(profit)	12 160 000	(3 000 000)
	<u>25 000 000</u>	<u>25 000 000</u>

The valuation of post-retirement benefits is based on generally accepted actuarial methodology and long-term valuation assumptions.

14. Na-aftredevoordele

Die groep voorsien na-aftrede mediese voordele aan sy afgetrede werknemers. Die aanspreeklikheid geskep in terme van die gewysigde RE 116 (Werknemervoordele) beloop N\$25 miljoen (2003: N\$25 miljoen).

Die belangrikste aktuariële aannames gebruik vir rekeningkundige doeleindes, was:

	2004 N\$	2003 N\$	2004 N\$	
	3,8 %	1 %	3,8 %	Reële opbrengskoers
	9,9 %	10,7 %	9,9 %	Verdikonteringskoers
	6,1 %	9,7 %	6,1 %	Mediese inflasiekoers
	2004 N\$	2003 N\$	2004 N\$	
	25 000 000	25 000 000	25 000 000	Saldo aan begin van die jaar
	321 000	600 000	321 000	Huidige diens koste
	2 639 000	3 800 000	2 639 000	Rentekoste
	(1 854 000)	(1 400 000)	(1 854 000)	Voordele betaal
	(13 266 000)	-	(13 260 000)	Voordele en aanname veranderings
	12 160 000	(3 000 000)	12 160 000	Aktuariële verlies/(wins)
	<u>25 000 000</u>	<u>25 000 000</u>	<u>25 000 000</u>	

Die waardasie van na-aftrede voordele word gebaseer op algemene aanvaarde aktuariële metodologie en langtermyn waardasie aannames.

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**Current employee members**

Particulars in respect of the current employee members belonging to the medical aid for which AGRA has a post-retirement medical aid liability as at the investigation date are as follows:

Age group

	2004 N\$	2003 N\$
Total:		
Number	17	25
Average age (years)	57	57

**Current pensioner members**

Details of the current pensioner members belonging to the medical aid are as follows:

	2004	2003
Total:		
Number	103	103
Average age (years)	68	69

Employees who have joined the group after 1 August 1998 do not receive any post-retirement benefits.

**Huidige werknemer-lede**

Besonderhede ten opsigte van huidige werknemers wat aan die mediese fonds behoort waarvoor AGRA 'n na-aftrede mediese fonds verpligting het, is tans as volg:

Ouderdomsgroep

	2003 N\$	2004 N\$	
Totaal:			
Aantal	25	17	
Gemiddelde ouderdom	57	57	

**Huidige pensioenaris-lede**

Besonderhede van die huidige pensioenaris-lede wat in die mediese fonds behoort, is as volg:

	2003	2004	
Totaal:			
Aantal	103	103	
Gemiddelde ouderdom	69	68	

Werknemers wie aangesluit het by die groep na 1 Augustus 1998 ontvang geen na-aftrede voordele.

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	Consolidated		Co-operative		
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>15. Deferred tax</b>	<b>(2 689 565)</b>	(2 456 815)	(1 357 935)	<b>(1 482 945)</b>	<b>15. Uitgestelde belasting (bate)</b>
Balance at beginning of year					Saldo aan begin van jaar
As previously reported	<b>657 489</b>	985 789	2 084 669	<b>1 864 109</b>	
Prior year adjustment in deferred tax	<b>(3 347 054)</b>	( 3 442 604)	(3 442 604)	<b>(3 347 054)</b>	
Movements during the year attributable to timing differences	<b>217 988</b>	(232 750)	(125 010)	<b>256 660</b>	Bewegings gedurende die jaar toeskryfbaar aan tydsberekening verskille
Sale of subsidiary	<b>319 134</b>	-	-	-	Verkoop van filiaal
Balance at end of year	<b>(2 152 443)</b>	(2 689 565)	(1 482 945)	<b>(1 226 285)</b>	Saldo aan einde van jaar
The balance comprises:					Die saldo behels:
Capital allowances	<b>6 988 523</b>	6 729 790	6 635 350	<b>6 934 943</b>	Kapitaaltoelae
Revaluation buildings	<b>5 851 165</b>	5 402 946	5 402 946	<b>5 851 165</b>	Herwaardasie geboue
Provisions	<b>(2 083 603)</b>	(1 464 304)	(1 291 507)	<b>(2 042 194)</b>	Voorsienings
Lease deposits	<b>24 285</b>	16 670	16 670	<b>24 285</b>	Huurdeposito's
Post-retirement healthcare benefits	<b>(8 750 000)</b>	( 8 750 000)	(8 750 000)	<b>(8 750 000)</b>	Na-aftrede mediese voordele
Gross calculated tax losses	<b>(4 182 813)</b>	(4 624 667)	(3 496 404)	<b>(3 244 484)</b>	Berekende belastingverliese
	<b>(2 152 443)</b>	(2 689 565)	(1 482 945)	<b>(1 226 285)</b>	

**16. Related party transactions**

The company is the holding company of the following subsidiaries:

	%
- Star Plastics (Pty) Ltd	100
- Ondangwa Service Station (Pty) Ltd	70
- Agra Verspreiders (Pty) Ltd	100
- Auas Vet Med (Pty) Ltd	100
- Agra Eiendomme (Pty) Ltd	100
- SWA Amalgameerde Afslaers (Pty) Ltd	100

The following is an associated company:

- Wire Industries (Pty) Ltd	45
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The following are related companies:

Lumley Agra Farmers Insurance Brokers (Pty) Ltd	50
Consolidated Sugar Industries (Namibia) (Pty) Ltd	24,5
Bloukop Veekraal (Pty) Ltd	50

**16. Verwante-partye transaksies**

Die maatskappy is die houermaatskappy van die volgende filiale:

	%
- Star Plastics (Edms) Bpk	100
- Ondangwa Service Station (Edms) Bpk	70
- Agra Verspreiders (Edms) Bpk	100
- Auas Vet Med (Edms) Bpk	100
- Agra Eiendomme (Edms) Bpk	100
- SWA Amalgameerde Afslaers (Edms) Bpk	100

Die volgende is 'n geassosieerde maatskappy:

- Wire Industries (Edms) Bpk	45
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Die volgende is verwante maatskappye:

Lumley Agra Farmers Insurance Brokers (Edms) Bpk	50
Consolidated Sugar Industries (Namibia) (Edms) Bpk	24,5
Bloukop Veekraal (Edms) Bpk	50

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The following transactions were carried out with related parties:  
plaasgevind:

Die volgende verwante-party transaksies het gedurende die jaar

	Consolidated		Co-operative		
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
i) Interest received:					i) Rente ontvang:
- Star Plastics (Pty) Ltd	-	-	48 681	48 814	- Star Plastics (Pty) Ltd
- Wire Industries (Pty) Ltd	-	-	245 000	-	- Wire Industries (Pty) Ltd
- Agra Verspreiders (Pty) Ltd	-	-	253 425	165 616	- Agra Verspreiders (Pty) Ltd
			547 106	214 430	
ii) Purchases					ii) Aankope
- Star Plastics (Pty) Ltd	-	-	10 130	-	- Star Plastics (Pty) Ltd
- Wire Industries (Pty) Ltd	-	-	12 887 539	11 602 264	- Wire Industries (Pty) Ltd
- Agra Verspreiders (Pty) Ltd	-	-	2 853 170	3 809 280	- Agra Verspreiders (Pty) Ltd
			15 750 839	15 411 544	
iii) Management fees and dividends received:	-	-	2 092 143	815 903	iii) Bestuursfooie en dividende ontvang:

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The Following balances were outstanding at year end:  
uitstaande op jaareinde:

	Consolidated		Co-operative		Die volgende balanse was
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
i) Accounts receivable:					i) Bedrae ontvangbaar:
- Star Plastics (Pty) Ltd	-	-	44 331	15 309	- Star Plastics (Edms) Bpk
- Wire industries (Pty) Ltd	-	-	899 261	-	- Wire Industries (Edms) Bpk
- Ondangwa Service Station (Pty) Ltd	-	-	231 894	197 092	- Ondangwa Service Station (Edms) Bpk
			1 175 486	212 401	
ii) Long- term receivables:					ii) Langtermynbedrae ontvangbaar:
- Star Plastics (Pty) Ltd	-	-	347 718	347 718	- Star Plastics (Edms) Bpk
- Wire Industries (Pty) Ltd	-	-	1 750 000	1 817 873	- Wire Industries (Edms) Bpk
- Ondangwa Service Station (Pty) Ltd	-	-	104 650	104 650	- Ondangwa Service Station (Edms) Bpk
- Agra Verspreiders (Pty) Ltd	-	-	1 553 204	1 744 103	- Agra Verspreiders (Edms) Bpk
- Lumley Agra Farmers Insurance Brokers (Pty) Ltd	-	-	-	-	- Lumley Agra Farmers Insurance Brokers (Edms) Bpk
- Bloukop Voerkraal (Pty) Ltd	100 050	100 000	100 000	100 050	- Bloukop Voerkraal (Edms) Bpk
- Consolidated Sugar Industries (Namibia) (Pty) Ltd	2 541 205	2 541 205	2 541 205	2 541 205	- Consolidated Sugar Industries (Namibia) (Edms) Bpk
	2 641 255	2 641 205	6 396 777	6 655 599	
iii) Long –term loan:					iii) Langtermynlenings:
- SWAAA	-	-	317 619	317 619	- SWAAA
- Auas Vetmed	-	-	-	1 515 294	- Auas Vetmed
The above transactions were carried out on commercial terms.	-	-	317 619	1 832 913	Die bogemelde transaksies is teen kommersiële terme uitgevoer.
<b>16. Guarantees</b>					<b>16. Waarborge</b>
Agra (Co-operative) Ltd guarantees the following liabilities:					Agra (Koöperatief) Bpk waarborg die volgende verpligtinge:
16.1 The bank overdraft of the accociated company, Wire Industries (Pty) Ltd and the subsidiary Star Plastics (Pty) Ltd, for the amount of N\$4,5 (2003:N\$3) million. At year-end the bank overdraft of Wire Industries amounted to N\$1 798 117 (2003:N\$978 425) and Star Plastics N\$291 713 (2003:N\$228 318)					16.1 Die bankoortrekkinge van geassosieerde maatskappy, Wire Industries( Edms) Bpk en filiaal maatskappy Star Plastics (Edms) Bpk tot 'n maksimum van N\$4,5 (2003:N\$3) miljoen. Die bankoortrekking van Wire Industries het op jaareinde N\$1 798 117 (2003:N\$978 425) beloop en Star Plastics N\$291 713 (2003:N\$228 318)
16.2 The co-operative has a contingent liability in favour of Standard Bank Namibia in respect of guarantees supplied by the bank on behalf of the co-operative.					16.2 Die koöperasie het 'n voorwaardelike verpligting teenoor Standard Bank Namibië ten opsigte van waarborge gegee deur die bank namens die koöperasie ten gunste van:
These guarantees are:					Die waarborge is as volg:
Department of Water Affairs	68 287	119 069	119 069	68 287	Departement van Waterwese
Meat Board	25 000	25 000	25 000	25 000	Vleisraad
Customs and Excise	200 000	200 000	200 000	200 000	Doeane en Aksyns
Nampower	29 180	29 180	29 180	29 180	Nampower
	322 467	373 249	373 249	322 467	

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	Consolidated		Co-operative		
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>18. Capital expenditure approved</b>					<b>18. Kapitaalluitgawes goedgekeur</b>
Commitments in respect of contracts placed	-	-	-	-	Verpligtinge ten opsigte van kontrakte aangegaan
Capital expenditure approved by the directors in addition to contracts placed	<u>3 449 661</u>	<u>3 569 740</u>	<u>3 569 740</u>	<u>3 449 661</u>	Goedgekeur deur die direkteure benewens kontrakte aangegaan
Finance will be provided by financial institutions and by working capital generated within the group.	<u>3 449 661</u>	<u>3 569 740</u>	<u>3 569 740</u>	<u>3 449 661</u>	Finansiering sal verskaf word deur finansiële instellings en deur bedryfskapitaal wat binne die groep voortgebring word.
<b>19. Working capital changes</b>					<b>19. Bedryfskapitaalveranderinge</b>
- Decrease / (Increase) in accounts Receivable	(3 634 336)	12 322 204	12 509 843	(4 387 662)	- Afname / (Toename) in rekeninge ontvangbaar
- Increase in inventories	(6 414 923)	(7 418 394)	(6 656 778)	(5 710 642)	- Toename in voorraad
- Increase / (Decrease) in accounts payable	<u>15 140 149</u>	<u>(4 120 029)</u>	<u>(4 781 841)</u>	<u>13 205 027</u>	- Toename / (Afname) in rekeninge betaalbaar
	<u>5 090 890</u>	<u>783 781</u>	<u>1 071 224</u>	<u>3 106 723</u>	
<b>20. Commitments</b>					<b>20. Verpligtinge</b>
The future minimum lease payments under operating lease contracts are as follows:					Die toekomstige minimum huurverpligtinge in terme van bedryfshuurkontrakte, is as volg:
Not later than one year	884 181	809 709	809 709	884 181	Nie later as een jaar
Later than one year, but not later than five years	1 892 015	1 165 910	1 165 910	1 892 015	Later as een jaar, maar nie later as vyf jaar nie
Later than five years	53 348	-	-	53 348	Later as vyf jaar

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	Consolidated		Co-operative		
	2004	2003	2003	2004	
	N\$	N\$	N\$	N\$	
The future minimum lease receivables under operating leases are as follows:					Die toekomstige minimum huur ontvangbaar in terme van bedryfshuur, is as volg:
Not later than one year	6 452 178	5 846 157	5 846 157	6 452 178	Nie later as een jaar
Later than one year, but not later than five years	27 486 278	26 460 867	26 460 867	27 486 278	Later as een jaar, maar nie later as vyf jaar nie
Later than five years	-	-	-	-	Later as vyf jaar
<b>21. Staff costs</b>					<b>21. Werknemersvergoeding</b>
Salaries and wages	24 355 101	23 985 552	22 444 538	23 183 882	Salarisse en lone
Social Security costs	100 897	101 305	96 253	95 318	Maatskaplike voorsorgfondsybydraes
Pension fund contributions	3 468 213	3 437 635	3 235 454	3 323 736	Pensioenfondsybydraes
Medical aid fund contributions	4 053 247	3 516 637	3 404 366	3 958 085	Mediese fondsybydraes
	<b>31 977 458</b>	<b>31 041 129</b>	<b>29 180 611</b>	<b>30 561 021</b>	
Number of person employed at the end of the year:	<b>451</b>	457	417	<b>418</b>	Aantal personeel werksaam aan die einde van die jaar:

22. Pension Scheme

All of the group's permanent employees are members of the Agra Retirement Fund which is a defined contribution fund governed by the Pension Funds Act of Namibia. A statutory actuarial valuation was carried out on 30 April 2001. In the actuary's opinion the fund was in a sound financial position. The employer is currently contributing at a rate of 15% of total salaries.

22. Pensioenskema

Al die groep se permanente werknemers is lede van die Agra Pensioenfonds. Die fonds is 'n gedefinieerde bydraefonds wat deur die Pensioenfondswet van Namibia beheer word. 'n Statutêre aktuariële waardasie is uitgevoer op 30 April 2001. In die aktuaris se opinie was die fonds in 'n gesonde finansiële posisie. Die werkgewer se bydrae tot die fonds is 15% van totale salarisse.

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Notes	Consolidated		Co-operative		Aante- keninge
	2004 N\$	2003 N\$	2003 N\$	2004 N\$	
<b>23. Operating Profit</b>					<b>23. Bedryfswins</b>
Operating profit is disclosed after debiting/(crediting) the following items:					Bedryfswins word getoon na die volgende items gedebiteer / (gekrediteer) is:
<b>Other operating income</b>	<b>12 106 339</b>	10 542 772	10 819 176	<b>12 656 391</b>	<b>Ander bedryfsinkomste</b>
Management fees	245 769	143 000	327 742	815 903	Bestuursgelde ontvang
Bonuses and dividends received	941 184	1 131 635	1 907 400	1 181 670	Bonuse en dividende ontvang
Interest received	-	3 558	-	226 619	Rente ontvang
Bad debts recovered	897 066	620 116	617 944	870 088	Slegte skulde verhaal
Profit on disposal of fixed assets	599 033	255 972	256 022	542 520	Wins verkoop van vaste bates
Profit on sale of investments	184 026	40 440	40 440	-	Wins verkoop van beleggings
Investment properties: Rent received	5 846 157	5 196 048	5 196 048	5 846 157	Beleggingseiendomme: Huur ontvang
Investment properties: Fair value gains	1 280 625	273 000	273 000	1 280 625	Beleggingseiendomme: Billike waarde aanpassing
Other income	2 112 479	2 879 003	2 200 580	1 892 809	Ander inkomste
<b>Expenses</b>					<b>Uitgawes</b>
Auditors' remuneration					Ouditeursvergoeding
- for the year	183 990	189 610	168 610	156 030	- vir die jaar
- other services	821 085	759 192	748 955	821 085	- ander dienste
Bad debts written off	556 089	1 964 123	1 733 497	551 066	Slegte skulde afgeskryf
Depreciation	2 393 775	2 749 556	2 586 740	2 231 829	Waardevermindering
Directors' remuneration	414 724	520 596	520 495	414 724	Direkteursvergoeding
Rent paid	206 029	279 596	181 524	98 424	Huur betaal
Direct operating costs: investment properties	3 380 857	4 416 375	4 416 375	3 380 857	Direkte bedryfskoste: beleggingseiendomme