

AGRA'S VISION AND MISSION STATEMENT

VISION

AGRA STRIVES TO BE THE MOST EFFECTIVE AND DYNAMIC AGRICULTURAL BUSINESS ORGANISATION IN NAMIBIA. WE ADD VALUE FOR ALL OUR STAKEHOLDERS BY PROVIDING

- **SUPERIOR SERVICE,**
- **A UNIQUE AND EXTENSIVE RANGE OF PRODUCTS AND**
- **A COUNTRYWIDE DISTRIBUTION NETWORK**

MISSION

TO CREATE WEALTH FOR OUR MEMBERS

AGRA SE VISIE EN MISSIE

VISIE

AGRA STREWE DAARNA OM DIE MEES EFFEKTIEWE EN DINAMIESE LANDBOUBESIGHEID IN NAMIBIË TE WEES. ONS VOEG WAARDE TOE VIR AL ONS BELANGEHOERS DEUR DIE VOLGENDE TE LEWER

- **UITSTAANDE DIENS,**
- **'N UNIEKE EN UITGEBREIDE REEKS PRODUKTE EN**
- **'N LANDSWYE VERSPREIDINGSNETWERK**

MISSIE

OM WELVAART VIR ONS LEDE TE SKEP

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REPORT OF THE SUPERVISORY COMMITTEE

for the year ended 31 July 2001

The financial results of the past year is evidence of the hard work put in and the board of directors, management and staff are once again congratulated on an excellent achievement. Apart from a few extraordinary factors which contributed to these good results, it should be accepted that these results are to a certain extent contradictory to our country's economy as well as the financial position of the majority of AGRA's members. Against this background the more conservative budget for the coming year is understandable.

The completed Auas Valley project is something which Agra's members can be proud of. The advantage of such diversification is clear; previously underutilised property is now a centre which can help to generate finances from outside agriculture, during lean farming years, to the advantage of agriculture. The disadvantage or risk attached to this diversification is just as clear; if the centre does not attract people, something will have to be done about it. Therefore the marketing of the centre is the responsibility of every director, employee and member.

During the year the SC visited the Registrar of Co-operatives. The purpose was, amongst others, to clear certain aspects regarding the status and the treatment of members' funds. The results were presented to the board of directors to deal with. The crux of the matter is that members who do business with AGRA, will eventually receive a material financial benefit in proportion to AGRA's performance.

It is also evident that there are still references in the statute, by implication, to the previous pool system. Although it is currently not an issue, it is the SC's opinion that these references should be rectified as soon as possible. This should be done in such a manner that the original objectives of AGRA as a comprehensive, countrywide co-operative are best supported.

The transition to a more suitable computer system was much needed. As is generally the case with information technology, there were the normal quota of transitional problems, which demanded time and attention from management. The phasing in of VAT during the year added to the problems. As soon as the system is functioning smoothly, management should have access to much improved management information.

The chairperson of the SC attended all directors' meetings. The SC indicated to the board of directors that the directors should receive the meeting documentation and supporting information timeously to enable them to adequately prepare for meetings. Furthermore, directors and staff who represent AGRA at other institutions should take care to ensure that shared loyalties are not to the detriment of AGRA.

VERSLAG VAN DIE TOESIGHOUDENDE KOMITEE

vir die jaar geëindig 31 Julie 2001

Die finansiële resultate van die afgelope jaar getuig van harde werk wat ingesit is en die direksie, bestuur en personeel word weereens gelukgewens met 'n goeie prestasie. Benewens enkele buitengewone items wat daartoe bygedra het, moet aanvaar word dat dit effens teenstrydig is met ons land se ekonomie en ook die finansiële posisie van die meerderheid lede van AGRA. Teen hierdie agtergrond is die meer konserwatiewe begroting vir die komende jaar verstaanbaar.

Die Auas Valley projek wat voltooi is, is werklik iets waarop AGRA-lede trots kan wees. Die voordeel van so 'n diversifikasie is duidelik; wat voorheen onderbenutte eiendom was, is nou iets wat in maer boerdery-jare kan help om van buite die landbou finansies te genereer ter wille van die landbou. Die nadeel of risiko verbonde aan diversifikasie is net so duidelik; as die sentrum nie mense lok nie sal dit nie maar net so gelaat kan word nie. Daarom is die bemerking van die sentrum die verantwoordelikheid van elke direkteur, van elke personeellid en van elke lid.

Gedurende die jaar het die TK 'n besoek gebring aan die Registrateur van Koöperasies. Die doel was onder andere om aspekte van die statuut en die hantering van ledefondse uit te klaar. Die resultaat daarvan is aan die direksie voorgedra om verder te hanteer. Die kern van die saak gaan daarom dat lede wat besigheid met AGRA doen, mettertyd 'n wesenlike finansiële voordeel behoort te verkry in verhouding tot sy prestasie.

Dit het ook geblyk dat daar steeds verwysings in die statuut is, al is dit by implikasie, na die vroeëre poelstelsel. Hoewel dit huidig niemand hinder nie, is die TK van mening dat dit liever reggestel moet word solank dit niemand hinder nie. Dit behoort so gedoen te word dat die oorspronklike doelstellings van AGRA as 'n omvattende, landswyse Koöperasie ten beste ondersteun kan word.

Die oorskakeling na 'n meer doelmatige rekenaarstelsel was baie nodig. Soos dit blykbaar maar met inligtingstegnologie gaan, was daar ook in hierdie geval die normale kwota probleme wat baie tyd en aandag van bestuur geverg het. Die infasering van BTW gedurende die jaar het dit nog verder vererger. Sodra die stelsel glad funksioneer behoort bestuur egter toegang te hê tot baie goeie en volledige bestuursinligting.

Alle direksievergaderings is deur die voorsitter van die TK bygewoon. Die TK het aan direksie uitgewys dat direkteure die vergaderingstukke met alle tersaaklike toeligting tydig moet ontvang sodat deeglik voorberei kan word. Verder behoort direkteure en personeel, wat AGRA by instansies verteenwoordig, te let op die moontlikheid dat AGRA se belang dalk tweede kom as gevolg van verdeelde lojaliteit.

REPORT OF THE SUPERVISORY COMMITTEE

for the year ended 31 July 2001

It can be confirmed that the board of directors and management are giving continued attention to affirmative action as prescribed by the Act. Progress is slow, which is understandable, since the training of staff takes time. Furthermore, the co-operative cannot act to its own detriment merely by adhering to quotas. On the other hand it is necessary to have a government certificate of compliance to continue our business. Training programs are in place and promising results are being obtained.

The Co-operative's Act prescribes that a co-operative should have a Supervisory Committee. Initially there was doubt if this is really necessary. Currently we are convinced that the SC has an important role to play and must be utilised fully by all the components of AGRA. The SC acts in the best interest of AGRA.

VERSLAG VAN DIE TOESIGHOUDEnde KOMITEE

vir die jaar geëindig 31 Julie 2001

Dit kan bevestig word dat direksie en bestuur deurlopende aandag gee aan regstellende aksie soos dit deur die wet voorgeskryf word. Vordering is wel stadig maar dit is te verstane omdat opleiding van personeel nie oornag kan plaasvind nie. Verder verwag niemand dat die Koöperasie homself ten gronde moet rig om aan die nodige kwotas te voldoen nie. Aan die ander kant is die regeringseertifikaat van voldoening 'n vereiste vir die voortsetting van ons besigheid. Opleidingsprogramme is in plek en lewer belowende resultate.

Die Koöperatiewe Wet skryf voor dat 'n Koöperasie 'n Toesighoudende Komitee moet hê. Aanvanklik was daar baie twyfel of dit regtig nodig is. Tans is ons daarvan oortuig dat die TK 'n belangrike rol het om te speel en ten volle benut moet word deur alle komponente van AGRA. Ons dra AGRA se belange op die hart

J H NIEUWOUT
VOORSITTER: TOESIGHOUDEnde KOMITEE
CHAIRMAN: SUPERVISORY COMMITTEE

REPORT OF THE CHAIRMAN

for the year ended 31 July 2001

The world economy is on the verge of a recession. Growth in the USA and Japan is very limited, therefore interest rates are still being reduced to stimulate economic activities.

In our region the recent decline in the value of the Rand, and therefore also of the Namibia Dollar, against the USA dollar is quite drastic. It will most probably continue and the N\$10,00 level by the end of the year is possible, unless there is strong action from South Africa to increase confidence in our region.

Interest rates may be further reduced in the near future which should also stimulate our economy and in such a way create employment opportunities – for which there is a big need.

We once again had a good rainy season and as far as grazing is concerned, we have ample reserves. Even more positive for this year is the increase in the price of livestock, especially cattle.

On a negative side it appears as if the uncertainty regarding the land issue in Zimbabwe has a depressing effect on the business with our members. The uncertainty forces farmers to cut back on their capital investment and even on repairs and maintenance. It is therefore important to obtain clarity on this issue and the eventual goals, in order to ascertain certainty of the farmers' positions so that relevant decisions can be taken and the farmers can go forward with confidence.

VAT was also implemented during the year, which for some had negative and for others positive effects. VAT also had a negative impact on Agra due to the large auction infrastructure and the exports to the South Africa accompanied by the time it takes to claim VAT back from the local Receiver of Revenue. Agra has done its best to support this process ensuring that we do not lose our purchasing power in the best interest of you, our members.

Agra reported a handsome profit of N\$7,55 million for the year under review and more detail is available in the financial statements. Our major capital expenditure program is now completed. It, however, had an impact on our capital composition and means that in the future we will focus even more on profitability. We have a good infrastructure and if we provide a good service there is no reason why this is not possible.

VERSLAG VAN DIE VOORSITTER

vir die jaar geëindig 31 Julie 2001

Die wêreldekonomie staan waarskynlik op die vooravond van 'n resessie. Groei in die VSA en Japan is baie beperk, daarom word daar steeds teruggesny op rentekoerse om sodoende ekonomiese aktiwiteit te stimuleer.

In ons streek is die verswakking van die rand, en gevolglik ook die Namibië Dollar, teenoor die VSA se dollar in die onlangse verlede redelik drasties. Dit sal na alle waarskynlikheid voortduur en is die N\$10,00 kerf reeds teen jaareinde 'n moontlikheid, tensy daar sterk optrede uit Suid-Afrika kom om meer vertroue in ons streek in te boesem.

Rentekoerse mag verder verlaag in die tyd wat voorlê om ook by ons die ekonomie te stimuleer en sodoende werksgeleenthede te skep – waaraan daar by ons groot behoefte is.

Die afgelope reënseisoen was weereens goed en wat weiding betref blyk daar feitlik nog oral goeie reserwes te wees. Nog meer positief die afgelope jaar is die styging in die prys van lewendende hawe, veral van beeste.

Aan die negatiewe kant wil dit voorkom asof die twyfel wat die hele grondkwestie, met sy aanloop uit Zimbabwe uit, by boere tot gevolg het, neerdrukkend inwerk op besigheid met ons lede. Die onsekerheid noop mense om in te kort op kapitaalspandering en selfs op herstelwerk en onderhoud. Dit is dus noodsaaklik dat daar so spoedig moontlik duidelike riglyne uitgeklaar sal word oor hierdie proses, asook die uiteindelijke doelwitte, sodat boere nie langer onseker hoef te wees oor wat elkeen se posisie is nie, mense die besluite kan neem wat vir hulle relevant is en met vertroue kan voortgaan.

BTW is ook gedurende die jaar ingestel met vir sommige 'n meer positiewe en vir ander meer negatiewe gevolge. So kos dit ook vir Agra tans nog heelwat geld vanweë die groot veilingsinfrastruktuur en die uitvoere na die RSA met die gepaardgaande terugeisproses wat nog baie tyd neem. Agra het egter sy beste gedoen om hierdie proses te help ondersteun om te voorkom dat ons koopkrag verloor, in belang van u as lede.

Agra sluit hierdie jaar af met 'n mooi wins van N\$7,55 miljoen waarvan u meer detail in die finansiële state sal sien. Ons groot kapitaalspandering is nou vir eers afgehandel. Dit het wel 'n impak gehad op ons kapitaalsamestelling en beteken dit dat ons fokus nou en in die toekoms net meer sal moet wees op ons winsgewendheid. Ons beskik oor 'n goeie infrastruktuur – en deur 'n goeie diens te lewer is daar geen rede hoekom dit nie moontlik is nie.

REPORT OF THE CHAIRMAN

for the year ended 31 July 2001

Like the capital spent in Auas Valley, the new IT system was also a big project. Although not without problems, I am glad to report that we have made good progress. We believe that both these projects will have benefits for us as far as cash flow is concerned, and the operational functioning of the business.

The Affirmative Action legislation has been implemented and as is evident, it is a material cost factor for Agra. As communicated to you last year, we are committed to ensure the success of this to the advantage of everybody involved. I would like to call on members to give their co-operation in this regard and to continue to support us, as in the past, to ensure the future success of Agra.

Members do business with Agra - which builds up our organisation, but often they feel that they do not get much in return. The board, on recommendation of the SC of Agra, has after much debate decided to distribute the biggest part of the year's profit to you, the members, instead of taking it to the general reserve. This will enable you as members when you retire or withdraw to receive a material amount back. If circumstances allow it, it is envisaged that the profit will be paid out to you on a five year rotation basis.

During the past year Agra, as in the past, adhered to its social responsibilities as a role player in agriculture, but also in the wider community in Namibia by, for example, providing bursaries to students, sponsorships and information actions.

To everybody involved at Agra, directly or indirectly, I would like to thank you for your contribution to the organisation. The demands made on our staff are high and are ever increasing. The world in which we operate is competitive and we have no other choice but to excel. We have all however seen examples of successes, both in the organisation and on the outside, to encourage everyone.

Also to our co-workers, the SC and my directors my sincere thanks and appreciation. We also thank Him on who we are dependent for the past year and for what we have achieved.

Finally my thanks to every co-director and SC member for your support and contributions made in the best interest of Agra, and together we thank Him who made everything possible this year.

**JW CHAPMAN
CHAIRMAN
VOORSITTER**

VERSLAG VAN DIE VOORSITTER

vir die jaar geëindig 31 Julie 2001

Soos die kapitaal spandeer in Auas Valley was ook die nuwe rekenaarsstelsel 'n groot projek. Alhoewel nie sonder probleme nie, is ek bly dat ons tans reeds ver gevorder het. Ons glo egter dat beide hierdie projekte vir die langer termyn vir ons groot voordele sal inhou wat inkomstevloei betref, sowel as operasionele funksionering van die besigheid.

Die Regstellende Aksie wetgewing is geïmplementeer en soos u sal sien is dit vir Agra 'n wesentlike kostefaktor, maar soos verlede jaar aan u meegedeel, is ons daartoe verbind om die sukses hiervan te verseker tot voordeel van almal betrokke. Ek wil ook 'n beroep op lede doen om ook saam te werk in dié verband en ons steeds te ondersteun soos in die verlede, om verder die sukses van Agra te verseker.

Lede doen besigheid met Agra – help opbou aan ons organisasie, maar voel dikwels dat daar nie veel na hulle terugkom nie. Die Raad, op aanbeveling van die TK van Agra, het na vele debatvoering besluit om die grootste deel van die jaar se wins aan u as lede toe te ken, in plaas van dit na die Algemene Reserwe te neem, sodat u as lede dan mettertyd by aftrede of uittrede 'n wesentlike bedrag sal terugontvang. Indien omstandighede dit toelaat is dit die gedagte dat dit op 'n vyf jaar rotasiebasis uitbetaal sal word aan u.

Agra het in die afgelope jaar, soos in die verlede, ook sy sosiale verantwoordelikheid nagekom as rolspeler in die landbou, maar ook binne de breë gemeenskap in Namibia deur onder andere beurse aan studente, borgskappe en voorligtingsaksies.

Aan almal direk of indirek betrokke by Agra wil ek graag baie dankie sê vir u bydrae tot die organisasie. Die eise aan ons personeel bly hoog en word steeds hoër – die wêreld waarin ons meeding is kompetender en ons het geen ander keuse as om te presteer nie. Ons sien egter genoeg voorbeelde van mooi suksesse in die organisasie en daarbuite om ons almal verder aan te spoor.

Ook aan ons medewerkers, die TK en my mede-direkteure my opregte dank. So ook dank ons Hom van wie ons afhanklik is, vir die jaar wat verby is en vir dit wat ons kon bereik.

Laastens my dank aan elke mede-direkteur en TK lid vir u ondersteuning en bydraes in belang van AGRA, en saam dank ons Hom wat alles moontlik gemaak het in die afgelope jaar.

OVERVIEW

The year under review was characterised by another relatively good rain season, albeit very late, which contributed substantially to the excellent results achieved in Agra's Livestock Division. Competition continued to remain fierce in the Namibian Retail Sector with more players targeting the declining agricultural market.

On the positive side prime overdraft interest rates declined even further from 15,5% in July 2000 to 14,5% in July 2001. Agra's extensive Capital Expenditure programme was finalised during the year and a period of consolidation is envisaged for the foreseeable future.

Unemployment in our country presents an increasing threat to our economy. This has a direct effect on stock losses and theft in our Retail Stores, which has escalated substantially during the year under review.

We cannot ignore the effect that the terrorist attack in the USA on 11 September 2001 will have on the world economy and therefore also on us in Namibia.

Tourism, one of our growing industries, will probably be affected the most in the short term, while all other industries will feel the effects of higher prices only in the months to come.

As far as the current year is concerned we are pleased to report a net surplus for the Co-operative of N\$7,5 million compared to N\$4,5 million last year and a net surplus of N\$7,55 million for the Agra Group compared to N\$4,1 million last year. These are the amounts before any distribution to members.

OORSIG

Die jaar onder oorsig was weereens gekenmerk deur 'n relatiewe goeie reënseisoen, al was dit baie laat, wat wesenlik bygedra het tot die uitstekende resultate behaal in Agra se Lewende Hawe afdeling. Strawwe kompetisie is steeds ondervind in die Namibiese kleinhandelsektor met meer spelers wat die dalende landboumark teiken.

Aan die positiewe kant het die prima onttrekkingskoerse selfs verder gedaal vanaf 15,5% in Julie 2000 tot 14,5% in Julie 2001. Agra se uitgebreide kapitale investeringsprogramme is gefinaliseer gedurende die jaar en 'n periode van konsolidasie word voorsien vir die nabye toekoms.

Werkloosheid in ons land bied 'n al hoe groter bedreiging vir ons ekonomie. Dit het 'n direkte uitwerking op voorraadverliese en diefstal in ons kleinhandelwinkels wat wesenlik toegeneem het gedurende die jaar onder oorsig.

Ons kan nie die effek wat die terroriste aanval in die VSA op 11 September 2001 op die wêreld ekonomie, en daarom ook op ons in Namibië sal hê, ignoreer nie.

Die toerismebedryf, een van ons groeiende industrieë, sal waarskynlik die meeste beïnvloed word in die korttermyn, terwyl al die ander industrieë die effek van hoër pryse eers sal voel in die maande wat voorlê.

Sover dit die huidige jaar betref, is dit vir ons aangenaam om 'n netto surplus vir die koöperasie te rapporteer van N\$7,5 miljoen in vergelyking met die N\$4,5 miljoen verlede jaar en 'n netto surplus van N\$7,55 miljoen by die Agra groep in vergelyking met die N\$4,1 miljoen verlede jaar. Hierdie is die bedrae voor enige toedeling aan lede.

for the year ended 31 July 2001

Below follows an analysis of AGRA's results:

1. LIVESTOCK

Gross Value of Livestock transactions for the year under review (excluding karakul pelts and wool) amounted to N\$330 million compared to N\$270 million in 2000. This represents an increase of 22%. Net turnover achieved in this category totalled N\$14,70 million compared to N\$10,63 million in 2000, an increase of 38%. Growth in this division was achieved mostly through AGRA's Livestock Auction Business and the successful export of 38 000 sheep and goats to Saudi Arabia.

1.1 KARAKUL

Pelt quantities offered for sale at the two auctions in Copenhagen during December 2000 and June 2001 amounted to 105 496 which shows an increase of 14 % compared to the 92 232 skins sold during the year ending July 2000. Prices of Pelts rose from an average of N\$164,26 in the last financial period to N\$184,94 for the year under review, an increase of 13%.

According to reports received from Agra's partner, Copenhagen Fur Centre in Denmark, and various other important role players in the fur industry abroad, there is cautious optimism regarding the quantity of pelts demanded and the price levels achieved during the last financial year. Anti-fur lobbies are still very active and will determine to an extent the stability of the fur market.

The AGRA Pelt Centre was once again not in a position to break even and showed a loss of N\$213 000 (2000: N\$127 000). This is largely as a result of increased personnel costs which were incurred to ensure a smooth transition from the previous manager of the Pelt Centre, Mr Fanie Viljoen who has left us in July of this year after 13 years of loyal and dedicated serves, to Mr Wessel Visser who joined Agra in August 2000. Agra has also appointed a trainee pelt sorter to ensure that the specific skills necessary to fulfil the sorting function in the pelt centre are maintained.

We are convinced that this division will become profitable in the new financial year.

1.2 OVERALL LIVESTOCK DIVISION

As a result of the increased turnover, cost saving measures and increased margins that were obtained in this division, the net result before Head Office overhead costs achieved increased to N\$4,7 million (2000: N\$1,9 million).

vir die jaar geëindig 31 Julie 2001

Hieronder volg 'n ontleding van Agra se resultate:

1. LEWENDE HAWE

Die bruto waarde van die lewende hawe transaksies vir die jaar onder oorsig (uitgesluit karakoelpelse en wol) het N\$330 miljoen beloop in vergelyking met die N\$270 miljoen in 2000. Dit verteenwoordig 'n toename van 22%. Netto omset behaal in hierdie kategorie het N\$14,70 miljoen beloop in vergelyking met N\$10,63 miljoen in 2000, 'n toename van 38%. Groei in hierdie afdeling was hoofsaaklik behaal deur AGRA se Lewende Hawe veilingsbesigheid en die suksesvolle uitvoer van 38 000 skape en bokke na Saoedi Arabië.

1.1 KARAKOEL

Die hoeveelheid karakoelpelse te koop aangebied by die twee veilings in Copenhagen gedurende Desember 2000 en Junie 2001 beloop 'n totaal van 105 496 pelse wat 'n toename van 14% verteenwoordig in vergelyking met die 92 232 pelse verkoop gedurende die jaar geëindig Julie 2000. Pryse van pelse het toegeneem vanaf 'n gemiddelde van N\$164,26 in die vorige finansiële periode na N\$184,94 gedurende die jaar onder oorsig, 'n toename van 13%.

Volgens verslae ontvang vanaf Agra se vennoot, Copenhagen Fur Centre in Denemark, en verskeie ander belangrike rolspelers in die pelsbedryf oorsee, is daar versigtige optimisme rakende die vraag na pelse en die prysvlakke behaal gedurende die laaste finansiële jaar. Anti-pels drukgroepe is steeds baie aktief en sal tot 'n mate die stabiliteit van die pelsmark bepaal.

Die Agra pelssentrum was weereens nie in 'n posisie om gelyk te breek nie en het 'n verlies getoon van N\$213 000 (2000: N\$127 000). Dit is hoofsaaklik as gevolg van verhoogde personeelkoste wat aangegaan moes word om 'n gladde oorgang te bewerkstellig vanaf die vorige bestuurder van die pelssentrum, Mnr Fanie Viljoen, wat ons verlaat het in Julie hierdie jaar na 13 jaar van lojale en toegewyde diens, na Mnr Wessel Visser wat by Agra aangesluit het in Augustus 2000. Agra het ook 'n leerlingpelssorteerder aangestel om seker te maak dat die spesifieke vaardighede wat nodig is vir die sorteerfunksie behoue bly in die pelssentrum.

Ons is daarvan oortuig dat hierdie afdeling winsgewend sal raak in die nuwe finansiële jaar.

1.2 ALGEHELE LEWENDE HAWE AFDELING

As gevolg van 'n styging in die omset, kostebesparingsmaatreëls en groter marges wat behaal is in hierdie afdeling, het die netto resultaat voor hoofkantoor oorhoofse koste toegeneem na N\$4,7 miljoen (2000 : N\$1,9 miljoen).

2. TRADE

Total Group Turnover amounted to N\$250 million for the current year compared to N\$223 million in 2000. This represents a growth of 12 %.

2.1 RETAIL AGRA BRANCHES

Turnover increased by 11,6% compared to last year. This must be seen against the background of another good rain season which had a negative effect on the sales of feeds and licks and a 46% increase in fuel sales. Although fuel now contributes about 20% to Agra's total sales the gross margin earned by Agra is very low.

Nevertheless we are pleased to report a surplus in the retail division before head office costs of N\$5,3 million compared to N\$4,6 million in the year 2000. This represents an increase of 15% and was achieved under conditions of increased competition, price conscious customers and increased losses as a result of theft and fraud.

2.2 WHOLESALE

This division consists of the Agra Distribution Depot and the gas filling plant in Okahandja. Turnover increased by 4% compared to last year, with the net surplus increasing by 0,5% to N\$1,063 million before head office costs.

2.3 SAFARI DEN

The whole tourism sector in Namibia went through a difficult and declining phase in the year under review, and the Safari Den Division was no exception.

Turnover decreased by 5% compared to last year, while expenses increased by 41% mainly as a result of increased marketing, building and personnel costs.

We are confident that sales will improve in the new financial year and that Safari Den will then once again positively contribute to Agra's Results.

2. HANDEL

Totale groepsomset het N\$250 miljoen beloop vir die huidige jaar in vergelyking met N\$223 miljoen in 2000. Dit verteenwoordig 'n groei van 12%.

2.1 AGRA TAKKE

Omset het toegeneem met 11,6% in vergelyking met verlede jaar. Dit moet gesien word teen die agtergrond van nog 'n goeie reënseisoen wat 'n negatiewe uitwerking gehad het op die verkope van voere en lekke en 'n 46% toename in brandstofverkope. Alhoewel brandstof nou 20% bydra tot Agra se totale verkope, is die bruto marge verdien deur Agra baie laag.

Dit is nogtans vir ons aangenaam om 'n surplus te rapporteer in die kleinhandelafdeling van N\$5,3 miljoen voor hoofkantoor koste in vergelyking met N\$4,6 miljoen in die jaar 2000. Dit verteenwoordig 'n toename van 15% en was behaal onder toestande van toenemende kompetisie, prysbewuste klante en toenemende verliese as gevolg van diefstal en bedrog.

2.2 GROOTHANDEL

Hierdie afdeling bestaan uit die Agra Distribusiesentrum en die gasdepot in Okahandja. Omset het toegeneem met 4% in vergelyking met verlede jaar, met die netto surplus wat gestyg het met 0,5% tot N\$1,063 miljoen voor hoofkantoor koste.

2.3 SAFARI DEN

Die hele toerismebedryf in Namibië het deur 'n swaar en dalende fase gegaan gedurende die jaar onder oorsig, en Safari Den was geen uitsondering nie.

Omset het met 5% gedaal in vergelyking met verlede jaar, terwyl uitgawes toegeneem het met 41% hoofsaaklik as gevolg van toenemende bemarkings-, geboue- en personeel koste.

Ons is vol vertroue dat verkope sal verbeter in die nuwe finansiële jaar en dat Safari Den dan weereens positief sal bydrae tot Agra se resultate.

3. SUBSIDIARIES AND ASSOCIATED COMPANIES

3.1 WIRE INDUSTRIES (PTY) LTD

During the year under review it was decided to consolidate the operations of Wire Industries and Star Plastics into one management unit. Although both units retain their identity, expenses like administration, rental, personnel costs etc. are shared between the businesses thereby reducing their respective overhead cost structures.

Wire Industries' operating profit amounted to N\$139 000 this year compared to N\$95 000 in the preceding year.

3.2 STAR PLASTICS (PTY) LTD

This subsidiary has once again not performed according to expectations. It was therefore decided as outlined in 3.1 above to consolidate management and operations with Wire Industries.

The benefits resulting from an improved cost structure will hopefully ensure that this company will become profitable during the year ahead.

Net operating loss for 2001 amounted to N\$367 000 compared to loss of N\$464 000 in the previous year.

3. FILIALE EN VERWANTE MAATSKAPPE

3.1 WIRE INDUSTRIES (EDMS) BPK

Gedurende die jaar onder oorsig is besluit om die bedrywighede van Wire Industries en Star Plastics in een bestuursseenheid te konsolideer. Alhoewel beide eenhede hulle identiteit behou, word uitgawes soos administrasie, huur, personeelkoste ensovoorts gedeel tussen die besighede en word hul onderskeie oorhoofse kostestrukture verlaag.

Wire Industries se bedryfswins het N\$139 000 beloop hierdie jaar in vergelyking met N\$95 000 in die voorafgaande jaar.

3.2 STAR PLASTICS (EDMS) BPK

Hierdie filiaal het weereens nie na verwagting presteer nie. Gevolglik is daar besluit, soos hierbo in 3.1 uiteengesit, om bestuur en bedrywighede te konsolideer met dié van Wire Industries.

Die voordele wat sal voortspruit uit 'n verbeterde kostestruktuur sal hopelik verseker dat hierdie maatskappy winsgewend sal raak gedurende die jaar wat voorlê.

Die netto bedryfsverlies vir 2001 het N\$367 000 beloop in vergelyking met die verlies van N\$464 000 in die vorige jaar.

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3.3 ONJAMBA SERVICE STATION

This subsidiary performed reasonably well, although major management and stock-loss problems were experienced during the year. We trust that the current management will ensure that all controls and systems are maintained and implemented, in order to achieve an even better result in the new year.

Turnover amounted to N\$12,5 million with Profit before taxation at N\$104 000 and Profit after taxation at N\$68 000 for the year.

4. AGRA CO-OPERATIVE LIMITED – HEAD OFFICE

Total head office expenses increased by 13% overall compared to the year ending 31 July 2000.

The most notable increases in costs were as follows:

- Human Resources: Costs increased by 29% overall, of which training costs for staff and Affirmative Action expenses had the largest impact.
- Information Technology: As indicated in last year's report, Agra has embarked on the development and implementation of a totally new computer system which entailed the upgrading of most of our computer hardware. Depreciation charges on equipment alone increased by 187% compared to the previous year. This is

3.3 ONJAMBA DIENSSTASIE

Hierdie filiaal het redelik goed vertoon, alhoewel groot bestuurs- en voorraadverliesprobleme ondervind is gedurende die jaar. Ons vertrou dat die huidige bestuur seker sal maak dat alle kontroles en stelsels geïmplementeer en instand gehou sal word, ten einde selfs beter resultate te behaal in die nuwe jaar.

Omset het N\$12,5 miljoen beloop met wins voor belasting van N\$104 000 en wins na belasting van N\$68 000 vir die jaar.

4. AGRA (KOÖPERATIEF) BEPERK – HOOFKANTOOR

Totale hoofkantoorcostes het toegeneem met 13% in vergelyking met die jaar wat geëindig het op 31 Julie 2000.

Toename in kostes wat uitgestaan het, was die volgende:

- Personeelkoste: Koste in totaal het toegeneem met 29% waarvan opleidingskoste vir personeel en regstellende aksie koste die grootse impak gehad het.
- Inligtingstegnologie: Soos aangedui in verlede jaar se verslag, het Agra begin met die ontwikkeling en implementering van 'n totale nuwe rekenaarstelsel, wat insluit die opgradering van die meeste van ons rekenaar hardware. Waardevermindering op toerusting het

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for the year ended 31 July 2001

in line with Agra's information technology strategy.

- Financial Department: Costs increased by 25% mostly as a result of additional professional fees which were incurred during the planning and preparation phase for the IT system.

5. AUAS VALLEY SHOPPING MALL

This beautiful and spacious centre was finally completed during March 2001. Unfortunately it is not fully let at the moment due to an oversupply of lettable space in Windhoek and fierce competition for customers in the retail groceries market.

The success of any shopping centre revolves around the capability of the anchor tenant(s) to draw customers into the complex.

More marketing effort needs to be undertaken by both Alfa/Friendly Grocer and Agra as the landlord of the premises to increase the number of clients into the Mall.

6. FINANCIAL RESULTS

The Agra Group achieved a net surplus, before taxation and distribution to members, of N\$7,55 million (2000: N\$4,1 million) and the Co-operative a net surplus of N\$7,5 million (2000: N\$4,5 million). The Board of Directors has allocated an amount of N\$5,0 million to members for the year under review.

Gross Profits increased by 15% for the group and 14% for the Co-operative to N\$54 million and N\$48 million respectively.

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toegeneem met 187% in vergelyking met die vorige jaar. Dit is ooreenstemming met Agra se inligtingstegnologie-strategie.

- Finansiële departement: Koste het toegeneem met 25%, hoofsaaklik as gevolg van addisionele professionele fooie wat aangegaan is gedurende die beplannings- en voorbereidingsfase vir die nuwe inligtingstegnologiesestelsel.

5. AUAS VALLEY WINKELSENTRUM

Hierdie pragtige en ruim sentrum is finaal voltooi gedurende Maart 2001. Ongelukkig is dit nie ten volle verhuur op die oomblik nie as gevolg die oorvoorsiening van verhuurbare spasie in Windhoek en strawwe kompetisie vir klante in die kleinhandel kruideniersware mark.

Die sukses van enige winkelsentrum hang af van die vermoë van die ankerhuurder(s) om klante na die kompleks te trek. Meer bemarkingsaksies sal deur beide Alfa/Friendly Grocer en Agra, as die eienaar van die eiendom, onderneem moet word om die aantal klante na die sentrum te verhoog.

6. FINANSIËLE RESULTATE

Die Agra groep het 'n netto surplus, voor belasting en toedeling aan lede, van N\$7,55 miljoen (2000 : N\$4,1 miljoen) behaal en die Koöperasie 'n netto surplus van N\$7,5 miljoen (2000 : N\$4,5 miljoen). Die raad van direkteure het 'n toedeling aan lede van N\$5,0 miljoen vir die jaar onder oorsig gedoen.

Bruto winste het toegeneem met 15% vir die groep en 14% vir die Koöperasie na N\$54 miljoen en N\$48 miljoen onderskeidelik.

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Total expenses increased by 11% for the group and 13% for the Co-operative.
Major cost categories performed as follows compared to the preceding years:

Other Income:	Increased by 27% for the group and 39% for the Co-operative mainly due to the better than expected dividend flows from Agra's investments and the profit generated through the sale of Agra's interest in Veekos Sentraal Ltd and Veekos (Pty) Ltd in Uppington.
Stock Costs:	As mentioned earlier on in this report, the incidence of theft and stock losses has increased dramatically. Although we have implemented more controls and systems to minimise stock losses, it has become virtually impossible to contain this cost item to acceptable levels. Current stock shortages show an increase of 46% over last year and represents 0,44% of total turnover. Agra's target is 0,3% of total turnover.
Marketing Costs:	This item increased by 20% compared to last year. This is in line with Agra's strategy to make our co-operative more visible to all our customers and reflects the competitive retail environment where advertising in the different media is a necessity to retain market share.
Net Property Income:	Rent received improved from N\$3,5 million last year to N\$4,7 million in 2001. Various cost items however also increased substantially like municipal costs with 35%, repairs and maintenance of buildings and auction pens and security with 70% resulting in a net income of N\$910 000 for the current year compared to N\$941 000 in 2000.
Transport Costs:	Increased by 10% overall compared to last year.

Totale uitgawes het toegeneem met 11% vir die groep en 13% vir die Koöperasie.
Die belangrikste kostekategorieë het as volg presteer in vergelyking met die voorafgaande jaar:

Ander inkomste:	Het toegeneem met 27% vir die groep en 39% vir die Koöperasie, hoofsaaklik as gevolg van die beter as verwagte dividend inkomste vanaf Agra se beleggings en die wins gegeneer deur die verkoop van Agra se belang in Veekos Sentraal Beperk en Veekos (Edms) Bpk in Uppington.
Voorraadkoste:	Soos reeds vroeër gemeld in hierdie verslag, het die voorkoms van diefstal en voorraadverliese dramaties toegeneem. Alhoewel ons meer kontroles en stelsels geïmplementeer het om voorraadverliese te verminder, het dit feitlik onmoontlik geraak om hierdie koste-item tot aanvaarbare vlakke te beperk. Huidige voorraadverliese toon 'n toename van 46% teenoor verlede jaar en verteenwoordig 0,44% van totale omset. Agra se teiken is 0,3% van totale omset.
Bemarkingskoste:	Hierdie item het toegeneem met 20% in vergelyking met verlede jaar. Dit is in ooreenstemming met Agra se strategie om ons Koöperasie meer sigbaar te maak vir al ons klante en reflekteer die kompeterende kleinhandelomgewing waar advertensies in die verskillende media noodsaaklik is om marktaandeel te behou.
Netto geboue inkomste:	Huur ontvang het verbeter vanaf N\$3,5 miljoen verlede jaar na N\$4,7 miljoen in 2001. Verskeie koste items het egter ook wesenlik toegeneem soos munisipale koste met 35%, herstelwerk en instandhouding van geboue en veilingskrale en sekuriteit met 70%, wat tot gevolg het 'n netto inkomste van N\$910 000 vir die huidige jaar in vergelyking met N\$941 000 in 2000.
Vervoerkoste:	Het in totaal toegeneem met 10% in vergelyking met verlede jaar.

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Personnel Costs:	Increased by 7% overall. Affirmative Action costs amounted to N\$510 000 for the current year compared to N\$31 000 in 2000 and medical aid costs increasing by 8% over last year.
Directors' Fees:	This item increased by 48% mostly as a result of increased Travelling and Accommodation costs refunded to board members.
Administration Expenses:	Increased by 6% compared to last year. Bad debts written off for the current year amounted to N\$1,9 million which includes a general provision for doubtful debts of N\$1 391 000. Last year's figure amounted to N\$1,0 million.
Financing Costs:	With the completion of Agra's capital expenditure program during the current year, finance costs increased from N\$1,9 million the preceding year to N\$2,9 million for 2001.

Balance sheet ratios of the Group and the Co-operative remain acceptable although the debt to equity ratio of the Group has changed from 38,6% in 2000 to 49,97% in the current year which is a direct result of Agra's capital expenditure program. Current assets to current liabilities ratio declined slightly from 1,58:1 in 2000 to 1,40:1 in 2001.

7. TAXATION

The net surplus of the group, after a N\$5 million distribution to members has been deducted, amounts to N\$2,55 million. The board of directors has decided to provide for deferred tax on building allowances. A prior year tax charge of N\$656 000 for the Co-operative and a tax credit of N\$180 000 for the group resulted in the net surplus after taxation being adjusted to N\$3,9 million for the Co-operative and N\$4,3 million for the group in 2000. During the current year, a tax credit of N\$644 000 for the co-operative and N\$726 000 for the group resulted in a net surplus after distribution to members and taxation of N\$3,2 million for the Co-operative and N\$3,25 million for the group.

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Personeelkoste:	Het in totaal toegeneem met 7%. Regstellende aksie koste beloop N\$510 000 vir die huidige jaar in vergelyking met N\$31 000 in 2000, en mediese fondskoste het toegeneem met 8% teenoor verlede jaar.
Direkteurskoste:	Hierdie item het met 48% toegeneem meestal as gevolg van toenemende reis- en verblyfkoste wat aangegaan word deur raadslede.
Administratiewe koste:	Het toegeneem met 6% in vergelyking met verlede jaar. Slegte skulde afgeskryf vir die huidige jaar beloop N\$1,9 miljoen wat insluit 'n algemene voorsiening vir twyfelagtige skulde van N\$1 391 000. Verlede jaar se syfer beloop N\$1,0 miljoen.
Finansieringskoste:	Met die voltooiing van Agra se kapitale investeringprogram gedurende die huidige jaar, het finansieringskoste toegeneem vanaf N\$1,9 miljoen die vorige jaar na N\$2,9 miljoen vir 2001.

Balansstaatverhoudings van die groep en die koöperasie het aanvaarbaar gebly, al het die skuld tot &witeit-verhouding van die groep verander van 38,6% in 2000 tot 49,97% in die huidige jaar, wat die direkte resultaat is van Agra se kapitale spanderingprogram. Die bedryfsbate tot bedryfslaste verhouding het effens afgeneem van 1,58:1 in 2000 tot 1,40:1 in 2001.

7. BELASTING

Die netto surplus van die groep, na 'n toedeling aan die lede van N\$5 miljoen afgetrek is, beloop N\$2,55 miljoen. Die raad van direkteure het besluit om uitgestelde belasting te voorsien op gebouoelaes. 'n Vorige jaar se belastingkoste van N\$656 000 vir die koöperasie en 'n belastingkrediet van N\$180 000 vir die groep het tot gevolg dat die netto surplus na belasting aangepas word tot N\$3,9 miljoen vir die koöperasie en N\$4,3 miljoen vir die groep in 2000. Gedurende die huidige jaar is daar 'n belastingkrediet van N\$644 000 vir die koöperasie en N\$726 000 in die groep, wat 'n netto surplus na toedeling aan lede en belasting van N\$3,2 miljoen vir die koöperasie en N\$3,25 miljoen vir die groep tot gevolg het.

REPORT OF THE CHIEF EXECUTIVE OFFICER

for the year ended 31 July 2001

8. FUTURE OUTLOOK

There seems to be a definite tendency in the commercial farming community to keep new investments into farming infrastructure to a minimum.

As this market segment still comprises the biggest share of Agra's turnover, it will definitely have a negative impact on our results in the coming year. The retail market in Namibia is becoming overtraded with competition increasing continuously which in turn puts pressure on gross profit margins.

It is also a fact that with higher fuel prices and a general increase in the inflation rate the disposable income of consumers is declining.

Taking all of the above factors into account we forecast a difficult trading year with a much lower net surplus than achieved during the current year.

9. BUDGETS FOR THE YEAR ENDING 31 JULY 2002

9.1 CAPITAL EXPENDITURE BUDGET

In line with a drop in expected earnings 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 2001/2002.

The upgrading of our computer hardware and software will enter its last phase and should be completed by the end of 2001.

The structural upgrading of certain branches plus the investment in auction pens at the Windhoek Show Grounds and the retention monies on Auas Valley Shopping Mall make up the bulk of fixed property expenditure.

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8. TOEKOMSTIGE VERWAGTINGE

Dit blyk dat daar 'n definitiewe tendens in die kommersiële boerderygemeenskap is om nuwe beleggings in boerdery infrastruktuur tot die minimum te beperk.

Omrede hierdie marksegment steeds die grootste gedeelte van Agra se omset behels, sal dit beslis 'n negatiewe impak op ons resultate hê in die komende jaar. Die kleinhandelmark in Namibië raak nou oorstrom met kompetisie wat aanhoudend toeneem en wat dan gevolglik druk uitoefen op bruto wins marges.

Dit is ook 'n feit dat met hoër brandstofpryse en 'n algemene toename in die inflasiekoers die besteebare inkomste van verbruikers afneem.

Met al bogenoemde faktore in ag geneem voorspel ons 'n moeilike handelsjaar wat voorlê met 'n veel laer netto surplus as wat behaal is gedurende die huidige jaar.

9. BEGROTINGS VIR DIE JAAR GEËINDIG 31 JULIE 2002

9.1 KAPITALE SPANDERINGS BEGROTING

In ooreenstemming met die verwagte daling in verdienste, is die kapitale spanderings begroting opgestel op so 'n manier dat slegs kapitale items wat absoluut noodsaaklik is vir die voortgesette bedryf van Agra begroot is vir die jaar 2001/2002.

Die opgradering van ons rekenaar hardeware en sagteware sal die laaste fase binnegaan en behoort voltooi te wees teen die einde van 2001.

Die strukturele opgradering van sekere takke plus die investering in veilingskrale by die Windhoek Skougronde en die retensiegelde op die Auas Valley Winkelsentrum vorm die grootste gedeelte van die vaste eiendom uitgawes.

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Capital Expenditure for the 2001/2002 financial year is thus budgeted as follows:

	N\$ million
Upgrading and development of fixed property	2,75
Information Technology	1,99
Commercial Vehicles	0,20
Furniture and Fittings	0,02
Operational Assets	<u>0,22</u>
Total	<u>5,18</u>

Depending on AGRA's internal cash flow it is envisaged that an amount of N\$1 million will be obtained from financial institutions with the balance of the expenditure being financed from own resources.

9.2 OPERATIONAL BUDGET

The operational budget for next year incorporates higher costs in the following cost categories:

Information Technology Costs:	Upgrade of computer hardware and implementation of the new integrated system.
Transport Costs:	The continual increases in the price of fuel.
Marketing Costs:	Due to increased competition advertising becomes more and more important. Costs of Commission Agents in the Livestock Division are also allocated into this cost centre.
Personnel Costs:	In order to comply with the Affirmative Action Legislation of Namibia an amount of N\$1,4 million has been allocated to the training, development and recruitment of affirmative action employees in the new financial year.
Administration Costs:	Telephone, postal and bank charges will all increase by more than the inflation rate.

Kapitale uitgawes vir die 2001/2002 finansiële jaar is dus as volg begroot

	N\$ miljoen
Opgradering en ontwikkeling van vaste eiendom	2,75
Inligtingstechnologie	1,99
Handelsvoertuie	0,20
Meubels en toerusting	0,02
Operasionele bates	<u>0,22</u>
Totaal	<u>5,18</u>

Afhangende van Agra se interne kontantvloei, word dit voorsien dat 'n bedrag van N\$1,0 miljoen bekom sal word van finansiële instansies met die balans van die spandering wat gefinansier sal word uit eie bronne.

9.2 OPERASIONELE BEGROTING

Die operasionele begroting vir die volgende finansiële jaar sluit in hoër kostes in die volgende kostekategorieë:

Inligtingstechnologieskoste:	Opgradering van rekenaar hardeware en implementering van die nuwe geïntegreerde stelsel.
Vervoerskoste:	Die aanhoudende toename in die brandstofprys.
Bemarkingskoste:	As gevolg van toenemende kompetisie raak advertensies al hoe belangriker. Koste van kommissie-agente in die lewende hawe afdeling word ook toegedeel na hierdie kostesentrum
Personeelskoste:	Ten einde te voldoen aan die Regstellende Aksie Wetgewing in Namibië is 'n bedrag van N\$1,4 miljoen geallokeer na opleiding, ontwikkeling en werwing van regstellende aksie werknemers in die nuwe finansiële jaar.
Administratiewe koste:	Telefoon, posgeld en bankkoste sal almal styg met meer as die inflasiekoers.

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Taking the above into consideration we would like to present our annual operational budget as follows:

	<u>N\$ million</u>
Gross value of livestock transactions	330 510
Trade division	243 793
Wholesale division	39 246
Safari Den	<u>8 752</u>
Total turnover	622 301
Cost of sales	<u>567 371</u>
Gross profit	54 930
Other income	<u>6 390</u>
Gross income	61 320
Less:	
Inventory Costs	(1 194)
Marketing Costs	(3 834)
Building Costs / Rental Income	1 292
Transport Costs	(6 438)
Personnel Costs	(34 798)
Directors Costs	(597)
Administration Costs	<u>(9 747)</u>
Surplus before finance charges	6004
Finance charges	<u>(3 935)</u>
Net surplus before tax	<u>2 069</u>

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Met inagneming van bogenoemde, bied ons graag ons jaarlikse operasionele begroting as volg aan:

	<u>N\$ miljoen</u>
Bruto waarde van lewende hawe transaksies	330 510
Handelsafdeling	243 793
Groothandelaafdeling	39 246
Safari Den	<u>8 752</u>
Totale omset	622 301
Koste van verkope	<u>567 371</u>
Bruto wins	54 930
Ander inkomste	<u>6 390</u>
Bruto inkomste	61 320
Min :	
Voorraadkoste	(1 194)
Bemarkingskoste	(3 834)
Gebou-koste/huurinkomste	1 292
Vervoerkoste	(6 438)
Personeelkoste	(34 798)
Direkteurskoste	(597)
Administratiewe koste	<u>(9 747)</u>
Surplus voor finansieringskoste	6 004
Finansieringskoste	<u>(3 935)</u>
Netto surpl us voor belasting	<u>(2 069)</u>

10. **CONCLUSION**

We have achieved some of our objectives and still lag behind in others. The livestock division has really performed well, with the highlight of the year probably being the successful export of close to 38 000 sheep and goats to Saudi Arabia.

Training and development of staff especially in managerial and customer care skills is an ongoing process that will hopefully deliver the expected results during the current year. We have to take cognisance of the fact that the major challenges facing Agra in the future is the optimal management of our working capital, price competitiveness in the market place and improved customer service.

The year ahead will once again be a test for all of us at Agra to adapt to ever changing market conditions in order to achieve our objectives.

I would like to thank all our staff for the dedication and the hard work during the year. A special word of thanks for the cooperation and the willingness to change long-standing procedures with the implementation of the new computer system.

Once all modules have been implemented I am convinced that we can take better and faster decisions which will benefit both our customers and the Co-operative.

To my Board of Directors, thank you for giving me the advice and the direction when I needed it.

To all members of Agra: Thank you for your continued support. Be assured that everything we as management endeavour to achieve is ultimately intended to create wealth for you, the members.

P M KAZMAIER
CHIEF EXECUTIVE OFFICER
HOOF UITVOERENDE BEAMPTE

10. **SLOT**

Ons het sommige van ons doelwitte bereik, maar van die ander is nog uitstaande. Lewende hawe afdeling het regtig goed gedoen, met die hoogtepunt van die jaar waarskynlik die suksesvolle uitvoer van ongeveer 38 000 skape en bokke na Saoedi Arabië.

Opleiding en ontwikkeling van personeel, veral in bestuurs- en kliëntediensvaardighede, is 'n voordurende proses wat hopelik die verwagte resultate sal lewer in die huidige jaar. Ons sal moet kennis neem van die feit dat die groot uitdagings wat Agra vorentoe in die gesig staar die optimale bestuur van ons bedryfskapitaal sal wees, om pryskompetierend te wees in die mark en verbeterde kliëntediens.

Die jaar wat voorlê sal weereens 'n toets vir almal van ons by Agra wees om aan te pas by die steeds veranderende marktoestande ten einde ons doelwitte te bereik.

Ek wil graag al ons personeel bedank vir hulle toewyding en harde werk gedurende die jaar. 'n Spesiale woord van dank vir die samewerking en die bereidwilligheid om ou bekende prosedures te verander met die implementering van die nuwe rekenaarstelsel.

Ek is oortuig daarvan dat wanneer al die modules implementeer is, ons beter en vinniger besluite sal kan neem wat tot voordeel van ons klante en die Koöperasie sal wees.

Aan my raad van direkteure, dankie vir die advies en die rigting wat u my gegee het wanneer ek dit nodig gehad het.

Aan al die lede van Agra: Dankie vir u voortgesette ondersteuning. Wees verseker dat alles wat ons as bestuur probeer bereik, is uiteindelik daarop gemik om welvaart te skep vir u, die lede.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF AGRA (CO-OPERATIVE) LIMITED

We have audited the annual financial statements and group annual financial statements of Agra (Co-operative) Limited set out on pages 18 to 41 for the year ending 31 July 2001. 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 2001, and the results of their operations and cash flows for the year then ended in accordance with Namibian Generally Accepted Accounting Practice and in the manner required by the Namibian Co-operatives Act.

VERSLAG VAN DIE ONAFHANKLIKE OUDITEURE

AAN DIE LEDE VAN AGRA (KOÖPERATIEF) BEPERK

Ons het die finansiële jaarstate en die groeps- finansiële jaarstate van Agra (Koöperatief) Beperk soos uiteengesit op bladsye 18 tot 41 vir die jaar geëindig 31 Julie 2001 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 oudit ooreenkomstig standpunte van Namibiese ouditstandaarde uitgevoer. Hierdie standaarde vereis dat ons die oudit beplan en onderneem om redelike gerusstelling te verkry dat daar geen wesenlike wanvoorstelling in die finansiële state is nie. 'n Oudit behels:

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

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

Ouditmening

Na ons mening is hierdie finansiële state in alle wesenlike opsigte 'n redelike weergawe van die finansiële stand van die koöperasie en van die groep op 31 Julie 2001 en van die resultate van hulle bedrywighede en kontantvloeï vir die jaar geëindig op daardie datum, in ooreenstemming met Namibiese Algemeen Aanvaarde Rekeningkundige Praktijk en op die wyse deur die Namibiese Koöperasiewet bepaal.

**PRICEWATERHOUSECOOPERS
CHARTERED ACCOUNTANTS (NAMIBIA)
WINDHOEK
10 OCTOBER 2001**

DIRECTORS' REPORT

for the year ended 31 July 2001

The board takes pleasure in presenting the financial statements and group financial statements for the year ended 31 July 2001 and reports to the members in terms of Clause 77(2) of the Statute of your co-operative.

AGRA once again achieved a positive result during the year under review. AGRA's actual surplus exceeded budget by N\$4,0 million. The group has in real terms shown a growth in its revenue and gross profit in the Livestock division of 42% while the Trade division increased its revenue and gross profit by 12% and 11% respectively. Expenditure increased by 11%, which is in line with the inflation rate.

Financial management

Interest paid increased by N\$1,0 million compared to the previous year largely as a result of the cash outflows resulting from expansions and capital expenditure.

Expansions and capital expenditure

Fixed assets acquisitions for the group amounted to N\$14,3 million of which N\$10,4 million was spent on the upgrading of Auas Valley Shopping Mall and the structural upgrading of branches. Other capital expenditure consisted of motor vehicles of N\$0,9 million, computer equipment of N\$2,5 million and other operational assets of N\$0,5 million.

DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2001

Dit is vir die raad aangenaam om die finansiële state en groeps- finansiële state vir die jaar geëindig 31 Julie 2001 aan die lede voor te lê en daarvoor te rapporteer in terme van Artikel 77 (2) van die Statuut van u koöperasie.

AGRA het weereens positiewe resultate behaal gedurende die jaar onder oorsig. AGRA se werklike surplus het die begroting oorskry met N\$ 4,0 miljoen. Die groep het in reële terme groei getoon van 42% in sy omset en bruto wins in die Lewende Hawe afdeling, terwyl die Handelsafdeling se omset en bruto wins met onderskeidelik 12% en 11% verhoog het. Uitgawes het met 11% toegeneem wat ooreenstem met die inflasiekoers.

Finansiële bestuur

Rente betaal het gestyg met N\$1,0 miljoen in vergelyking met die vorige jaar, hoofsaaklik as gevolg van kontantuitvloei voortspruitend uit uitbreidings en kapitale spanderings.

Uitbreidings en kapitale spanderings

Aankope van vaste bates in die groep het N\$14,3 miljoen beloop, waarvan N\$10,4 miljoen spandeer is aan die opgradering van die Auas Valley Winkelsentrum en die strukturele opgradering van takke. Ander kapitale spanderings het bestaan uit motorvoertuie van N\$0,9 miljoen, rekenaartoerusting van N\$2,5 miljoen en ander operasionele bates van N\$0,5 miljoen.

DIRECTORS' REPORT

for the year ended 31 July 2001

DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2001

Balance sheet ratios

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

	Consolidated	
	2001 N\$	2000 N\$
Assets exceed liabilities by	N\$64,66m	N\$56,52m
Debt: equity	49,97%	38,60%
Own capital: total assets	39,27%	43,81%
Current asset ratio	1,40:1	1,58:1
Quick ratio	0,81:1	0,74:1

Balansstaatverhoudings

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

	Co-operative	
	2000 N\$	2001 N\$
	N\$55,71m	N\$63,75m
	40,92%	53,14%
	44,36%	39,01%
	1,48:1	1,27:1
	0,75:1	0,77:1

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

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

	Consolidated	
	2001 N\$	2000 N\$
Commercial Bank Ltd: mortgage bond loans	13,05%	13,95%
Other commercial banks : prime overdraft rate	14,50%	15,50%

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

	Co-operative	
	2000 N\$	2001 N\$
	13,95%	13,05%
	15,50%	14,50%

Commercial Bank Bpk:
verbandlenings
Ander handelsbanke prima
oortrekkingskoers

DIRECTORS' REPORT

for the year ended 31 July 2001

DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2001

Revenue

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

	Consolidated	
	2001 N\$	2000 N\$
Livestock	15 048 543	11 251 015
Trade	249 183 865	222 397 945
Total	264 232 408	233 648 960

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:

	Consolidated	
	2001 N\$	2000 N\$
Livestock	15 048 543	11 251 015
Trade	38 745 308	35 536 494
Total	53 793 851	46 787 509

Omset

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

	Co-operative		
	2000 N\$	2001 N\$	
	11 251 015	15 048 543	Lewende Hawe
	206 066 542	226 244 953	Handel
Total	217 317 557	241 293 496	Totaal

Bruto wins

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

Bruto wins was die volgende:

	Co-operative		
	2000 N\$	2001 N\$	
	11 251 015	15 048 543	Lewende Hawe
	30 608 177	32 809 891	Handel
Total	41 859 192	47 858 434	Totaal

DIRECTORS' REPORT

for the year ended 31 July 2001

DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2001

Financial results

Your co-operative reports an operating surplus before tax of N\$7 507 711 compared to an operating surplus of N\$4 514 760 of the previous year. The group reports an operating surplus before tax of N\$7 545 562 compared to an operating surplus of N\$ 4 147 139 of the previous year.

The board of directors transferred N\$5 000 000 (2000:Nil) to members' funds from the income statement.

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\$ 1 450 047 will be utilised as capital in the business.

During the period ending 31 July 2001 certain land and buildings were revalued. Your directors are of the opinion that no diminution in the value of land and building has taken place during the year under review and no adjustment is thus necessary to the value placed on land and buildings.

Share capital

The shareholding in your co-operative was as follows:

Number of members
Paid-up share capital

Co-operative	
2000 N\$	2001 N\$
6 432	6 552
2 527 192	N\$ 2 495 955

Finansiële resultate

U koöperasie rapporteer 'n bedryfswins voor belasting van N\$7 507 711 in vergelyking met 'n bedryfswins van N\$4 514 760 van die vorige jaar. Die groep rapporteer 'n bedryfswins voor belasting van N\$7 545 562, in vergelyking met die bedryfswins van N\$4 147 139 van die vorige tydperk.

Die Raad van Direkteure plaas N\$5 000 000 (2000: Nil) oor vanaf die inkomstestaat na ledefondse.

Geen oorplasing word gemaak na die uitgestelde uitgawe fonds nie, maar in terme van artikel 58(2)(b) van die K oöperasiewet word 'n bedrag van N\$ 1 450 047 aangewend as kapitaal in die besigheid.

Gedurende die periode wat op 31 Julie 2001 ten einde geloop het, is sekere grond en geboue herwaardeer. U direkteure is van mening dat geen vermindering in die waarde van grond en geboue gedurende die jaar onder oorsig plaasgevind het nie, en geen aanpassing van die waardes geplaas op grond en geboue is dus nodig nie.

Aandelekapitaal

Die aandeelhouding in u koöperasie was as volg:

Ledetal
Opbetaalde aandelekapitaal

DIRECTORS' REPORT

for the year ended 31 July 2001

DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2001

Investment in subsidiaries

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

Belegging in filiale

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

	Shares		Loans		
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
100% Shareholding					100% Aandeelhouding
Wire Industries (Pty) Ltd (N\$1 shares and share premium)	1 000	1 000	2 059 535	2 070 661	Wire Industries (Edms) Bpk (N\$1 aandele en aandele premie)
Agra Verspreiders (Pty) Ltd (N\$1 shares)	2	2	1 151 865	2 820 776	Agra Verspreiders (Edms) Bpk (N\$1 aandele)
Agra Eiendomme (Pty) Ltd (N\$1 shares)	100	100	--	--	Agra Eiendomme (Edms) Bpk (N\$1 aandele)
SWA Amalgameerde Afslaers (Pty) Ltd (stated share capital)	350 000	350 000	(317 619)	(317 619)	SWA Amalgameerde Afslaers (Edms) Bpk (verklaarde kapitaal)
Star Plastics (Pty) Ltd (N\$ 1 shares)	166 939	166 939	379 811	--	Star Plastics (Edms) Bpk (N\$1 aandele)
Agricultural Communications and Services (Pty) Ltd (N\$ 1 share)	1	1	--	--	Agricultural Communications and Services (Edms) Bpk (N\$1 aandeel)
70% Shareholding					70% Aandeelhouding
Ondangwa Service Station (Pty) Ltd (N\$1 shares)	700	700	1 662 430	2 854 319	Ondangwa Service Station (Edms) Bpk (N\$1 aandele)

DIRECTORS' REPORT

for the year ended 31 July 2001

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

	2000 N\$
Wire Industries (Pty) Ltd	425 584
Agra Verspreiders (Pty) Ltd	--
Agra Eiendomme (Pty) Ltd	--
SWA Amalgameerde Afslaers (Pty) Ltd	--
Star Plastics (Pty) Ltd	43 396
Agricultural Communications and Services (Pty) Ltd	--
Ondangwa Service Station (Pty) Ltd	131

Investment in Associated Companies

At 31 July 2001 the co-operative had a 50% interest in Lumley Agra Farmers Insurance Brokers (Pty) Ltd and a 24,5% interest in Consolidated Sugar Industries (Namibia) (Pty) Ltd, a Namibian sugar packing company. The 33,33% interest in Veekos (Pty) Ltd was disposed of during the year under review.

Board of Directors

The following directors retire in terms of the Statute of your co-operative:

Region 1: Mr JB Coetzee

Region 2: Mr JC Oberholzer

Supervisory Committee

The following member retires in terms of the Statute from the Supervisory Committee on 31 July 2001

Region 3: Mr J H Nieuwoudt

Approval of the annual financial statements

The annual financial statements and group annual financial statements set out on pages 24 to 41 have been approved by the Board of Directors on 10 October 2001 and were signed on their behalf by:

J W CHAPMAN
CHAIRMAN

DIREKTEURSVERSLAG

vir die jaar geëindig 31 Julie 2001

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

2001 N\$
90 363
--
--
--
(199 698)
--
47 366

Wire Industries (Edms) Bpk

Agra Verspreiders (Edms) Bpk

Agra Eiendomme (Edms) Bpk

SWA Amalgameerde Afslaers (Edms) Bpk

Star Plastics (Edms) Bpk

Agricultural Communications and Services (Edms) Bpk

Ondangwa Service Station (Edms) Bpk

Belegging in Geassosieerde Maatskappye

Die koöperasie het op 31 Julie 2001 >n 50% belang in Lumley Agra Farmers Insurance Brokers (Edms) Bpk, 24,5% belang in Consolidated Sugar Industries (Namibia) (Edms) Bpk, >n Namibiese suikerverpakker. Die 33,33% belang in Veekos (Edms) Bpk was gedurende die jaar verkoop.

Raad van Direkteure

In terme van die Statuut van u koöperasie, tree die volgende direkteure af:

Streek 1: Mnr JB Coetzee

Streek 2: Mnr JC Oberholzer

Toesighoudende Komitee

In terme van die Statuut, tree die volgende lid van die Toesighoudende Komitee op 31 Julie 2001 uit:

Streek 3: Mnr J H Nieuwoudt.

Goedkeuring van finansiële jaarstate

Die finansiële jaarstate en groeps - finansiële jaarstate wat op bladsye 24 tot 41 verskyn, is deur die Raad van Direkteure goedgekeur op 10 Oktober 2001 en namens hulle onderteken.

J F ENGELBRECHT
VICE-CHAIRMAN

VOORSITTER

BALANCE SHEETS

31 July 2001

ONDER-VOORSITTER

BALANSSTATE

31 Julie 2001

		Consolidated		Co-operative			
	Notes	2001 N\$	2000 N\$	2000 N\$	2001 N\$	Aan- teke- ninge	
ASSETS							BATES
Non-current assets							Nie-bedryfsbates
Fixed assets	3	82 635 299	71 620 453	70 404 259	81 825 073	3	Vaste bates
Subsidiaries	4	--	--	5 454 764	7 946 879	4	Filiale
Investments	5	2 717 979	3 413 205	3 413 205	2 717 979	5	Beleggings
Associates	6	2 791 366	5 258 748	5 258 748	2 791 366	6	Geassosieerdes
Deferred tax assets	7	956 646	838 084	--	--	7	Uitgestelde belastingbates
		89 101 290	81 130 490	84 530 976	95 281 297		
Current assets							Bedryfsbates
Inventories	8	31 820 097	25 422 590	20 245 287	26 752 353	8	Voorraad
Accounts receivable	9	43 731 625	22 432 991	20 788 253	41 386 882	9	Rekeninge ontvangbaar
		75 551 722	47 855 581	41 033 540	68 139 235		
Total assets		164 653 012	128 986 071	125 564 516	163 420 532		Totale bates
EQUITY AND LIABILITIES							EKWITEIT EN AANSPREEKLIKHEDE
Capital and reserves							Kapitaal en reserwes
Share capital		2 495 955	2 527 192	2 527 192	2 495 955		Aandelekapitaal
Members' funds		11 431 752	6 509 175	6 509 175	11 431 752		Ledefondse
Retained income		3 405 895	154 428	(655 983)	2 495 906		Onaangewende inkomste
General reserve		9 604 351	9 075 370	9 075 370	9 604 351		Algemene reserwes
Contingency reserve		1 313 028	1 313 028	1 313 028	1 313 028		Gebeurlikheidsreserwe
Revaluation reserve		32 419 129	32 948 110	32 948 110	32 419 129		Herwaardasiereserwe
Deferred expenditure fund		3 992 986	3 992 986	3 992 986	3 992 986		Uitgestelde uitgawe fonds
		64 663 096	56 520 289	55 709 878	63 753 107		
Outside shareholder's interest	11	4 989	339	--	--	11	Buite-aandeelhoudersbelang
Non-current liabilities							Nie-bedryfslaste
Long-term liabilities	12	18 593 455	13 970 900	13 870 795	18 473 605	12	Langtermynlaste
Retirement benefit obligations	13	25 000 000	25 000 000	25 000 000	25 000 000	13	Na-aftrede voordele
Deferred tax obligations	14	2 579 024	3 220 665	3 219 263	2 575 085	14	Uitgestelde belasting aanspreeklikheid
		46 172 479	42 191 565	42 090 058	46 048 690		
Current liabilities							Bedryfslaste
Accounts payable		42 634 377	24 535 144	20 948 241	40 785 138		Rekeninge betaalbaar
Receiver of Revenue		33 997	--	--	--		Ontvanger van Inkomste
Bank overdraft	10	11 144 074	5 738 734	6 816 339	12 833 597	10	Bankoortrekking
		53 812 448	30 273 878	27 764 580	53 618 735		
Total assets		164 653 012	128 986 071	125 564 516	163 420 532		Totale ekwiteit en

Total equity and liabilities



aanspreeklikhede

INCOME STATEMENTS
for the year ended 31 July 2001

INKOMSTESTATE
vir die jaar geëindig 31 Julie 2001

	Notes	Consolidated		Co-operative		Aante - keninge
		2001 N\$	2000 N\$	2000 N\$	2001 N\$	
Revenue		264 232 408	233 648 960	217 317 557	241 293 496	Omset
Cost of sales		210 438 557	186 861 451	175 458 365	193 435 062	Kosprys van verkope
Gross profit		53 793 851	46 787 509	41 859 192	47 858 434	Bruto wins
Income		16 730 414	13 115 913	13 640 000	17 154 932	Inkomste
Management fees		197 217	221 000	249 904	337 131	Bestuursgelde ontvang
Bonuses and dividends received		2 836 582	2 796 443	2 796 443	2 873 097	Bonuse en dividende ontvang
Interest received		25 144	136,921	1 364 068	481 893	Rente ontvang
Bad debts recovered		632 266	501 311	500 512	627 975	Slegte skulde verhaal
Profit on disposal of fixed assets		746 503	432 822	433 850	523 517	Wins verkoop van vaste bates
Profit on sale of investments		1 780 108	10 787	10 787	1 780 108	Wins verkoop van beleggings
Rent received		4 729 431	3 460 434	3 460 434	5 111 235	Huur ontvang
Other income		5 783 163	5 556 195	4 824 002	5 419 976	Ander inkomste
Expenditure		(62 978 703)	(55 756 283)	(50 984 432)	(57 505 655)	Uitgawes
Auditors' remuneration						Ouditeursvergoeding
- for the year		168 000	157 476	148 226	146 800	- vir die jaar
- overprovision prior year		-	(36 202)	-	-	- oorvoorsiening vorige jaar
- other services		51 042	38 440	38 440	38 120	- ander dienste
Interest paid		2 936 206	2 002 276	1 966 593	2 806 520	Rente betaal
Bad debts written off		1 903 175	963 783	912 322	1 876 931	Slegte skulde afgeskryf
Depreciation		2 112 045	1 672 352	1 373 066	1 799 632	Waardevermindering
Directors' remuneration		559 293	377 002	377 002	559 293	Direkteursvergoeding
Rent paid		831 598	770 933	327 981	336 650	Huur betaal
Other operating costs		54 417 344	49 810 223	45 840 802	49 941 709	Ander bedryfsuitgawes
Operating surplus		7 545 562	4 147 139	4 514 760	7 507 711	Bedryfsurplus
Distribution to members		5 000 000	-	-	5 000 000	Toedeling aan lede
Surplus before taxation		2 545 562	4 147 139	4 514 760	2 507 711	Surplus voor belasting
Taxation	7	726 205	180 699	(655 983)	644 178	7 Belasting
Surplus after taxation		3 271 767	4 327 838	3 858 777	3 151 889	Surplus na belasting
Outside shareholder's interest in profit	11	(20 300)	(39)	-	-	11 Buite-aandeelhoudersbelang in wins
Net surplus		3 251 467	4 327 799	3 858 777	3 151 889	Netto surplus

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 July 2001

STATE VAN VERANDERING IN EKWITEIT

vir die jaar geëindig 31 Julie 2001

	Notes	Consolidated		Co-operative		Aanteke- ninge
		2001 N\$	2000 N\$	2000 N\$	2001 N\$	
Share capital						Aandelekapitaal
Fully paid shares of N\$1 each		2 495 105	2 527 192	2 527 192	2 495 105	Volopbetaalde aandele van N\$1 elk
Add: application fees received		850	--	--	850	Plus: Aansoekgelde ontvang
		2 495 955	2 527 192	2 527 192	2 495 955	
Members' funds						Ledefondse
Balance: beginning of year		6 509 175	6 596 309	6 596 309	6 509 175	Saldo: begin van die jaar
Repayments during the year		(77 423)	(87 134)	(87 134)	(77 423)	Terugbetalings gedurende die jaar
Distribution to members		5 000 000	--	--	5 000 000	Toedeling aan lede
Balance: end of year		11 431 752	6 509 175	6 509 175	11 431 752	Saldo: einde van die jaar
Retained income						Onaangewende inkomste
Balance: beginning of year		154 428	341 389	--	(655 983)	Saldo: begin van die jaar
Surplus for the year		3 251 467	4 327 799	3 858 777	3 151 889	Surplus vir die jaar
Transfer to general reserves		-	(3 319 221)	(3 319 221)	-	Oorplasing na algemene reserwe
Transfer to deferred expenditure fund		-	(1 195 539)	(1 195 539)	-	Oorplasing na uitgestelde uitgawefonds
Balance: end of year		3 405 895	154 428	(655 983)	2 495 906	Saldo: einde van jaar
General reserve						Algemene reserwe
Balance: beginning of year as previously reported		9 075 370	5 219 579	5 219 579	9 075 370	Saldo: begin van die jaar
Prior year adjustment	2	-	(2 563 280)	(2 563 280)	-	2 Vorige jaar aanpassing
Transfer from income statement		528 981	6 419 071	6 419 071	528 981	Oorgeplaas vanaf inkomstestaat
- Profit after distribution		-	3 319 221	3 319 221	-	- Wins na toedeling
- Revaluation reserve realized		528 981	3 099 850	3 099 850	528 981	- Herwaardasie gerealiseer
Balance: end of year		9 604 351	9 075 370	9 075 370	9 604 351	Saldo: einde van die jaar
Contingency reserve		1 313 028	1 313 028	1 313 028	1 313 028	Gebeurlikheidsreserwe
Revaluation reserve						Herwaardasiereserwe
Balance: beginning of year		32 948 110	36 768 122	36 768 122	32 948 110	Saldo: begin van die jaar
Revaluation during year		-	(720 162)	(720 162)	-	Herwaardasie gedurende die jaar
Reserve realized with the sale of fixed assets		(528 981)	(3 099 850)	(3 099 850)	(528 981)	Reserwe gerealiseer met verkoop van bates
Balance: end of year		32 419 129	32 948 110	32 948 110	32 419 129	Saldo: einde van die jaar
Deferred expenditure fund						Uitgestelde uitgawe fonds
Balance: beginning of year		3 992 986	2 797 447	2 797 447	3 992 986	Saldo: begin van die jaar
Transfer from retained income		-	1 195 539	1 195 539	-	Oorgeplaas vanaf onaangewende inkomste
Balance: end of year		3 992 986	3 992 986	3 992 986	3 992 986	Saldo: einde van die jaar
Total equity		64 663 096	56 520 289	55 709 878	63 753 107	Totale ekwiteit

CASH FLOW STATEMENTS

for the year ended 31 July 2001

KONTANTVLOEISTATE

vir die jaar geëindig 31 Julie 2001

	Notes	Consolidated		Co-operative		Aante- keninge	Kontantvloei uit bedryfsaktiwiteite
		2001 N\$	2000 N\$	2000 N\$	2001 N\$		
Cash flows from operating activities							
Surplus before taxation		7 545 562	4 147 139	4 514 760	7 507 711		Surplus voor belasting
Adjustments for:							Aansuiwerings vir:
- Interest received		(25 144)	(136 921)	(1 364 068)	(481 893)		- Rente ontvang
- Interest paid		2 936 206	2 002 276	1 966 593	2 806 520		- Rente betaal
- Profit on disposal of investements		(1 780 108)	(10 787)	(10 787)	(1 780 108)		- Wins met verkoop van beleggings
- Depreciation		2 112 045	1 672 352	1 373 066	1 799 632		- Waardevermindering
- Profit on disposal of fixed assets		(746 503)	(432 822)	(433 850)	(523 517)		- Wins met verkoop van vaste bates
- Working capital changes	18	(9 596 908)	(1 536 894)	(1 977 008)	(7 268 798)	18	- Bedryfskapitaalveranderinge
Cash generated from operations		445 150	5 704 343	4 068 706	2 059 547		Kontant gegenereer deur bedrywighede
Outside shareholder's interest		(4 650)	(39)	--	--		Buiteaandeelhouersbelang
Dividends paid to outside shareholder		(15 650)	--	--	--		Dividend betaal aan buiteaandeelhouer
Interest received		25 144	136 921	1 364 068	481 893		Rente ontvang
Interest paid		(2 936 206)	(2 002 276)	(1 966 593)	(2 806 520)		Rente betaal
Distribution to members		(5 000 000)	--	--	(5 000 000)		Toedeling aan lede
<i>Net cash from operating activities</i>		(7 486 212)	3 838 949	3 466 181	(5 265 080)		<i>Netto kontant uit bedryfsaktiwiteite</i>
Cash flows from investing activities							Kontantvloei uit beleggingsaktiwiteite
Purchase of fixed assets		(14 313 913)	(15 980 171)	(15 742 431)	(14 146 007)		Koop van vaste bates
Proceeds on disposals of fixed assets		1 933 524	5 182 919	5 182 919	1 449 078		Opbrengs met verkoop van vaste bates
Proceeds on sale of investments		3 199 984	10 809	10 809	3 199 984		Opbrengs met verkoop van beleggings
Investments made		--	(2 992 349)	(2 992 349)	--		Beleggings gemaak
Loans repaid		1 742 732	685 101	685 101	1 742 732		Lenings terugbetaal
Loans advanced		--	--	(1 385 154)	(2 492 115)		Lenings toegestaan
<i>Net cash used in investing activities</i>		(7 437 673)	(13 093 691)	(14 241 105)	(10 246 328)		<i>Netto kontant gebruik in beleggingsaktiwiteite</i>

CASH FLOW STATEMENTS (CONTINUED)

for the year ended 31 July 2001

KONTANTVLOEISTATE (VERVOLG)

vir die jaar geëindig 31 Julie 2001

	Consolidated		Co-operative		
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
Cash flows from financing activities					Kontantvloei uit finansieringsaktiwiteite
Decrease in share capital	(31 237)	(30 897)	(30 897)	(31 237)	Afname in aandele kapitaal
Increase in long-term loans	4 622 555	2 061 960	1 961 855	4 602 810	Toename in langtermynlenings
Increase/(Decrease) in members' funds	4 922 577	(87 134)	(87 134)	4 922 577	Toename/(Afname) in ledebelang
Increase in outside shareholder's interest	4 650	339	--	--	Toename in buiteaandeelhoudersbelang
<i>Net cash from financing activities</i>	9 518 545	1 944 268	1 843 824	9 494 150	<i>Netto kontant gegenereer deur finansieringsaktiwiteite</i>
Net decrease in cash and cash equivalents	(5 405 340)	(7 310 474)	(8 931 100)	(6 017 258)	Netto afname in kontant en kontantekwivalente
Cash and cash equivalents at beginning of year	(5 738 734)	1 571 740	2 114 761	(6 816 339)	Kontant en kontantekwivalente aan begin van jaar
Cash and cash equivalents at end of year	(11 144 074)	(5 738 734)	(6 816 339)	(12 833 597)	Kontant en kontantekwivalente aan einde van jaar

for the year ended 31 July 2001

vir die jaar geëindig 31 Julie 2001

Basis of preparation

The financial statements are prepared on the historical cost basis, adjusted by the revaluation of freehold land and buildings. 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 2.

1.1 Fixed assets and depreciation

Land and buildings are revalued periodically on a market value basis. They are valued at the lower of the valuation by a sworn appraiser and the directors. Acquisitions since revaluation are shown at cost. No provision is made for depreciation on land.

Other fixed assets are depreciated on a straight line basis at rates considered appropriate to reduce book values over the expected useful lives of the assets. The expected useful lives of fixed assets are as follows:

Buildings:	50	years
Office and other equipment:	5	years
Motor Vehicles:	5	years
Information technology:	3 - 5	years

1.2 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.

1.3 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, 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. Basis van voorbereiding

Die finansiële state word volgens die historiese koste grondslag opgestel, behalwe vir die herwaardasie van grond en geboue. Hierdie finansiële state voldoen aan Namibiese standpunte van Algemene Aanvaarde Rekeningkundige Praktyk. Hier volg die hoof-rekeningkundige beleid wat deur die koöperasie en die groep gevolg is en wat ooreenstem met dié van die vorige jaar, behalwe soos aangedui in nota 2.

1.1 Vaste bates en waardevermindering

Grond en geboue word periodiek op 'n beraamde markwaardegrondslag herwaardeer. Grond en geboue word teen die laagste waardasie van die geswore waardeerder en dié van die direksie getoon. Toevoegings sedert herwaardasie word teen kosprys getoon. Geen waardevermindering word op grond afgeskryf nie.

Waardevermindering op ander vaste bates word op 'n reguitlynbasis bereken teen koerse wat geskik geag word om die kosprys van hierdie bates oor die verwagte bruikbaarheidsleef tyd daarvan af te skryf. Die verwagte bruikbaarheidsleef tyd is as volg:

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

1.2 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 toegeedeel. Voorsiening vir stadigbewegende en verouderde voorraad word op 'n deurlopende basis gedoen.

1.3 Uitgestelde belasting

Uitgestelde belasting word bereken, deur gebruik van die aanspreeklikheidsmetode, vir alle tydsberekeningsverskille 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 tydsberekeningsverskille ontstaan as gevolg van waardevermindering op vaste bates, 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.

1.4 Basis of consolidation

The consolidated financial statements include those of the holding company and of its subsidiaries. The results of the subsidiaries are included from the date effective control was acquired. Intra-group sales and profits are eliminated fully on consolidation.

1.5 Investments

Investments, including investments in associates, are stated at cost and are written down only where there is a permanent impairment in value. Dividends are brought to account as at the last day of registration in respect of listed shares, and when declared in respect of unlisted shares.

1.6 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 1998, and in the actuary's opinion the fund was in a sound financial position.

1.7 Post-retirement obligations

The group provides post-retirement healthcare benefits to their retirees. 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.

1.8 Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

1.9 Cash and cash equivalents

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.

1.10 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

1.4 Grondslag van konsolidasie

Die gekonsolideerde finansiële state sluit die finansiële state van die houermaatskappy en sy filiale in. Die resultate van alle filiale is ingesluit by die resultate van die groep sedert die datum van effektiewe verkryging. Intergroep verkope en –winste word ten volle uitgeskakel tydens konsolidasie.

1.5 Beleggings

Beleggings, ingesluit die beleggings in geassosieerde maatskappye, word teen kosprys vermeld en slegs afwaardeer waar daar 'n permanente daling in waarde is. Dividende word teboekgestel op die laaste dag van registrasie ten opsigte van genoteerde aandele, en wanneer dit verklaar is ten opsigte van ongenoteerde aandele.

1.6 Pensioenskemareëlings

Alle maatskappye in die groep voorsien 'n gedefinieerde hydraepensioenplan aan werknemers. Die pensioenfonds word elke drie jaar deur professionele gekwalifiseerde onafhanklike aktuarisse gewaardeer. Die laaste aktuariële waardasie is op 30 April 1998 gedoen. Die aktuaris het bevind dat die fonds voldoende befonds is.

1.7 Na-aftredevoordele

Die groep voorsien mediese na-aftrede voordele aan sy afgetrede werknemers. 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 dienstdoende tydperk. Waardasies van hierdie verpligtinge word gedoen deur 'n onafhanklike gekwalifiseerde aktuaris.

1.8 Handelsdebiteure

Handelsdebiteure word gedra teen verwagte realiseerbare waarde. 'n Beraming is gemaak vir twyfelagtige ontvangstes gegrond op 'n oorsig van alle uitstaande bedrae teen jaareinde. Slechte skulde word afgeskryf in die jaar waarin dit geïdentifiseer word.

1.9 Kontant en kontantekwivalente

Vir die doeleindes van die kontantvloei staat bestaan kontant en kontantekwivalente uit kontant voorhande, daggeldeposito's met banke en beleggings in geldmarkinstrumente, netto van bankoortrekkings. Werklike banksaldos word openbaar.

1.10 Voorsienings

Voorsienings word erken wanneer die maatskappy 'n huidige wetlike of konstruktiewe verpligting het as gevolg van gebeure in die verlede, dit waarskynlik

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2001

AAANTEKENINGE TOT DIE FINANSIËLE STATE

vir die jaar geëindig 31 Julie 2001 .

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.

1.11 Financial instruments

Investments in financial assets are initially recognised at cost. Subsequently financial assets are re-measured at fair value, except for held-to-maturity investments such as debt and loans which are carried at amortised cost. Financial liabilities are recognised at the original debt less principal repayments and amortisations.

1.12 Turnover

Sales, which excludes sales tax, VAT and sales between group companies, represents the net value of transactions per commodity.

2. Change in accounting policy

Previously no deferred tax was provided for on building allowances. This has been changed during the year to confirm with Statement AC 102 (Income Taxes).

The restatement of the deferred tax obligation, applying the new policy, resulted in a decrease of reserves at the beginning of the prior year of N\$ 2 563 280. This has been shown in the statements of changes in equity as a prior year adjustment.

The effect on the current year's profit is an increase in the deferred tax provision and a resulting decrease profit of N\$ 1 151 062 (2000: N\$ 1 182 621).

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.

1.11 Finansiële instrumente

Beleggings in finansiële bates word aanvanklik teen kosprys ingesluit. Daarna word finansiële bates weer gemeet teen 'n billike waarde, behalwe vir vastevervaldatum-beleggings soos skuld en lenings wat getoon word teen geamortiseerde koste. Finansiële aanspreeklikhede word ingesluit teen die oorspronklike skuldbedrag min kapitaal terugbetalings en amortisasies.

1.12 Omset

Verkope, wat verkoopbelasting, BTW en verkope tussen groepmaatskappye uitsluit, verteenwoordig die netto waarde van kommoditeitstransaksies.

2. Verandering in rekeningkundige beleid

In die vorige jare is geen uitgestelde belasting voorsien op gebouetoelaes nie. Dit is verander gedurende die jaar ten einde te voldoen aan Standpunt RE 102 (Inkomstebelasting).

Die aanpassing van hierdie uitgestelde belasting verpligting met die toepassing van hierdie beleid, het tot gevolg dat reserwes aan die begin van die vorige jaar daal met N\$ 2 563 280. Dit is getoon in die state van verandering in ekwiteit as 'n vorige jaar aanpassing.

Die uitwerking op die huidige jaar se wins is 'n toename in die uitgestelde belasting voorsiening en 'n gevolglike daling in wins van N\$ 1 151 062 (2000: N\$ 1 182 621)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2001

AANTEKENINGE TOT DIE FINANSIËLE STATE

vir die jaar geëindig 31 Julie 2001

	Consolidated		Co-operative		
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
3. Fixed assets					3. Vaste bates
Land and buildings	75 394 765	65 760 956	65 728 575	75 362 384	Grond en geboue
Office and other equipment	5 979 559	5 033 039	3 992 875	5 254 013	Kantoor- en ander toerusting
Motor vehicles	1 260 975	826 458	682 809	1 208 676	Motorvoertuie
Net book value	82 635 299	71 620 453	70 404 259	81 825 073	Netto boekwaarde
3.1 Land and buildings					3.1 Grond en geboue
At revaluation - 1991	34 095 089	34 095 089	34 095 089	34 095 089	Teen herwaardasie - 1991
Revaluation - 1994	8 588 207	8 588 207	8 588 207	8 588 207	Herwaardasie - 1994
Revaluation - 1996	9 060 157	9 060 157	9 060 157	9 060 157	Herwaardasie - 1996
Additions and disposals Since revaluation at cost					Toevoegings en verkope Sedertdien teen kosprys
- 1996	370 621	370 621	(532 490)	(532 490)	- 1996
- 1997	3 439 316	3 439 316	4 310 046	4 310 046	- 1997
- 1998	735 663	735 663	735 663	735 663	- 1998
- 1999	779 628	779 628	779 628	779 628	- 1999
Additions - 2000	13 907 656	13 907 656	13 907 656	13 907 656	Toevoegings - 2000
Disposals - 2000	(5 215 381)	(5 215 381)	(5 215 381)	(5 215 381)	Verkope - 2000
Additions - 2001	10 473 405	--	--	10 473 405	Toevoegings - 2001
Disposals - 2001	(839 596)	--	--	(839 596)	Verkope - 2001
Net book value	75 394 765	65 760 956	65 728 575	75 362 384	Netto boekwaarde
3.2 Office and other equipment					3.2 Kantoor- en ander toerusting
Cost	13 379 528	11 697 964	9 725 597	11 874 469	Kosprys
Beginning of year	11 697 964	10 201 318	8 418 115	9 725 597	Begin van jaar
Additions	2 875 207	1 939 214	1 738 775	2 739 207	Toevoegings
Disposals	(1 193 643)	(442 568)	(431 293)	(590 335)	Verkope
Accumulated depreciation	7 399 969	6 664 925	5 732 722	6 620 456	Opgehoopte waardevermindering
Beginning of year	6 664 925	5 815 087	5 080 420	5 732 722	Begin van jaar
Charge for the year	1 673 141	1 111 321	903 538	1 453 644	Uitgawe vir die jaar
Depreciation on disposals	(938 097)	(261 483)	(251 236)	(565 910)	Komponent toegeskryf aan verkope
Net book value	5 979 559	5 033 039	3 992 875	5 254 013	Netto boekwaarde

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2001

AANTEKENINGE TOT DIE FINANSIËLE STATE
vir die jaar geëindig 31 Julie 2001

	Consolidated		Co-operative		
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
3.3 Motor vehicles					3.3 Motorvoertuie
Cost	4 756 130	4 624 915	4 164 291	4 364 731	Kosprys
Beginning of year	4 624 915	4 764 056	4 340 733	4 164 291	Begin van jaar
Additions	965 301	133 301	96 000	933 395	Toevoegings
Disposals	(834 086)	(272 442)	(272 442)	(732 955)	Verkope
Accumulated depreciation	3 495 155	3 798 457	3 481 482	3 156 055	Opgehoopte waardevermindering
Beginning of year	3 798 457	3 436 076	3 210 604	3 481 482	Begin van jaar
Charge for the year	438 904	561 031	469 528	345 988	Uitgawe vir die jaar
Depreciation on disposals	(742 206)	(198 650)	(198 650)	(671 415)	Komponent toeges kryf aan verkope
Net book value	1 260 975	826 458	682 809	1 208 676	Netto boekwaarde

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. The land and buildings were revalued during 1996 on an estimated market value basis. Certain of the land and buildings with a book value of N\$38,7 million (2000: N\$ 28,8 million) have been encumbered as set out in note 12.2.

Grond en geboue bestaan uit verskeie eiendomme reg oor 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. Die grond en geboue is in 1996 herwaardeer op 'n beraamde markwaarde grondslag. Sekere grond en geboue met 'n boekwaarde van N\$38,7 miljoen (2000: N\$ 28,8 miljoen) is beswaar soos aangedui in aantekening 12.2

	Co-operative		
	2000 N\$	2001 N\$	
4. Subsidiaries			4. Filiale
4.1 Shares at cost and directors' valuation	518 742	518 742	4.1 Aandele teen kosprys en direkteurswaardasie
4.2 Loans	4 936 022	7 428 137	4.2 Lenings
	5 454 764	7 946 879	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2001

AAANTEKENINGE TOT DIE FINANSIËLE STATE

vir die jaar geëindig 31 Julie 2001

	Consolidated		Co-operative		
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
8. Inventories					8. Voorraad
Raw material	411 760	501 095	--	--	Grondstowwe
Finished products	31 198 086	24 690 988	20 014 780	26 542 102	Klaarprodukte
Consumables	210 251	230 507	230 507	210 251	Verbruikersmateriaal
	<u>31 820 097</u>	<u>25 422 590</u>	<u>20 245 287</u>	<u>26 752 353</u>	
9. Accounts receivable					9. Rekeninge ontvangbaar
Trade debtors	36 106 394	21 948 668	20 306 511	34 217 448	Handelsdebiteure
Other debtors	7 625 231	484 323	481 742	7 169 434	Ander debiteure
	<u>43 731 625</u>	<u>22 432 991</u>	<u>20 788 253</u>	<u>41 386 882</u>	
10. Bank (overdraft)/Cash and bank					10. Bank (oortrekking)/Kontant en bank
Bank overdrafts	(13 600 617)	(7 671 321)	(6 878 344)	(12 947 678)	Bankoortrekkings
Current accounts	2 456 543	1 932 587	62 005	114 081	Lopende rekeninge
	<u>(11 144 074)</u>	<u>(5 738 734)</u>	<u>(6 816 339)</u>	<u>(12 833 597)</u>	
The bank overdrafts are unsecured.					Die bankoortrekkings is ongesekureer.
Total interest bearing borrowings:					Totale rentedraende lenings:
Bank overdrafts	13 600 617	7 671 321	6 878 344	12 947 678	Bankoortrekkings
Long-term loans (note 12)	21 166 567	16 080 438	15 980 333	21 046 717	Langtermynlenings (nota 12)
	<u>34 767 184</u>	<u>23 751 759</u>	<u>22 858 677</u>	<u>33 994 395</u>	
11. Outside shareholder's interest					11. Buite-aandeelhoudersbelang
At beginning of year	339	--	--	--	Aan begin van die jaar
Acquisition	--	300	--	--	Verkryging
Share of net profit of subsidiary	20 300	39	--	--	Deel van netto wins van filiaal
Dividends paid	(15 650)	--	--	--	Dividende betaal
At end of year	<u>4 989</u>	<u>339</u>	<u>--</u>	<u>--</u>	Aan einde van jaar

NOTES TO THE FINANCIAL STATEMENTS

AANTEKENINGE TOT DIE FINANSIËLE STATE

for the year ended 31 July 2001

vir die jaar geëindig 31 Julie 2001

	Consolidated		Co-operative		
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
12. Long-term loans					12. Langtermynlenings
12.1 Unsecured					12.1 Onverseker
Interest free loans not subject to any fixed terms of repayment.	301 207	59 569	59 569	301 207	Rentevrye lenings wat nie onderhewig is aan enige vaste terugbetalingsvoorwaardes nie.
Shareholder's loan which bears interest at 16,5% (2000:16,5%) and which is not subject to any fixed terms of repayment.	119 850	100 105	--	--	Aandeelhouderslening wat rente dra teen 1% bo prima oortrekkingskoers en wat nie onderhewig is aan enige vaste terugbetalingsvoorwaardes nie.
12.2 Secured					12.2 Verseker
Commercial Bank of Namibia Ltd					Commercial Bank van Namibië Bpk
Capital outstanding					Kapitaal uitstaande
Less:	20 745 510	15 920 764	15 920 764	20 745 510	Min:
- Capital repayable in one year, and transferred to accounts payable	(2 573 112)	(2 109 538)	(2 109 538)	(2 573 112)	- Kapitaal binne een jaar betaalbaar en oorgedra na rekeninge betaalbaar
	18 593 455	13 970 900	13 870 795	18 473 605	

The secured loans are due to the Commercial Bank of Namibia Ltd and are secured by a first bond of N\$24,0 million (2000: N\$24,0 million) over certain land and buildings with a book value of N\$38,7 million (2000: N\$28,8 million). The loans bear interest at a rate of 13,05% (2000: 13,95%) per annum compounded monthly, payable on a monthly basis. Capital is repayable as follows:

Yearly instalments of N\$5 500 476 until July 2005
Yearly instalments of N\$1 795 272 from July 2006 until July 2011

13. 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 (2000: N\$25 million).

The principal actuarial assumptions used for accounting purposes were:

- Real rate of return 2,5% (2000:2,22%)

Die versekerde lenings is verskuldig aan die Commercial Bank van Namibië Bpk en is verseker deur 'n eerste verband van N\$24,0 miljoen (2000: N\$24,0 miljoen) oor sekere grond en geboue met 'n boekwaarde van N\$38,7 miljoen (2000: N\$28,8 miljoen). Die lenings dra rente teen 13,05% (2000: 13,95%) per jaar, maandeliks saamgestel, wat maandeliks gedelg word. Die kapitaal is terugbetaalbaar soos volg:

Jaarlikse paaielemente van N\$5 500 476 tot Julie 2005
Jaarlikse paaielemente van N\$1 795 272 vanaf Julie 2006 tot Julie 2011

13. 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 (2000: N\$25 miljoen).

Die belangrikste aktuariële aannames gebruik vir rekeningkundige doeleindes, was:

- Reële opbrengskoers 2,5% (2000:2,22%)

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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

Below 50:

Number	84 (2000:120)
Average age (years)	37 (2000:37)

50 to 60:

Number	29 (2000:32)
Average age (years)	53 (2000:55)

Above 60:

Number	4 (2000:4)
Average age (years)	61 (2000:62)

Total:

Number	117 (2000:156)
Average age (years)	42 (2000:42)

• **Current pensioner members**

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

Total:

Number	98 (2000:92)
Average age (years)	68 (2000:67)

- 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

Onder 50:

Aantal	84 (2000:120)
Gemiddelde ouderdom (jare)	37 (2000:37)

50 tot 60:

Aantal	29 (2000:32)
Gemiddelde ouderdom (jare)	53 (2000:55)

Bo 60:

Aantal	4 (2000:4)
Gemiddelde ouderdom (jare)	61 (2000:62)

Totaal:

Aantal	117 (2000:156)
Gemiddelde ouderdom (jare)	42 (2000:42)

• **Huidige pensioenaris-lede**

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

Totaal:

Aantal	98 (2000:92)
Gemiddelde ouderdom (jare)	68 (2000: 67)

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

	Consolidated		Co-operative	
	2001 N\$	2000 N\$	2000 N\$	2001 N\$
14. Deferred tax obligations				
Balance at beginning of year	3 220 665	2 563 280	2 563 280	3 219 263
Movements during the year attributable to timing differences	(641 641)	657 385	655 983	(644 178)
Balance at end of year	2 579 024	3 220 665	3 219 263	2 575 085
The balance comprises:				
Capital allowances	5 695 118	4 446 961	4 229 890	5 538 874
Provisions	(1 058 636)	(886 298)	(886 298)	(1 058 636)
Gross calculated tax losses	(2 057 458)	(339 998)	(124 329)	(1 905 153)
	2 579 024	3 220 665	3 219 263	2 575 085

14. **Uitgestelde belasting bates**

Saldo aan begin van jaar
Bewegings gedurende die jaar toeskryfbaar aan tydsberekening verskille
Saldo aan einde van jaar
Die saldo behels:
Kapitaal toelae
Voorsienings
Berekende belastingverliese

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15. **Related party transactions**

The company is the holding company of the following subsidiaries:

	%
- Star Plastics (Pty) Ltd	100
- Wire Industries (Pty) Ltd	100
- Ondangwa Service Station (Pty) Ltd	70
- Agra Verspreiders (Pty) Ltd	100
- Agricultural Communications and Services (Pty) Ltd	100
- Agra Eiendomme (Pty) Ltd	100
- SWA Amalgameerdes (Pty) Ltd	100

The following are associated companies:

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

The following transactions were carried out with related parties:

	Consolidated		Co-operative	
	2001 N\$	2000 N\$	2000 N\$	2001 N\$
i) Interest received:				
- Star Plastics (Pty) Ltd	-	-	123 636	283 818
- Wire Industries (Pty) Ltd	-	-	21 843	194 863
- Ondangwa Service Station (Pty) Ltd	-	-	24 462	-
	-	-	<u>169 941</u>	<u>478 681</u>
ii) Purchases:				
- Star Plastics (Pty) Ltd	-	-	1 792 742	2 467 180
- Wire Industries (Pty) Ltd	-	-	5 222 512	3 219 053
- Agra Verspreiders (Pty) Ltd	-	-	4 366 168	2 122 981
	-	-	<u>11 381 422</u>	<u>7 809 214</u>
iii) Management fees and dividends received:	-	-	<u>2 454 537</u>	<u>3 033 799</u>

15. **Verwante-partye transaksies**

Die maatskappy is die houermaatskappy van die volgende filiale:

	%
- Star Plastics (Edms) Bpk	100
- Wire Industries (Edms) Bpk	100
- Ondangwa Service Station (Edms) Bpk	70
- Agra Verspreiders (Edms) Bpk	100
- Agricultural Communications and Services (Edms) Bpk	100
- Agra Eiendomme (Edms) Bpk	100
- SWA Amalgameerdes (Edms) Bpk	100

Die volgende is verwante maatskappye:

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

Die volgende verwante-party transaksies het gedurende die jaar plaasgevind:

i) Rente ontvang:	
- Star Plastics (Edms) Bpk	
- Wire Industries (Edms) Bpk	
- Ondangwa Service Station (Edms) Bpk	
ii) Aankope:	
- Star Plastics (Edms) Bpk	
- Wire Industries (Edms) Bpk	
- Agra Verspreiders (Edms) Bpk	
iii) Bestuursfooie en dividende ontvang:	

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The following balances were outstanding at year end:

	Consolidated		Co-operative	
	2001 N\$	2000 N\$	2000 N\$	2001 N\$
i) Accounts receivable:				
- Star Plastics (Pty) Ltd	--	--	147 851	52 768
- Wire industries (Pty) Ltd	--	--	59 535	320 661
- Ondangwa Service Station (Pty) Ltd	--	--	1 453 130	2 645 017
	<u>--</u>	<u>--</u>	<u>1 660 516</u>	<u>3 018 446</u>
ii) Long-term receivables:				
- Star Plastics (Pty) Ltd	--	--	1 791 810	1 791 810
- Wire Industries (Pty) Ltd	--	--	1 750 000	1 750 000
- Ondangwa Service Station (Pty) Ltd	--	--	209 300	209 300
- Agra Verspreiders (Pty) Ltd	--	--	1 151 865	2 820 776
- Lumley Agra Farmers Insurance Brokers (Pty) Ltd	160	320 000	320 000	160
- Consolidated Sugar Industries (Namibia) (Pty) Ltd	2 541 205	2 541 205	2 541 205	2 541 205
	<u>2 541 365</u>	<u>2 861 205</u>	<u>7 764 180</u>	<u>9 113 251</u>
iii) Long-term loan:				
- Agra Verspreiders (Pty) Ltd	--	--	317 619	317 619

The above transactions were carried out on commercial terms.

16. Guarantees

Agra (Co-operative) Ltd guarantees the following liabilities:

16.1 The bank overdraft of the subsidiary companies, Wire Industries (Pty Ltd and Star Plastics (Pty) Ltd, for the amount of N\$4,5 million. At year-end the bank overdraft of Star Plastics amounted to N\$779 563 (2000: 776 768).

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.

These guarantees are:

Department of Water Affairs	119 069	119 069	119 069	119 069
Meat Board	25 000	25 000	25 000	25 000
Customs and Excise	200 000	200 000	200 000	200 000
Nampower	29 180	29 180	29 180	29 180
	<u>373 249</u>	<u>373 249</u>	<u>373 249</u>	<u>373 249</u>

Die volgende balanse was uitstande op jaareinde:

i) Bedrae ontvangbaar:	
- Star Plastics (Edms) Bpk	
- Wire Industries (Edms) Bpk	
- Ondangwa Service Station (Edms) Bpk	
ii) Langtermynbedrae ontvangbaar:	
- Star Plastics (Edms) Bpk	
- Wire Industries (Edms) Bpk	
- Ondangwa Service Station (Edms) Bpk	
- Agra Verspreiders (Edms) Bpk	
- Lumley Agra Farmers Insurance Brokers (Edms) Bpk	
- Consolidated Sugar Industries (Namibia) (Edms) Bpk	
iii) Langtermynlenings:	
- Agra Verspreiders (Edms) Bpk	

Die bogemelde transaksies is teen kommersiële terme uitgevoer.

16. Waarborge

Agra (Koöperatief) Bpk waarborg die volgende verpligtinge:

16.1 Die bankoortrekkinge van filiaalmaatskappye, Wire Industries (Edms) Bpk en Star Plastics (Edms) Bpk tot 'n maksimum van N\$4,5 miljoen. Die bankoortrekking van Star Plastics het op jaareinde N\$779 563 (2000: N\$776 768) beloop.

16.2 Die koöperasie het 'n voorwaardelike verpligtinge teenoor Standard Bank Namibië ten opsigte van waarborge gegee deur die bank namens die koöperasie ten gunste van:

Departement van Waterwese
Vleisraad
Doeane en Aksyns
Nampower

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	Consolidated		Co-operative		
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
17. Capital expenditure approved					17. Kapitaaluitgawes goedgekeur
Commitments in respect of contracts placed	946 241	3 449 400	3 449 400	946 241	Verpligtinge ten opsigte van kontrakte aangegaan
Capital expenditure approved by the directors in addition to contracts placed	4 233 985	8 151 405	8 151 405	4 233 985	Goedgekeur deur die direkteure benewens kontrakte aangegaan
	<u>5 180 226</u>	<u>11 600 805</u>	<u>11 600 805</u>	<u>5 180 226</u>	
Finance will be provided by financial institutions and by working capital generated within the group.					Finansiering sal verskaf word deur finansiële instellings en deur bedryfskapitaal wat binne die groep voortgebring word.
18. Working capital changes					18. Bedryfskapitaalveranderinge
- (Increase)/Decrease in accounts receivable	(21 298 634)	507 220	481 488	(20 598 629)	- (Toename)/Afname in rekeninge ontvangbaar
- (Increase)/ Decrease in inventories	(6 397 507)	372 133	953 497	(6 507 066)	- (Toename)/Afname in voorraad
- Increase/(Decrease) in accounts payable	18 099 233	(2 416 247)	(3 411 993)	19 836 897	- Toename/(Afname) in rekeninge betaalbaar
	<u>(9 596 908)</u>	<u>(1 536 894)</u>	<u>(1 977 008)</u>	<u>(7 268 798)</u>	
19 Operating lease commitments					19. Bedryfshuurverpligtinge
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	556 481	653 324	644 168	541 366	Nie later as een jaar
Later than one year, but not later than five years	1 938 030	1 181 792	1 172 801	1 928 029	Later as een jaar, maar nie later as vyf jaar nie
Later than five years	338 714	5 475	5 475	338 714	Later as vyf jaar

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20. Staff costs	Consolidated		Co-operative		20. Werknemersvergoeding
	2001 N\$	2000 N\$	2000 N\$	2001 N\$	
Salaries and wages	24 871 219	23 886 590	21 956 935	22 752 796	Salarisse en lone
Social Security costs	91 811	92 978	85 575	83 926	Maatskaplike voorsorgfondsbydraes
Pension fund contributions	2 923 896	2 853 797	2 665 264	2 715 079	Pensioenfondsbydraes
Medical aid fund contributions	2 439 471	2 262 198	2 185 030	2 360 125	Mediese fondsbydraes
	30 326 397	29 095 563	26 892 804	27 911 926	
Average monthly number of persons employed by during the year:					Gemiddelde maandelikse personeel werksaam gedurende die jaar:
	472	456	416	428	

21. 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 Pensions Fund Act of Namibia. A statutory actuarial valuation was carried out on 30 April 1998 and in the actuary's opinion the fund was in a sound financial position. The next actuarial valuation for 30 April 2001 is in the process of finalization. The employer is currently contributing at a rate of 15% of total salaries.

21. 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 gadministreer word. 'n Statutêre aktuariële waardasie is uitgevoer op 30 April 1998 en in die aktuaris se opinie was die fonds in 'n gesonde finansiële posisie. Die volgende aktuariele waardasie van 30 April 2001 is in die proses van finalisering. Die werkgever se bydrae tot die fonds is 15 % van totale salarisse.