



SERVICE. RANGE. COUNTRYWIDE.

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for the year ended 31 July 2003

vir die jaar geëindig 31 Julie 2003

On 27 June 2003 Mr Ryno van der Merwe, one of the three SC members, appeared at the opening of the new Agra/Standard Bank auction ring at the Windhoek Showgrounds. Members can really be proud of this impressive improvement. It is a showpiece for our country, but is foremost visible proof of Agra's confidence in our country's future. Apart from this highlight, the year under review will be remembered for numerous other reasons, such as the countrywide drought, uncertainty regarding land reform and small stock marketing, problems in the ostrich industry and disappointments for karakul farmers. For cattle farmers the foreign exchange rate resulted in less disposable income and agriculturists had a disappointing harvest as a result of the drought.

All of this had a significant impact on AGRA and this is clearly reflected in the performance, which was below expectations. Furthermore, continued hitches in information technology as well as the more centralised retail purchases did not make it any easier, at branch level, for staff or members. Some members are also questioning the feasibility of controlling smaller branches, at a central level, as far as purchases are concerned and whether the overhead cost component of the countrywide computer system can be serviced through the turnover of smaller branches.

In Agra's competitive environment, the year will also be remembered for the courageous decision of the directors to investigate branches that do not succeed, for whatever reason, and caused losses for AGRA over the years. This can no longer be justified.

There must, however, also be appreciation for the directors' and management's planning in this regard, namely to strive for total transparency and communication with members. As a result of this a satisfactory solution can be obtained, on an ad hoc basis, for every affected branch. The SC urgently appeals to members to give their co-operation in this regard in a purposeful manner.

The SC once again realised during the year under review the complexity of choices that have to be made by the directors. It is meaningful to ensure that stock levels remain low; that the rate of turnover increases; that suppliers be reduced; that debtors be limited to the minimum and be centrally controlled. This must, however, all be done without losing clients. It is especially critical that the availability of farming production means and effective marketing do not suffer as a result.

Agra's debtors are high. At a stage when it was mainly livestock debtors, it was already high. Now retail debtors are also high and it is a clear indication of red lights in the agricultural business. Stock losses are also very high; especially if it is kept in mind that it is one of the criteria of effectiveness and performance.

Op 27 Junie vanjaar het Mnr. Ryno van der Merwe, een van die drie TK lede, opgetree tydens die opening van die nuwe Agra/Standard Bank veilingsring op die Windhoek Skouterrein. Lede kan met reg trots wees op hierdie indrukwekkende verbetering. Dit is vir ons land 'n vertoonvenster, maar dit is veral ook 'n sigbare bewys van Agra se vertroue in ons land se toekoms. Behalwe vir hierdie hoogtepunt sal die jaar onder oorsig waarskynlik onthou word vir verskeie ander redes, waaronder die landswyse droogte, onsekerhede ten opsigte van grondhervorming en kleinvee-bemaking, probleme in die volstruisbedryf en teleurstellings vir karakoelboere. Vir beesboere het die wisselkoers 'n vermindering van besteebare inkomste tot gevolg gehad en akkerbouers het swak oeste gehad as gevolg van die droogte.

Dit het alles tot 'n groot mate 'n invloed gehad op AGRA en dit reflekteer duidelik in die prestasie wat nie heeltemaal aan die verwagting voldoen het nie. Daarbenewens het voortgesette haakplekke in die hantering van die inligtingstegnologie opset, sowel as die meer gesentraliseerde handelaankope dit nie op takvlak makliker gemaak vir personeel of lede nie. By sommige lede is daar ook vrae oor die wenslikheid om kleiner takke sentraal te beheer ten opsigte van aankope en of die oorhoofse kostekomponent van die landswyse rekenaarstelsel deur die omset van kleiner takke gediens kan word.

In die kompeterende omgewing waarin AGRA bestaan, sal die jaar ook onthou word vir 'n moedige besluit van die direksie, naamlik om indringend te kyk na takke wat om een of ander rede nie die mas opkom nie en dus 'n konstante verlies vir AGRA oor die jare beteken het. Dit kan nie langer geregverdig word nie.

Daar moet ook waardering wees vir die direksie en bestuur se beplanning in bogenoemde verband, naamlik om totale deursigtigheid en kommunikasie met lede na te streef. Dit kan daartoe lei dat 'n bevredigende oplossing op 'n ad hoc basis vir elke sodanige tak verkry kan word. Die TK doen 'n dringende beroep op lede om doelgerig in dié verband hul volle samewerking te gee.

Gedurende die jaar het die TK opnuut tot die besef gekom van die kompleksiteit van keuses wat deur die direksie gemaak moet word. Dit is byvoorbeeld sinvol om toe te sien dat voorraadvlakke laag bly; omsetsnelheid verhoog word; dat verskaffers verminder word; dat debiteure tot die minimum beperk word en sentraal beheer word. Dit moet egter alles geskied sonder om kliënte te verloor. Dit is veral krities dat die beskikbaarheid van boerdery-produksiemiddele en doeltreffende bemaking nie daaronder ly nie.

AGRA se debiteure is hoog. Op 'n stadium toe dit grootliks lewendehawe debiteure was, was dit al hoog. Nou is handelsdebiteure ook hoog en dit is 'n duidelike aanduiding van rooi ligte in die landbou-besigheid. Voorraadverliese is eweneens baie hoog; veral ook gesien in die lig daarvan dat dit een van die kriteria is van

for the year ended 31 July 2003

Stock losses were the cause of most of the disciplinary hearings that were held. The number of hearings and the extent of losses are disturbing and indicate a lack of commitment and loyalty towards Agra by the staff involved. Just as disturbing is the legal costs incurred by Agra to defend the results of disciplinary hearings in Magistrate's Courts.

The SC is satisfied that the board of directors functioned well during the year under review. The board of directors must continue functioning the coming year without three directors, all of whom had very good experience. The SC supports the idea to co-opt directors, especially in respect of financial and legal expertise. The attempt to identify potential directors amongst members was not successful. This leaves a question mark in respect of members' commitment towards and ownership of AGRA. This also places an additional responsibility on every director - to lead by example in respect of commitment and ownership.

The SC would like to express its thanks and appreciation towards management and staff for their continued commitment and effectiveness. This is substantiated by the fact that a profit was recorded despite the unfavourable economic conditions.

**In the harsh country in which we live and which we love so much, we have become accustomed to setbacks and bad years. We must manage this situation correctly to the best of our ability. There are certain circumstances which we cannot control, but there are also matters where we have to think differently and have to shift paradigms. We must value our own abilities and knowledge, utilising it to the maximum. Let us focus next year on the challenges that exist currently.**

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J H NIEUWOUDT

VOORSITTER: TOESIGHOUDEnde KOMITEE

CHAIRMAN: SUPERVISORY COMMITTEE

vir die jaar geëindig 31 Julie 2003

Voorraadverliese was ook die oorsaak van die meeste dissiplinêre verhore wat gehou moes word. Die getal verhore en die omvang van verliese is verontrustend en dui op 'n gebrek aan verbondenheid en lojaliteit van die betrokke personeel teenoor AGRA. Net so verontrustend is die reghoofte wat deur AGRA aangegaan moet word om die gevolge van dissiplinêre verhore agterna in 'n magistraatshof te gaan verdedig.

Die TK is tevrede dat die direksie in die jaar onder oorsig goed gefunksioneer het. Die direksie moet egter in die volgende jaar die mas opkom sonder drie direkteure wat almal goeie ondervinding gehad het. Die TK ondersteun die gedagte om veral ten opsigte van finansiële- en reghoofte direkteure te koöpteer. Die poging om potensiële direkteure onder lede te identifiseer was nie baie geslaagd nie. Dit laat 'n vraagteken oor lede se beleving van hul verbondenheid en eienaarskap van AGRA. Dit plaas ook 'n bykomende verantwoordelikheid op elke direkteur - om ten opsigte van verbondenheid en eienaarskap te lei deur voorbeeld.

Die TK wil graag dank en waardering uitspreek teenoor bestuur en personeel vir voortgesette toegewydheid en effektiwiteit. Getuienis daarvan is dat daar ten spyte van die swak ekonomiese omstandighede nog steeds met 'n wins afgesluit kon word.

**In die harde land waarin ons woon en waarvoor ons so lief is, het ons al gewoon geraak aan terugslae en swak jare. Ons moet hierdie situasie reg bestuur na die beste van ons vermoë. Daar is wel omstandighede wat buite ons beheer is, maar daar is sake waarvoor ons dalk anders moet begin dink en paradigmas verskuif. Ons moet ons eie vermoëns en kennis na waarde skat en dit maksimaal ontgin. Laat ons in die volgende jaar fokus op die geleentheid wat in ons verleentheid bestaan.**

Considering past and current circumstances AGRA's profit of N\$4 million is satisfactory. Despite difficult circumstances AGRA still delivered services throughout Namibia – more details are available in the CEO's report.

During the year continuous streamlining took place at AGRA as far as systems and other aspects are concerned. As far as the supply of inventory is concerned, we still do not have a final answer, but expect to have one soon. Thank you very much to management and staff for your input in 2002/2003.

If the business environment circumstances do not change substantially, it may lead to the closure of certain branches. We expect to compensate for that by means of a higher level of service. Ten (10) branches are responsible for 97% of AGRA's profit, 14 branches are responsible for only 3% of the profit. It does not make sense. Ways and means should be found to deal with certain situations, but not at any price.

Sustained focus on effective and profitable branches is now the highest priority. A warm welcome to Arnold Klein who will in future, as General Manager Trade, be responsible for this department.

Thank you very much to my co-directors and members of the Supervisory Committee for services rendered and supporting AGRA and myself. Three directors retired during the year under review. My sincere appreciation to every one of them, being Mr Jan Engelbrecht, the vice-chairman, Mr Jan Oberholzer, our secretary and Mr Jan Visagie, director for the southern region, for your unselfish and valuable inputs.

AGRA as a Namibian organisation for Namibian farmers once again carried out its social responsibility by means of sponsorships, bursaries and information sessions, etc.

Gesien teen die agtergrond van die afgelope en huidige omstandighede, is die winsprestasie van AGRA met N\$4 miljoen bevredigend. Ten spyte van moeilike omstandighede het AGRA steeds diens gelewer oor die lengte en breedte van Namibië - meer detail hieroor in die HUB se verslag.

Daar is verder geskaaf aan AGRA in die afgelope jaar, wat stelsels en dies meer betref. Ten opsigte van voorraad voorsiening is ons nog nie by die finale antwoord nie, maar hoop ons om dit binnekort te hê. Baie dankie aan bestuur en personeel vir u insette in 2002/2003.

Indien die besigheidsomgewing nie drasties verbeter nie, sal dit lei tot die sluiting van sekere takke. Ons hoop om met 'n verhoogde vlak van diens daarvoor te vergoed. Tien (10) takke lewer 97% van AGRA se wins, 14 takke lewer slegs 3% van die wins. Dit maak geen sin nie. Daar sal weë gevind moet word om bepaalde situasies te ondervang, maar dit ook nie teen enige prys nie.

Volgehoue fokus op effektiewe en winsgewende takke is nou die hoogste prioriteit. Baie welkom ook aan Arnold Klein wie in die toekoms as Hoofbestuurder Handel sal diens doen in hierdie afdeling.

Baie dankie aan mede direkteure en lede van die toesighoudende komitee, vir diens gelewer en ondersteuning aan AGRA en aan my. Drie direkteure het in die jaar onder oorsig die tuig neergelê. My opregte dank aan elkeen van hulle te wete, Mnr Jan Engelbrecht die onder-voorsitter, Mnr Jan Oberholzer ons sekretaris en Mnr Jan Visagie, direkteur vir suide streek, vir u onbaatsugtige diens en waardevolle insette.

AGRA as organisasie uit Namibië en vir die boere van Namibië het weereens bydraes gelewer as draer van sosiale verantwoordelikheid deur middel van borgskappe, studiebeurse en voorligtingsaksies ens.

## REPORT OF THE CHAIRMAN

for the year ended 31 July 2003

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There will most certainly be major changes at AGRA during the coming year. Let us all take our membership more seriously and get involved with our own organisation by means of our support and by giving constructive advice and criticism, thereby improving our organisation.

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JW CHAPMAN  
CHAIRMAN  
VOORSITTER

## VERSLAG VAN DIE VOORSITTER

vir die jaar geëindig 31 Julie 2003

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Daar sal gewis in die jaar wat voorlê groot verandering by AGRA plaasvind. Kom ons neem elkeen ons lidmaatskap meer ernstig op en raak betrokke by ons eie organisasie deur ons ondersteuning en ook opbouende raad en kritiek tot verbetering van ons eie organisasie.

## OVERVIEW

The major influences on the agricultural sector of our economy for the year under review were:

- the strengthening of the Rand/NS against all other major currencies
- the erratic rainfall resulting in drought conditions in large parts of our country
- much lower livestock/meat prices during the second half of our financial year
- the ever increasing cost of farming inputs
- the uncertainty surrounding the future land reform policy of the Namibian Government.

The major internal influences on Agra were:

- lower gross profit margins due to our members' financial situation and increased competition
- increased cost of services like telephone, bank charges, municipal charges and transport costs
- increased stock losses due to theft and stock shortages
- increase in the incidence of bad debts having to be written off.

Unfortunately all of the above key influences had a negative impact on the industry and thereby on Agra as a co-operative as well.

We are nevertheless proud to report a net operating surplus of N\$4,0 million (2002: N\$5,9 million) for the co-operative and N\$4,1 million (2002:N\$5,6 million) for the group for the year ended 31 July 2003.

An analysis of the results follows hereunder:

## OORSIG

Die belangrikste invloede op die landbousektor in ons ekonomie vir die jaar onder oorsig was:

- die versterking van die Rand/N\$ teenoor ander geldeenhede
- die onvoorspelbare reënpatrone wat droogte in groot dele van ons land veroorsaak het
- laer lewendehawe/vleispryse gedurende die tweede helfte van ons finansiële jaar
- die aanhoudende kostestyging van boerdery-insette
- die onsekerheid oor die toekomstige grondhervormingsbeleid van die Namibiese regering.

Die grootste interne invloede op Agra was:

- laër bruto wins marges weens ons lede se finansiële situasie en groeiende kompetisie
- verhoogde telefoonkoste, bankkoste, munisipale koste en vervoerkoste
- verhoogde voorraadverliese weens diefstal en voorraadtekorte
- verhoogde slegte skuld afskrywings.

Ongelukkig het bogenoemde invloede 'n negatiewe impak op die industrie en gevolglik ook op Agra as koöperasie gehad.

Nogtans is ons trots om 'n netto bedryfsurplus van N\$4,0 miljoen (2002:N\$5,9m) vir die koöperasie en N\$ 4,1 miljoen (2002:N\$5,6m) vir die groep vir die jaar geëindig 31 Julie 2003 te rapporteer.

'n Ontleding van die resultate volg hieronder:

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1. LIVESTOCK

Gross value of livestock transactions for the year under review (excluding karakul pelts and wool) amounted to N\$413 million compared to N\$437 million in 2002. This represents decrease of 5%. Net turnover achieved in this category totaled N\$18,0 million compared to N\$19,0 million in 2002, a decrease of 5%.

This decrease in turnover is attributed to two factors:

- number of heads marketed during the year
- |        | <u>2003</u> | <u>2002</u> | <u>%change</u> |  |
|--------|-------------|-------------|----------------|--|
| cattle | 139,870     | 148,615     | (5,9 %)        |  |
| sheep  | 264,191     | 312,074     | (15 %)         |  |
| goats  | 114,341     | 127,398     | (10 %)         |  |
- relatively high prices per unit achieved during the first half of the financial year compared with much lower prices (up to 40% decrease) achieved during the latter part of the year due to the dramatic strengthening of the SA Rand against the USD.

1.1. KARAKUL

Pelt quantities sold at the two auctions in Copenhagen during December 2002 and June 2003 amounted to 127 981 which reflects an increase of 13,6% compared to the 112 652 skins sold during the year ending July 2002. Prices of pelts decreased from an average of N\$209,13 in the previous financial period to N\$148,15 for the year under review, a decrease of 29,2%.

The Agra Pelt Centre was once again not in a position to break even and showed a loss of N\$24 000 (2002:N\$90 000). This is largely as a result of lower than expected income generated in both wool commission and pelt sorting fees received as well as an increase in stationery and computer costs.

There was however an encouraging reduction in the deficit of N\$66 000 compared to 2002.

1. LEWENDE HAWE

Die bruto waarde van lewende hawe transaksies vir die jaar onder oorsig (uitsluitend karakoelpelse en wol) was N\$413 miljoen teenoor N\$437 miljoen in 2002. Dit verteenwoordig 'n daling van 5%. Netto omset behaal in hierdie kategorie het N\$18,0 miljoen beloop teenoor N\$19,0 miljoen in 2002, 'n daling van 5%.

Hierdie daling in omset word toegeskryf aan twee faktore:

- die hoeveelheid diere wat gedurende die jaar verkoop is
- |        | <u>2003</u> | <u>2002</u> | <u>%change</u> |  |
|--------|-------------|-------------|----------------|--|
| beeste | 139,870     | 148,615     | (5,9 %)        |  |
| skape  | 264,191     | 312,074     | (15 %)         |  |
| bokke  | 114,341     | 127,398     | (10 %)         |  |
- relatiewe hoë eenheidspryse wat behaal is gedurende die eerste helfte van die finansiële jaar, in vergelyking met baie laer pryse (tot 40% daling) vir die tweede helfte van die jaar weens die dramatiese versterking van die SA Rand teenoor die VSD.

1.1. KARAKOEL

By die twee veilings wat in Copenhagen gedurende Desember 2002 en Junie 2003 gehou is, is daar 127 981 pelse verkoop. Dit verteenwoordig 'n 13,6% verbetering in vergelyking met die 112 652 pelse wat gedurende die jaar geëindig Julie 2002 verkoop was. Die pelspryse het verminder van 'n gemiddeld van N\$ 209,13 vir die vorige finansiële jaar tot N\$ 148,15 vir die jaar onder oorsig, 'n daling van 29,2%.

Die Agra Pelssentrum kon weereens nie gelykbreek nie en het weereens 'n verlies van N\$ 24 000 (2002:N\$ 90 000) getoon. Hierdie is hoofsaaklik veroorsaak deur die laer inkomste wat gegenereer is in wolkommissie en pelssorteringsfooie, sowel as 'n verhoging in skryfbehoeftes en rekenaarskoste.

Daar was nogtans 'n bemoedigende daling in die verlies van N\$66 000 in vergelyking met 2002.

1.2. OVERALL LIVESTOCK DIVISION

Net profit figures decreased from a net surplus of N\$6,7 million in 2002 to a figure of N\$3,0 million this year, mainly as a result of:

lower turnover generated (see 1. above)  
increase in cost of 8% compared to 2002  
financing cost charged for the first time this year to this division  
resulting from outstanding livestock debtors accounts.

2. RETAIL/WHOLESALE DIVISION

Total Retail/Wholesale Division turnover amounted to N\$343 million for the current year compared to N\$290 million in 2002. This represents a growth of 18,3%.

2.1. RETAIL AGRA BRANCHES

Although competition remained fierce, branch turnover increased by 20,04% compared to last year, also because of high volumes of stockfeed sold as a result of the drought conditions in most of our country.

Gross margins were however once again under pressure especially in the fuel and stockfeed department, which together account for 41% of the total branch turnover.

Substantially higher stock levels resulted in financing cost increasing by 54% and stock losses by 23% compared to last year.

Nevertheless a net surplus, before Head Office costs, of N\$5,9 million was achieved compared to N\$7,8 million in 2002.

1.2. ALGEHELE LEWENDE HAWE AFDELING

Netto wins syfers het verlaag met 'n netto surplus van N\$6,7 miljoen in 2002 teenoor N\$3,0 miljoen vir die huidige jaar hoofsaaklik as gevolg van:

laer omsette (sien 1. bo)  
verhoging in kostes van 8% in vergelyking met 2002  
finansieringskoste wat vir die eerste keer hierdie jaar betaal is deur die afdeling as gevolg van die uitstaande lewende hawe debiteure rekeninge.

2. HANDEL/GROOTHANDEL AFDELING

Die totale Klein/Groothandel afdeling se omset was N\$ 343 miljoen vir die huidige jaar teenoor N\$290 miljoen vir 2002. Dit verteenwoordig 'n groei van 18,3%.

2.1. AGRA KLEINHANDEL TAKKE

Ten spyte van strawwe kompetisie, het die omset van die takke verbeter met 20,04% teenoor die vorige jaar, ook as gevolg van die hoër volumes veevoer wat verkoop is weens die droogte situasie in die grootste gedeeltes van ons land.

Bruto wins marges was weereens onder druk, veral in die brandstof en veevoer afdelings wat altesaam 41% van die totale omset van die takke was.

Wesenlike hoër voorraadvlakke het gelei tot stygings van 54% in finansieringskoste en 23% in voorraadverliese in vergelyking met die vorige jaar.

Nietemin is 'n netto surplus, voor Hoofkantoor kostes van N\$5,9 miljoen behaal teenoor N\$7,8 miljoen van 2002.

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2.2. WHOLESALE DIVISION

This division comprises the Agra Distribution Depot. Turnover remained stable at N\$35 million for the year while extraordinary costs were incurred through a very high stockholding from January 2003 to July 2003 resulting in an increase in financing costs of 50% compared to 2002.

The net surplus of N\$895 000 is 34% lower than in 2002.

2.3. SAFARIDEN

Turnover increased by 12% and cost decreased by 11% compared to last year, with the net surplus showing an improvement of N\$341 000 compared to 2002.

2.4. PROPERTIES

Rent received increased by 6% compared to last year to N\$9,8 million and with effective cost control the net surplus increased to N\$3,3 million from N\$2,2 million in 2002.

3. SUBSIDIARIES AND OTHER INVESTMENTS3.1. WIRE INDUSTRIES (PTY) LTD / STAR PLASTICS (PTY) LTD

Both companies in which Agra holds 100% of the share capital performed to expectation with a much improved result compared to 2002.

2.2. GROOTHANDEL

Die afdeling bestaan uit die Agra Distribusiesentrum. Omset het stabiel gebly op N\$35 miljoen vir die jaar terwyl buitengewone kostes aangegaan is om die hoër voorraadvlakke van Januarie 2003 tot Julie 2003 te finansier. Finansieringskoste het dus met 50% gestyg teenoor die van 2002.

Die netto surplus van N\$ 895 000 is 34% laer as in 2002.

2.3. SAFARIDEN

Omset het met 12% verhoog, terwyl kostes met 11% verminder het teenoor die vorige jaar, met die netto surplus wat 'n verbetering van N\$341 000 teenoor 2002 getoon het.

2.4. EIENDOMME

Huurinkomste het gestyg met 6% in vergelyking met verlede jaar tot N\$9,8 miljoen en met die effektiewe kostebeheer het die netto surplus verbeter na N\$3,3 miljoen teenoor N\$2,2 miljoen in 2002.

3. FILIALE EN ANDER BELEGGINGS3.1. WIRE INDUSTRIES (EDMS) BPK / STAR PLASTICS (EDMS) BPK

Albei maatskappye waarin Agra 100% van die aandele besit, het volgens verwagting presteer, met baie verbeterde resultate in vergelyking met 2002.



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Other Income: Other income increased by 14% for the Group and 22% for the Co-operative, compared to 2002, mainly as a result of interest received from debtors which increased by N\$616 000 for the Company and N\$604 000 for the Group, as well as an increase in livestock commission received of N\$458 000 for both the Co-operative and the Group.

Other Income: Ander inkomste het in vergelyking met 2002 gestyg met 14% vir die Groep en 22% vir die Koöperasie, hoofsaaklik as gevolg van rente inkomste op debiteure wat verhoog het met N\$616 000 in die Koöperasie en N\$ 604 000 in die Groep, sowel as 'n verhoging in lewende hawe kommissie van N\$458 000 vir beide die koöperasie en die Groep.

Major Cost Categories performed as follows compared to the preceding year:

Die belangrikste kostekategorieë het as volg vertoon teenoor die vorige jaar:

Stock Costs: As mentioned previously, the incidence of theft and stock losses increased again during the year under review. Although more controls and systems to minimise stock losses have been implemented, it has become very difficult to contain this cost item to acceptable levels. Current stock shortages represents 0,68% of total turnover. Agra's target is 0,5% of total turnover.

Voorraadkoste: Soos voorheen bespreek, was daar 'n verhoging in diefstal en voorraadtekorte. Alhoewel beter kontroles reeds geïmplementeer is, raak dit al hoe moeiliker om hierdie koste- item tot 'n aanvaarbare vlak te laat daal. Huidige voorraadtekorte verteenwoordig 0,68% van omset, terwyl Agra se doelwit 0,5% van omset is.

Interest Paid: This item increased by 33% for the Group and by 19% for the Co-operative as a result of higher working capital requirements and capital expenditure paid for with own funds.

Rente betaal: Hierdie item het gestyg met 33% vir die Groep en 19% vir die Koöperasie weens hoër bedryfskapitaalbehoefte sowel as kapitaaluitgawes wat met eie fondse betaal is.

Staff Costs: Total Personnel Costs, increased by 7% for the Group and by 8% for the Co-operative and is in line with the decrease in total net surplus achieved.

Personeelkoste: Totale personeelkoste het gestyg met 7% vir die Groep en met 8% vir die Koöperasie, wat in ooreenstemming is met die totale daling in netto surplus.

Balance Sheet Ratios: The debt to equity ratio currently stands at 49,31% (2002:55,2%) for the Group and at 48,84% (2002:55,12%) for the Co-operative. It is the intention of the Board and management of Agra to manage this ratio down to 40% over the next two years.

Balansstaatverhoudings: Die totale vreemde tot eie kapitaal verhouding is tans op 49,31% (2002:55,2%) vir die Groep en 48,84% (2002:55,12%) vir die Koöperasie. Die Raad en Bestuur van Agra is van voornemens om hierdie verhouding te bestuur tot 40% oor die volgende twee jaar.

The current assets to current liabilities Ratio has changed from 1,34:1 for the Co-operative in 2002 to 1:29:1 in 2003. Over the next five years this ratio should improve to 2:1.

Die bedryfsbates tot bedryfslaste verhouding het verander van 1,34:1 vir die Koöperasie in 2002 na 1,29:1 in 2003. Oor die volgende vyf jaar behoort hierdie verhouding te verbeter na 2:1.

## 5. TAXATION

The net surplus of the Group, after a N\$3 million distribution to members has been deducted, amounts to N\$1,09 million. A tax credit of N\$0,17 million for the Group resulted in the net surplus after taxation being adjusted to N\$1,2 million for the Group in 2003.

## 5. BELASTING

Die netto surplus van die Groep na die N\$3 miljoen toedeling aan lede is bereken op N\$1,09 miljoen. 'n Belastingkrediet van N\$0,17 miljoen vir die Groep het gelei tot 'n netto surplus na belasting van N\$1,2 miljoen vir die Groep in 2003.

**6. FUTURE OUTLOOK**

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

The current drought conditions in most of our country, coupled with the lower Livestock prices as a result of the strong South African currency will negatively affect Agra's main markets. Lowering of the interest rates forecast for the next twelve months should however increase the consumer's disposable income as well as reduce the interest burden of Agra as a whole.

We are therefore forecasting substantially the same results for the year ahead.

**7. BUDGETS FOR THE YEAR ENDING 31 JULY 2004****7.1 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 2003/2004.

The structural upgrading of certain branches plus the investment in operating equipment at the branches and continued upgrading of our Information Technology Systems comprise the bulk of the Capital Expenditure Budget for 2003/2004 as follows:

	2003/2004	2002/2003	
		N\$ million	N\$ million
Upgrading and development of Fixed Property		1,85	6,84
Information Technology			0,59 1,43
Commercial Vehicles			0,35 0,36
Furniture and Fittings	0,02	0,05	
Operational Assets		<u>0,17</u>	<u>0,25</u>
Total		<u>2,98</u>	<u>8,93</u>

**6. TOEKOMSTIGE VERWAGTINGE**

Daar is 'n definitiewe tendens in die kommersiële boerdery gemeenskap om nuwe beleggings in boerdery infrastruktuur tot 'n minimum te beperk.

Die huidige droogte situasie in die grootste gedeelte van ons land, tesame met die laer lewende hawe pryse weens die sterk Suid Afrikaanse geldeenheid, sal 'n negatiewe impak op Agra se grootste markte hê. Die verwagte daling van rentekoerse in die volgende twaalf maande sal verbruikers se besteebare inkomste verhoog en die rentelas op Agra verminder.

Ons voorspel dus dat die volgende jaar se resultate dieselfde sal wees as die huidige jaar.

**7. BEGROTINGS VIR DIE JAAR GEËINDIG 31 JULIE 2004****7.1 KAPITALE SPANDERINGS BEGROTING**

Die kapitale spanderings begroting is opgestel om in lyn te wees met die verwagte daling van wins en daarom is slegs die nodigste items ingesluit in die 2003/2004 begroting.

Die nuwe kapitale spanderings begroting vir 2003/2004 bestaan hoofsaaklik uit die strukturele opgradering van sekere takke, die belegging in bedryfstoeusting by die takke sowel as die voortdurende opgradering van die inligtingtegnologiesestelsel en is as volg:

	2003/2004	2002/2003	
		N\$ miljoen	N\$ miljoen
Opgradering en ontwikkeling van vaste eiendom		1,85	6,84
Inligtingstechnologie		0,59	1,43
Handelsvoertuie		0,35	0,36
Meubels en toerusting	0,02	0,05	
Operasionele bates		<u>0,17</u>	<u>0,25</u>
Totaal		<u>2,98</u>	<u>8,93</u>

7.2 OPERATIONAL BUDGET

The proposed operational budget for the year 2003/2004 can be summarised as follows:

	<u>N\$ million</u>
Gross value of livestock transactions	430,197
Trade division	309,888
Wholesale division	36,817
Safari Den	8,482
Property Division	<u>10,941</u>
<b>Total turnover</b>	<b>796,325</b>
Cost of sales	<u>(719,099)</u>
<b>Gross profit</b>	<b>77,226</b>
Other income	<u>8,949</u>
<b>Gross income</b>	<b>86,175</b>
Less:	
Inventory Costs	(2,328)
Marketing Costs	(4,125)
Building Costs	(8,808)
Transport Costs	(7,250)
Personnel Costs	(41,890)
Directors Costs	(0,550)
Administration Costs	<u>(11,544)</u>
<b>Surplus before finance charges</b>	9,680
Finance charges	<u>(5,043)</u>
<b>Net surplus before tax</b>	<b><u>4,637</u></b>

7.2 OPERASIONELE BEGROTING

Die voorgestelde operasionele begroting vir die jaar 2003 / 2004 kan opgesom word as volg:

	<u>N\$ miljoen</u>
Bruto waarde van lewende hawe transaksies	430,197
Handelsafdeling	309,888
Groothandelafdeling	36,817
Safari Den	8,482
Eiendomsafdeling	<u>10,941</u>
<b>Totale omset</b>	<b>796,325</b>
Koste van verkope	<u>(719,099)</u>
<b>Bruto wins</b>	<b>77,226</b>
Ander inkomste	<u>8,949</u>
<b>Bruto inkomste</b>	<b>86,175</b>
Min:	
Voorraadkoste	(2,328)
Bemarkingskoste	(4,125)
Gebou-koste/huurinkomste	(8,808)
Vervoerkoste	(7,250)
Personeelkoste	(41,890)
Direkteurskoste	(0,550)
Administratiewe koste	<u>(11,544)</u>
<b>Surplus voor finansieringskoste</b>	9,680
Finansieringskoste	<u>(5,043)</u>
<b>Netto surplus voor belasting</b>	<b><u>4,637</u></b>

8. CONCLUSION

A year of increased turnover, but lower gross margins in the retail division as well as a lower than expected livestock turnover lies behind us.

Although the budgeted net surplus has been achieved, Agra needs to continue to focus on customer service and communication, optimal stock holding and improved cost control. It is also necessary to re-evaluate our strategy regarding the provision of a full range of services to the smaller branches and to find solutions together with our members regarding the financial sustainability of such branches.

Good progress was made with Agra's Technology Information Systems, which will result amongst others in the re-introduction of a one price system for all our products. This will improve transparency of Agra's pricing policy as well as ensure better gross margin management.

The year ahead will once again be a test for all of us at Agra to adapt to new market conditions and to ensure that we understand and serve the changing needs of our customers.

To my board of Directors: We need your support, advice and guidance in the year ahead in order to ensure that Agra continues to fulfill its purpose of creating wealth for its members.

A big thank you to all Agra's loyal members, especially to those who take an active part in improving our service by offering constructive criticism, advice and positive dialogue.

Nothing can ever be achieved without people. I would like to thank all our staff for the dedication and hard work during the year. As a team we will have to adapt to more changes in the year ahead, but with everybody's support and commitment, I am convinced that we will achieve our targets.

---

P M KAZMAIER

CHIEF EXECUTIVE OFFICER

HOOF UITVOERENDE BEAMPTE

REPORT OF THE INDEPENDENT AUDITORS

8. SLOT

'n Jaar van verhoogde omset, maar laer bruto marges in die kleinhandel- afdeling en 'n laer as verwagte lewende hawe omset, lê agter ons.

Alhoewel die begrote netto surplus behaal was, moet Agra volhou om op kliëntediens en kommunikasie, optimale voorraadhouing en verbeterde voorraadkontrolle te fokus. Dit is nodig om ons strategie ten opsigte van die voorsiening van 'n volle reeks dienste by die takke te herbeoordeel, sowel as om tesame met ons lede die finansiële volhoubaarheid van alle takke te evalueer.

Goeie vordering is gemaak met Agra se inligtingstegnologiesestelsel wat onder meer sal lei tot die herinstelling van 'n een-prys stelsel vir al ons produkte. Dit sal Agra se beleid van pryse meer deursigtig maak en beter bruto marges verseker.

Die jaar wat voorlê sal weereens vir almal by Agra 'n toets wees om by nuwe markomstandighede aan te pas en om te verseker dat ons ons kliente se verandering van behoeftes verstaan en aanspreek.

Aan die Raad van Direkteure: Ons het julle ondersteuning, advies en leiding in die jaar wat voorlê nodig om te verseker dat Agra sal voortgaan om welvaart vir ons lede te skep.

Baie dankie aan al Agra se lojale lede, veral die wat aktief betrokke was in die verbetering van ons dienste deur opbouende kritiek, advies en positiewe dialoog te lewer.

Niks kan sonder menste gedoen word nie. Ek wil graag vir al die personeel dankie sê vir die toewyding en harde werk gedurende die jaar. As 'n span sal ons moet aanpas by nog veranderings in die jaar wat voorlê, maar met almal se ondersteuning is ek seker dat ons Agra se doelwitte sal bereik.

VERSLAG VAN DIE ONAFHANKLIKE OUDITEURE

We have audited the annual financial statements and group annual financial statements of Agra (Co-operative) Limited set out on pages 15 to 42 for the year ending 31 July 2003. 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 2002, and the results of their operations and cash flows for the year then ended in accordance with statements of Namibian Generally Accepted Accounting Practice and in the manner required by the Namibian Co-operatives Act.

Ons het die finansiële jaarstate en die groeps- finansiële jaarstate van Agra (Koöperatief) Beperk soos uiteengesit op bladsye 15 tot 42 vir die jaar geëindig 31 Julie 2003 geouditeer. Hierdie finansiële state is die verantwoordelikheid van die koöperasie se direkteure. Ons verantwoordelikheid is om op grond van ons oudit 'n mening oor hierdie finansiële state uit te spreek.

### Omvang

Ons het die oudit ooreenkomstig standpunte van Namibiese ouditstandaarde uitgevoer. Hierdie standaarde vereis dat ons die oudit beplan en onderneem om redelike gerusstelling te verkry dat daar geen wesentliche 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 wesentliche opsigte 'n redelike weergawe van die finansiële stand van die koöperasie en van die groep op 31 Julie 2002 en van die resultate van hulle bedrywighede en kontantvloeï vir die jaar geëindig op daardie datum, in ooreenstemming met standpunte van Namibiese Algemeen Aanvaarde Rekeningkundige Praktyk en op die wyse deur die Namibiese Koöperasiewet bepaal.

PRICEWATERHOUSECOOPERS  
CHARTERED ACCOUNTANTS (NAMIBIA)  
WINDHOEK  
10 OCTOBER 2003

DIRECTORS' REPORT

DIREKTEURSVERSLAG

The board takes pleasure in presenting the financial statements and group financial statements for the year ended 31 July 2003 and reports to the members in terms of Clause 77(2) of the Statute of your co-operative.

AGRA achieved its budget during the year under review. The group has in real terms shown a net growth in its revenue and gross profit in the Trade division of 18% and 17% respectively. The Livestock division's revenue and gross profit decreased by 5% during the year. Other income increased by 11% while other operating costs increased by 14%.

#### **Financial management**

Interest paid increased by N\$1,6 million compared to the previous year mainly as a result of the financing of higher accounts receivable and inventories balances.

#### **Expansions and capital expenditure**

Fixed assets acquisitions for the group amounted to N\$3,9 million (2002:N\$4,3 million) compared to the budget of N\$ 8,9 million. A total amount N\$2,2 million was spent on the structural upgrading of branches and on the Agra / Standard Bank Auction Ring. Other capital expenditure consisted of motor vehicles of N\$0,5 million, computer equipment of N\$0,6 million and other operational assets of N\$0,6 million.

Dit is vir die raad aangenaam om die finansiële state en groeps- finansiële state vir die jaar geëindig 31 Julie 2003 aan die lede voor te lê en daarvoor te rapporteer in terme van Artikel 77 (2) van die Statuut van u koöperasie.

AGRA het sy begroting behaal gedurende die jaar onder oorsig. Die groep het in reële terme netto groei getoon van 18% en 17% onderskeidelik in sy omset en bruto wins in die Handelsafdeling. Die Lewende Hawe se omset en bruto wins het met 5% gedaal. Ander inkomste het gestyg met 11% terwyl ander bedryfsuitgawes 'n styging van 14% getoon het.

#### **Finansiële bestuur**

Rente betaal het gestyg met N\$1,6 miljoen in vergelyking met die vorige jaar, hoofsaaklik as gevolg van die finansiering van hoër rekeninge ontvangbaar en voorraad.

#### **Uitbreidings en kapitale spanderings**

Aankope van vaste bates in die groep het N\$3,9 miljoen (2002:N\$4,3 miljoen) beloop, teenoor die begroting van N\$8,9 miljoen. 'n Bedrag van N\$2,2 miljoen is spandeer aan die strukturele opgradering van takke en die Agra / Standard Bank veilingsring. Ander kapitale spanderings het bestaan uit motorvoertuie van N\$0,5 miljoen, rekenaartoerusting van N\$0,6 miljoen en ander operasionele bates van N\$0,6 miljoen.

**Balance sheet ratios**

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

	Consolidated	
	2003	2002
Assets exceed liabilities by	<b>N\$ 58,15m</b>	N\$54,15m
Debt: equity	<b>49,31%</b>	55,16%
Own capital: total assets	<b>37,43%</b>	34,45%
Current asset ratio	<b>1,33:1</b>	1,38:1
Quick ratio	<b>0,61:1</b>	0,80:1

**Balansstaatverhoudings**

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

	Co-operative	
	2002 N\$	2003
	N\$53,48m	<b>N\$ 57,50m</b>
	55,12%	<b>48,84%</b>
	35,14%	<b>38,46%</b>
	1,34:1	<b>1,29:1</b>
	0,80:1	<b>0,60:1</b>

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

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

	Consolidated	
	2003	2002
Commercial Bank: mortgage bond loans	<b>14,63%</b>	15,75%
Other commercial banks : prime overdraft rate	<b>16,25%</b>	17,50%

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

	Co-operative	
	2002	2003
	15,75%	<b>14,63%</b>
	17,50%	<b>16,25%</b>

Commercial Bank : verbandlenings  
Ander handelsbanke: prima oortrekkingskoers

**DIRECTORS' REPORT**

for the year ended 31 July 2003

**DIREKTEURSVERSLAG**

vir die jaar geëindig 31 Julie 2003

**Revenue**

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

**Consolidated**

	2003 N\$	2002 N\$
Livestock	18 458 027	19 450 200
Trade	345 271 365	292 375 506
<b>Total</b>	<b>363 729 392</b>	<b>311 825 706</b>

**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**

	2003 N\$	2002 N\$
Livestock	18 458 027	19 450 200
Trade	58 081 018	49 734 367
<b>Total</b>	<b>76 539 045</b>	<b>69 184 567</b>

**Omset**

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

**Co-operative**

	2002 N\$	2003 N\$	
	19 450 200	18 458 027	Lewende Hawe
	263 992 766	316 878 120	Handel
<b>Total</b>	<b>283 442 966</b>	<b>335 336 147</b>	<b>Totaal</b>

**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**

	2002 N\$	2003 N\$	
	19 450 200	18 458 027	Lewende Hawe
	44 736 104	51 617 734	Handel
<b>Total</b>	<b>64 186 304</b>	<b>70 075 761</b>	<b>Totaal</b>

**DIRECTORS' REPORT**

for the year ended 31 July 2003

**DIREKTEURSVERSLAG**

vir die jaar geëindig 31 Julie 2003

**Financial results**

Your co-operative reports an operating surplus before tax of N\$3 992 914 compared to an operating surplus of N\$5 892 202 of the previous year. The group reports an operating surplus before tax of N\$4 089 500 compared to an operating surplus of N\$ 5 629 796 of the previous year.

The Board of Directors transferred N\$3 000 000 (2002:N\$5 000 000) 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\$ 913 772 (2002:N\$1 645 380) will be utilised as capital in the business.

**Share capital**

The shareholding in your co-operative was as follows:

Number of members  
Paid-up share capital

**Co-operative**

	2002	2003
Number of members	6 591	6 680
Paid-up share capital	2 440 289	2 410 011

Ledetal  
Opbetaalde aandeelkapitaal

**Finansiële resultate**

U koöperasie rapporteer 'n bedryfswins voor belasting van N\$3 992 914 in vergelyking met 'n bedryfswins van N\$5 892 202 van die vorige jaar. Die groep rapporteer 'n bedryfswins voor belasting van N\$4 089 500, in vergelyking met die bedryfswins van N\$5 629 796 van die vorige tydperk.

Die Raad van Direkteure plaas N\$3 000 000 (2002:N\$5 000 000) 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 Koöperasiewet word 'n bedrag van N\$ 913 772 (2002:N\$1 645 380) aangewend as kapitaal in die besigheid.

**Aandelekapitaal**

Die aandeelhouding in u koöperasie was as volg:

**Investment in subsidiaries**

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

	<b>Shares</b>	
	2003 N\$	2002 N\$
<b>100% Shareholding</b>		
Wire Industries (Pty) Ltd (N\$1 shares and share premium)	1 000	1 000
Agra Verspreiders (Pty) Ltd (N\$1 shares)	2	2
Agra Eiendomme (Pty) Ltd (N\$1 shares)	100	100
SWA Amalgameerde Afslaers (Pty) Ltd (stated share capital)	350 000	350 000
Star Plastics (Pty) Ltd (N\$ 1 shares)	166 939	166 939
Auas Vet Med (Pty) Ltd (N\$ 1 shares)	1	1
<b>70% Shareholding</b>		
Ondangwa Service Station (Pty) Ltd (N\$1 shares)	700	700

**Belegging in filiale**

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

	<b>Loans</b>	
	2002 N\$	2003 N\$
<b>100% Aandeelhouding</b>		
Wire Industries (Edms) Bpk (N\$1 aandele en aandele premie)	2 002 482	2 649 261
Agra Verspreiders (Edms) Bpk (N\$1 aandele)	1 791 255	1 553 204
Agra Eiendomme (Edms) Bpk (N\$1 aandele)	-	-
SWA Amalgameerde Afslaers (Edms) Bpk (verklaarde kapitaal)	(317 619)	(317 619)
Star Plastics (Edms) Bpk (N\$1 aandele)	374 770	392 049
Auas Vet Med (Edms) Bpk (N\$1 aandele)	-	-
<b>70% Aandeelhouding</b>		
Ondangwa Service Station (Edms) Bpk (N\$1 aandele)	655 230	336 543

for the year ended 31 July 2003

vir die jaar geëindig 31 Julie 2003

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

	2002 N\$
Wire Industries (Pty) Ltd	5 513
Agra Verspreiders (Pty) Ltd	-
Agra Eiendomme (Pty) Ltd	-
SWA Amalgameerde Afslaers (Pty) Ltd	-
Star Plastics (Pty) Ltd	1 180 771
Auas Vet Med (Pty) Ltd	-
Ondangwa Service Station (Pty) Ltd	94 571

#### Other investments

At 31 July 2003 the co-operative had a 50% interest in Lumley Agra Farmers Insurance Brokers (Pty) Ltd, a 24,5% interest in Consolidated Sugar Industries (Namibia) (Pty) Ltd, a Namibian sugar packing company and 50% in Bloukop Voerkraal (Pty) Ltd.

#### Board of Directors

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

Region 3: Mr G Lensing

#### Supervisory Committee

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

Region 2: Mr R van der Merwe

#### Approval of the annual financial statements

The annual financial statements and group annual financial statements set out on pages 15 to 42 have been approved by the Board of Directors on 22 October 2003 and were signed on their behalf by:

J W CHAPMAN  
CHAIRMAN / VOORSITTER

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

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

#### Ander beleggings

Die koöperasie het op 31 Julie 2003 'n 50% belang in Lumley Agra Farmers Insurance Brokers (Edms) Bpk, 'n 24,5% belang in Consolidated Sugar Industries (Namibia) (Edms) Bpk, 'n Namibiese suikerverpakker, en 'n 50% belang in Bloukop Voerkraal (Edms) Bpk, gehad.

#### Raad van Direkteure

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

Streek 3: Mnr G Lensing

#### Toesighoudende Komitee

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

Streek 2: Mnr R van der Merwe

#### Goedkeuring van finansiële jaarstate

Die finansiële jaarstate en groeps - finansiële jaarstate wat op bladsye 15 tot 42 verskyn, is deur die Raad van Direkteure goedgekeur op 22 Oktober 2003 en namens hulle onderteken.

J B COETZEE  
VICE-CHAIRMAN / ONDER-VOORSITTER

31 July 2003

31 Julie 2003

		Consolidated		Co-operative			
	Notes	2003 N\$	2002 N\$	2002 N\$	2003 N\$	Aan- teke- ninge	
<b>ASSETS</b>							<b>BATES</b>
<b>Non-current assets</b>							<b>Nie-bedryfsbates</b>
Property, plant and equipment	3	29 427 938	30 495 787	29 885 083	28 945 031	3	Eiendomme, aanleg en toerusting
Investment properties	4	39 264 532	37 110 422	37 094 388	39 232 151	4	Beleggingseiendomme
Subsidiaries	5	-	-	4 624 375	4 731 695	5	Filiale
Investments	6	6 235 114	4 335 213	4 335 213	6 235 114	6	Beleggings
Deferred tax assets	7	1 206 620	1 098 880	-	-	7	Uitgestelde belastingbates
		<u>76 134 204</u>	<u>73 040 302</u>	<u>75 939 059</u>	<u>79 143 991</u>		
<b>Current assets</b>							<b>Bedryfsbates</b>
Inventories	8	42 665 480	35 247 086	30 951 748	37 608 526	8	Voorraad
Accounts receivable	9	36 550 066	48 872 270	45 275 136	32 765 293	9	Rekeninge ontvangbaar
		<u>79 215 546</u>	<u>84 119 356</u>	<u>76 226 884</u>	<u>70 373 819</u>		
<b>Total assets</b>		<u>155 349 750</u>	<u>157 159 658</u>	<u>152 165 943</u>	<u>149 517 810</u>		<b>Totale bates</b>
<b>EQUITY AND LIABILITIES</b>							<b>EKWITEIT EN AANSPREEKLIKHEDE</b>
<b>Capital and reserves</b>							<b>Kapitaal en reserwes</b>
Share capital		2 410 011	2 440 289	2 440 289	2 410 011		Aandelekapitaal
Members' funds		19 057 585	16 215 547	16 215 547	19 057 585		Ledefondse
Retained income		21 767 347	20 580 715	19 909 618	21 123 091		Onaangewende inkomste
General reserve		9 604 351	9 604 351	9 604 351	9 604 351		Algemene reserwe
Contingency reserve		1 313 028	1 313 028	1 313 028	1 313 028		Gebeurlikheidsreserwe
Deferred expenditure fund		3 992 986	3 992 986	3 992 986	3 992 986		Uitgestelde uitgawe fonds
		<u>58 145 308</u>	<u>54 146 916</u>	<u>53 475 819</u>	<u>57 501 052</u>		
Outside shareholder's interest	11	27 106	13 095	-	-	11	Buite-aandeelhoudersbelang
<b>Non-current liabilities</b>							<b>Nie-bedryfslaste</b>
Long-term liabilities	12	10 859 581	14 904 761	14 820 261	10 751 462	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	1 864 109	2 084 669	2 084 669	1 864 109	14	Uitgestelde belasting aanspreeklikheid
		<u>37 723 690</u>	<u>41 989 430</u>	<u>41 904 930</u>	<u>37 615 571</u>		
<b>Current liabilities</b>							<b>Bedryfslaste</b>
Accounts payable		45 421 763	49 541 792	45 708 139	40 926 298		Rekeninge betaalbaar
Receiver of Revenue		78 981	82 133	-	-		Ontvanger van Inkomste
Bank overdraft	10	13 952 902	11 386 292	11 077 055	13 474 889	10	Bankoortrekking
		<u>59 453 646</u>	<u>61 010 217</u>	<u>56 785 194</u>	<u>54 401 187</u>		
<b>Total equity and liabilities</b>		<u>155 349 750</u>	<u>157 159 658</u>	<u>152 165 943</u>	<u>149 517 810</u>		<b>Totale ekwiteit en aanspreeklikhede</b>

INCOME STATEMENTS  
for the year ended 31 July 2003

INKOMSTESTATE  
vir die jaar geëindig 31 Julie 2003

	Notes	Consolidated 2003 N\$	2002 N\$	Co-operative 2002 N\$	2003 N\$	Aante- kening e
<b>Revenue</b>		363 729 392	311 825 706	283 442 966	335 336 147	<b>Omset</b>
Cost of sales		287 190 347	242 641 139	219 256 662	265 260 386	Kosprys van verkope
Gross profit		76 539 045	69 184 567	64 186 304	70 075 761	Bruto wins
<b>Income</b>		10 542 772	9 528 391	9 219 690	10 819 176	<b>Inkomste</b>
Management fees		143 000	153 000	329 298	327 742	Bestuursgelde ontvang
Bonuses and dividends received		1 131 635	1 805 597	1 881 254	1 907 400	Bonusse en dividende ontvang
Interest received		3 558	6 666	-	-	Rente ontvang
Bad debts recovered		620 116	920 823	918 924	617 944	Slegte skulde verhaal
Profit on disposal of fixed assets		255 972	93 281	90 956	256 022	Wins verkoop van vaste bates
Profit on sale of investments		40 440	-	-	40 440	Wins verkoop van beleggings
Other income		8 348 051	6 549 024	5 999 258	7 669 628	Ander inkomste
<b>Expenditure</b>		(82 992 317)	(73 083 162)	(67 513 792)	(76 902 023)	<b>Uitgawes</b>
Auditors' remuneration						Ouditeursvergoeding
- for the year		189 610	168 200	147 200	168 610	- vir die jaar
- other services		759 192	672 944	640 032	748 955	- ander dienste
Interest paid		6 354 741	4 792 000	4 685 980	5 587 675	Rente betaal
Bad debts written off		1 964 123	1 924 148	1 719 494	1 733 497	Slegte skulde afgeskryf
Depreciation		2 749 556	2 694 490	2 509 196	2 586 740	Waardevermindering
Directors' remuneration		520 495	474 319	474 319	520 495	Direkteursvergoeding
Rent paid		279 596	725 143	416 176	181 524	Huur betaal
Other operating costs		70 175 004	61 631 918	56 921 395	65 374 527	Ander bedryfsuitgawes
<b>Operating surplus</b>		4 089 500	5 629 796	5 892 202	3 992 914	<b>Bedryfsurplus</b>
<b>Distribution to members</b>		(3 000 000)	(5 000 000)	(5 000 000)	(3 000 000)	<b>Toedeling aan lede</b>
Surplus before taxation		1 089 500	629 796	892 202	992 914	Surplus voor belasting
Taxation	7	167 185	554 456	490 416	220 560	7 Belasting
Surplus after taxation		1 256 685	1 184 252	1 382 618	1 213 474	Surplus na belasting
Outside shareholder's interest in profit	11	(70 053)	(40 530)	-	-	11 Buite-aandehouersbelang in wins
		1 186 632	1 143 722	1 382 618	1 213 474	

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 July 2003

STATE VAN VERANDERING IN EKWITEIT

vir die jaar geëindig 31 Julie 2003

	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>Share capital</b>					<b>Aandelekapitaal</b>
Fully paid shares of N\$1 each	2 410 011	2 440 289	2 440 289	2 410 011	Volopbetaalde aandele van N\$1 elk
Add: application fees received	-	-	-	-	Plus: Aansoekgelde ontvang
	<u>2 410 011</u>	<u>2 440 289</u>	<u>2 440 289</u>	<u>2 410 011</u>	
<b>Members' funds</b>					<b>Ledefondse</b>
Balance: beginning of year	16 215 547	11 431 752	11 431 752	16 215 547	Saldo: begin van die jaar
Repayments during the year	(157 962)	(216 205)	(216 205)	(157 962)	Terugbetalings gedurende die jaar
Distribution to members	3 000 000	5 000 000	5 000 000	3 000 000	Toedeling aan lede
Balance: end of year	<u>19 057 585</u>	<u>16 215 547</u>	<u>16 215 547</u>	<u>19 057 585</u>	Saldo: einde van die jaar
<b>Retained income</b>					<b>Onaangewende inkomste</b>
Balance: beginning of year	20 580 715	19 436 993	18 526 999	19 909 617	Saldo: begin van die jaar soos voorheen getoon
Surplus for the year	1 186 632	1 143 722	1 382 618	1 213 474	Surplus vir die jaar
Balance: end of year	<u>21 767 347</u>	<u>20 580 715</u>	<u>19 909 617</u>	<u>21 123 091</u>	Saldo: einde van jaar
<b>General reserve</b>	<u>9 604 351</u>	<u>9 604 351</u>	<u>9 604 351</u>	<u>9 604 351</u>	<b>Algemene reserwe</b>
<b>Contingency reserve</b>	<u>1 313 028</u>	<u>1 313 028</u>	<u>1 313 028</u>	<u>1 313 028</u>	<b>Gebeurlikheidsreserwe</b>
<b>Deferred expenditure fund</b>					<b>Uitgestelde uitgawe fonds</b>
Balance: beginning of year	3 992 986	3 992 986	3 992 986	3 992 986	Oorgeplaas vanaf onaangewende inkomste
Transfer from retained income	-	-	-	-	Saldo: einde van die jaar
Balance: end of year	<u>3 992 986</u>	<u>3 992 986</u>	<u>3 992 986</u>	<u>3 992 986</u>	<b>Totale ekwiteit</b>
<b>Total equity</b>	<u>58 145 308</u>	<u>54 146 916</u>	<u>53 475 819</u>	<u>57 501 052</u>	

CASH FLOW STATEMENTS

for the year ended 31 July 2003

KONTANTVLOEISTATE

vir die jaar geëindig 31 Julie 2003

Cash flows from operating activities	Notes	Consolidated		Co-operative		Aante- keninge	Kontantvloeï uit bedryfsaktiwiteite
		2003 N\$	2002 N\$	2002 N\$	2003 N\$		
Surplus before taxation		4 089 500	5 629 796	5 892 202	3 992 914		Surplus voor belasting
Adjustments for:							Aansuiwerings vir:
- Interest received		(3 558)	(6 666)	-	-		- Rente ontvang
- Interest paid		6 354 741	4 792 000	4 685 980	5 587 675		- Rente betaal
- Profit on disposal of investments		(40 440)	-	-	(40 440)		- Wins met verkoop van beleggings
- Depreciation		2 749 556	2 694 490	2 509 196	2 586 740		- Waardevermindering
- Profit on disposal of fixed assets		(255 972)	(93 281)	(90 956)	(256 022)		- Wins met verkoop van vaste bates
- Revaluation investment property		(273 000)			(273 000)		- Herwaardering beleggingseiendom
- Working capital changes	18	783 781	(1 660 219)	(3 164 648)	1 071 224	18	- Bedryfskapitaalveranderinge
Cash generated from operations		13 404 608	11 356 120	9 831 774	12 669 091		Kontant gegenerer deur bedrywigehede
Outside shareholder's interest		(14 011)	(8 106)	-	-		Buiteaandeelhoudersbelang
Dividends paid to outside shareholder		(56 042)	(32 424)	-	-		Dividend betaal aan buiteaandeelhouer
Interest received		3 558	6 666	-	-		Rente ontvang
Interest paid		(6 354 741)	(4 792 000)	(4 685 980)	(5 587 675)		Rente betaal
Distribution to members		(3 000 000)	(5 000 000)	(5 000 000)	(3 000 000)		Toedeling aan lede
Normal taxation paid		(164 267)	(33 997)	-	-		Normale belasting betaal
<i>Net cash from operating activities</i>		3 819 105	1 496 259	145 794	4 081 416		Netto kontant uit bedryfsaktiwiteite
<b>Cash flows from investing activities</b>							<b>Kontantvloeï uit</b>
<b>beleggingsaktiwiteite</b>							

Purchase of fixed assets	(3 928 262)	(4 276 400)	(4 172 805)	(3 876 322)	Koop van vaste bates
Proceeds on disposals of fixed assets	621 417	316 250	212 132	620 893	Opbrengs met verkoop van vaste bates
Proceeds on sale of investments	40 440	1 686 628	1 686 628	40 440	Opbrengs met verkoop van beleggings
Investments made	(1 899 901)	(512 656)	(512 656)	(1 899 901)	Beleggings gemaak
Loans repaid	-	160	3 322 664	-	Lenings terugbetaal
Loans advanced	-	-	-	(107 320)	Lenings toegestaan
<i>Net cash used in investing activities</i>	<b>(5 166 306)</b>	<b>(2 786 018)</b>	<b>535 963</b>	<b>(5 222 210)</b>	<i>Netto kontant gebruik in beleggingsaktiwiteit</i>

**CASH FLOW STATEMENTS (CONTINUED)**

for the year ended 31 July 2003

**KONTANTVLOEISTATE (VERVOLG)**

vir die jaar geëindig 31 Julie 2003

	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>Cash flows from financing activities</b>					<b>Kontantvloei uit finansieringsaktiwiteite</b>
Decrease in share capital	(30 278)	(55 666)	(55 666)	(30 278)	Afname in aandelekapitaal
Decrease in long-term loans	(4 045 180)	(3 688 694)	(3 653 344)	(4 068 800)	Afname in langtermynlenings
Increase in members' funds	2 842 038	4 783 795	4 783 795	2 842 038	Toename in ledebelang
Increase in outside shareholder's interest	14 011	8 106	-	-	Toename in buiteaandeelhoudersbelang
<i>Net cash (used in) from financing activities</i>	<b>(1 219 409)</b>	<b>1 047 541</b>	<b>1 074 785</b>	<b>(1 257 040)</b>	<i>Netto kontant (gebruik in)gegenereer deur finansieringsaktiwiteite</i>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2 566 610)</b>	<b>(242 218)</b>	<b>1 756 542</b>	<b>(2 397 834)</b>	<b>Netto toename/(afname) in kontant en kontantekwivalente</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>(11 386 292)</b>	<b>(11 144 074)</b>	<b>(12 833 597)</b>	<b>(11 077 055)</b>	<b>Kontant en kontantekwivalente aan begin van jaar</b>

Cash and cash equivalents at end of  
year

(13 952 902)

(11 386 292)

(11 077 055)

(13 474 889)

Kontant en kontantekwivalente aan einde van jaar



## 1. Basis of preparation

The financial statements are prepared on the historical cost basis, adjusted by the revaluation of investment properties and certain financial assets to fair value. These financial statements comply with Namibian statements of Generally Accepted Accounting Practice. The following are the principal accounting policies adopted by the co-operative and group which are consistent with those of the previous year, except as stated in note 2.

### 1.1 Property, plant and equipment

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

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

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

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

### 1.2 Investment properties

Investment properties are held to earn rental income and appreciate capital value. Owner-occupied properties are held for production and administrative purposes. This distinguishes owner-occupied properties from investment properties.

Investment properties are treated as long-term investments and carried at market value determined annually by external independent professional valuers. Investments properties are not subject to depreciation. Increases and decreases in their carrying amount credited to revaluation and other reserves in equity should be included in net profit or loss for the period. Decreases that offset previous increases of the same asset are charged against revaluation and other reserves; all other decreases are charged to the income statement.

## 1. Basis van voorbereiding

Die finansiële state word volgens die historiese koste grondslag opgestel, behalwe vir die herwaardasie van beleggingseiendomme en die aanpassing van sekere finansiële bates na markwaarde. Hierdie finansiële state voldoen aan Namibiese standpunte van Algemene Aanvaarde Rekeningkundige Praktyk. Hier volg die hoofrekeningkundige beleid wat deur die koöperasie en die groep gevolg is en wat ooreenstem met dié van die vorige jaar, behalwe soos aangedui in nota 2.

### 1.1 Eiendomme, aanleg en toerusting

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

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

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

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

### 1.2 Beleggingseiendomme

Beleggingseiendomme word gehou om huurinkomste te verdien en vir kapitaalappresiasie. Eenaargeokkupeerde eiendomme word gehou vir produksie- en administratiewe doeleindes. Dit onderskei eenaargeokkupeerde eiendomme van beleggingseiendomme.

Beleggingseiendomme word hanteer as langtermynbeleggings en word gedra teen markwaarde soos jaarliks vasgestel deur eksterne onafhanklike professionele waardeerders. Beleggingseiendomme is nie onderhewig aan waardevermindering nie. Toenames en afnames in hul drabedrag gekrediteer na herwaardasie- en ander reserwes in ekwiteit moet ingesluit word in die netto wins of verlies vir die periode. Afnames wat vorige toenames van dieselfde bate kanselleer, word verreken teen die herwaardasie- en ander reserwes; alle ander afnames word verreken in die inkomstestaat.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. Any amounts in revaluation and other reserves relating to that investment property are transferred to retained earnings.

### 1.3 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.

### 1.4 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.

### 1.5 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.

### 1.6 Investments

Unlisted share investments and loans are stated at cost and are written down only where there is a permanent impairment in value. Listed share investments are stated at fair 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. Also refer to note 2.

### 1.7 Loans and receivables

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

Wanneer beleggingseiendom verkoop verkoop word, word die verskil tussen die netto verkoopsopbrengs en die drabedrag gekrediteer na die inkomstestaat. Enige bedrae in herwaardasie- en ander reserwes wat verband hou met daardie beleggingseiendom word oorgedra na onaangewende inkomste.

### 1.3 Voorraad

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

### 1.4 Uitgestelde belasting

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

Die belangrikste tydsberekenningsverskille ontstaan as gevolg van waardevermindering op vaste bates, 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.

### 1.5 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.

### 1.6 Beleggings

Ongenoteerde aandeelbeleggings en lenings word teen kosprys vermeld en slegs afwaardeer waar daar 'n permanente daling in waarde is. Genoteerde aandeelbeleggings word getoon teen billike waarde. Dividende word teboekgestel op die laaste dag van registrasie ten opsigte van genoteerde aandeel, en wanneer dit verklaar is ten opsigte van ongenoteerde aandeel. Verwys ook na nota 2.

### 1.7 Lenings en bedrae ontvangbaar

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

**1.8 Pension scheme arrangements**

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

**1.9 Post-retirement obligations**

The group provides post-retirement healthcare benefits to their retirees. Employees who have joined the group after 01 August 1998 do not receive any post-retirement benefits. The entitlement to these benefits is based on the employee remaining in service up to retirement age. The expected costs of these benefits are accrued over the period of employment. Valuations of these obligations are carried out by an independent qualified actuary.

**1.10 Trade receivables**

Trade receivables are measured at original invoice amount less impairment. Bad debts are written off during the year in which they are identified.

**1.11 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.

**1.12 Long-term liabilities**

Long-term liabilities are measured at amortised cost.

**1.13 Provisions**

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

**1.8 Pensioenskema-arrangements**

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

**1.9. Na-aftredevoordele**

Die groep voorsien mediese na-aftrede voordele aan sy afgetrede werknemers. Werknemers wie aangesluit het by die groep na 01 Augustus 1998 ontvang geen na-aftrede voordele nie. Die reg om die voordeel te ontvang is onderhewig daaraan dat die werknemer in diens van die groep bly tot aftree-ouderdom bereik is. Die verwagte koste van hierdie voordele word voorsien oor die dienstydperk. Waardasies van hierdie verpligtinge word gedoen deur 'n onafhanklike gekwalifiseerde aktuaris.

**1.10 Handelsdebiteure**

Handelsdebiteure word gedra teen oorspronklike faktuurbedrae min waardedalings. Slechte skulde word afgeskryf in die jaar waarin dit geïdentifiseer word.

**1.11 Kontant en kontantekwivalente**

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

**1.12 Langtermynlaste**

Langtermynlaste word gemeet teen geamortiseerde koste.

**1.13 Voorsienings**

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

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.

#### 1.14 Financial instruments

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 1.15 Turnover

Sales, which excludes VAT and sales between group companies, represents the net value of transactions per commodity and rental received. Sales are recognised when goods are delivered or services rendered.

#### 1.1.6 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### 2. Changes in accounting policy

#### AC 133

The group adopted AC 133 – “Financial Instruments: Recognition and Measurement” (“AC 133”) with effect from 01 August 2002.

The statement introduces fair value accounting to certain classes of financial assets and liabilities such as loans, derivative instruments and investments in debt and equity securities. The statement is not applicable to assets such as fixed assets or investments in subsidiaries and associated companies.

Depending on the asset classification used, fair value changes are reflected in income and expenditure or directly in equity.

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.

#### 1.14 Finansiële instrumente

Die spesifieke erkenningsmetodes aanvaar word geopenbaar in die individuele beleidsaantekeninge van elke item.

#### 1.15 Omset

Verkope, wat BTW en verkope tussen groepmaatskappye uitsluit, verteenwoordig die netto waarde van kommoditeitstransaksies en huur ontvang. Verkope word erken wanneer goedere en dienste gelewer word.

#### 1.1.6 Vergelykende syfers

Waar nodig is vergelykende syfers aangepas in ooreenstemming met veranderinge in aanbieding in die huidige jaar.

### 2. Veranderinge in rekeningkundige beleid

#### RE 133

Die groep het RE 133 – “Finansiële Instrumente: Erkenning en Meting” (“RE 133”) aanvaar effektief vanaf 01 Augustus 2002.

In terme van hierdie standpunt word billike waarde rekeningkundige hantering van sekere klasse finansiële bates en laste soos lenings, afgeleide instrumente en beleggings in leningsinstrumente en aandele aanvaar. Die standpunt is nie van toepassing op bates soos vaste bates of beleggings in filiale en verwante maatskappye nie.

Afhangende van die bate-klassifikasie wat gebruik word, word billike waarde aanpassings gereflekteer in inkomste en uitgawes of direk in ekwiteit.

There are four primary asset categories:

- Originated assets, such as most of the Group's normal loans and receivables, which are carried at cost;
- Held-to-maturity assets, where the Group has the intention to hold the asset until maturity, which are carried at amortised cost;
- Trading assets, such as most equity trading portfolios where the intention is to trade with a short-term profit motive, which is fair valued with changes in fair value recorded in the income statement on a yearly basis; and
- Available for sale assets, such as certain equity investments where there is no trading intention, which are carried at either fair value with unrealised fair value changes reflected in equity until realisation, or at cost if the financial asset does not have a quoted market price in an active market and whose fair value cannot be reliably measured.

The Group is required to designate financial instruments into these categories on initial recognition, and the designation is final, thereby effectively determining the future accounting treatment of the instrument.

AC133 is a prospective accounting statement and does not provide for the restatement of historical numbers. It has comprehensive transitional provisions, which affect opening equity balances. No material adjustments were however required in the group's financial statements.

Daar is vier primêre bate-kategorieë:

- Geïnisieerde bates, soos die meeste van die groep se normale debietlenings, wat getoon word teen kosprys;
- Bates wat gehou word vir 'n vaste termyn en waar die bedoeling van die groep is om die bates te hou vir daardie termyn, wat getoon word teen geamortiseerde koste;
- Bates waarmee gespekuleer word, soos die meeste aandeelbeleggingsportefuljes waar die bedoeling is om handel te dryf met 'n korttermynwinsmotief, wat getoon word teen billike waarde met veranderings in billike waarde aangetoon in die inkomstestaat op 'n jaarlike basis; en
- Bates beskikbaar vir verkoop, soos sekere aandeelbeleggings waar daar geen motief vir handeldryf is nie, wat getoon word teen of billike waarde met ongerealiseerde billike waarde veranderings wat gereflekteer word in ekwiteit todat dit gerealiseer word, of teen kosprys as die finansiële bate nie 'n genoteerde markprys in 'n aktiewe mark het nie en wie se billike waarde nie betroubaar gemeet kan word nie.

Die groep moet finansiële bates toedeel in hierdie kategorieë met die aanvanklike meting, en die toedeling is final, en daardeur word die toekomstige rekeningkundige hantering van die instrument effektief vasgepen.

RE133 maak nie voorsiening vir die herstatering van historiese syfers nie. Dit het onvattende oorgangsbepalings, wat die openingsaldo van reserwes beïnvloed. Geen wesenlike aanpassing was egter nodig in die groep se finansiële state nie.

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	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>3. Property, plant and equipment</b>					<b>3. Eiendomme, aanleg en toerusting</b>
Land and buildings	24 335 607	23 797 783	23 781 148	24 335 607	Grond en geboue
Office and other equipment	3 848 948	5 547 637	5 046 251	3 474 669	Kantoor- en ander toerusting
Motor vehicles	1 243 383	1 150 367	1 057 684	1 134 755	Motorvoertuie
<b>Net book value</b>	<b>29 427 938</b>	<b>30 495 787</b>	<b>29 885 083</b>	<b>28 945 031</b>	<b>Netto boekwaarde</b>
<b>3.1 Owner-occupied buildings</b>					<b>3.1 Eienaargeokkupeerde geboue</b>
Cost	24 816 250	24 272 112	24 255 477	24 816 250	Kosprys
Beginning of the year	24 272 112	24 285 135	24 268 816	24 255 477	Begin van jaar
Additions	560 773	81 138	80 822	560 773	Toevoegings
Disposals	(16 635)	(94 161)	(94 161)	-	Verkope
<b>Accumulated depreciation</b>	<b>480 643</b>	<b>474 329</b>	<b>474 329</b>	<b>480 643</b>	<b>Opgehoopte waardevermindering</b>
Beginning of the year	474 329	337 115	337 115	474 329	Begin van jaar
Charge for the year	6 314	137 214	137 214	6 314	Uitgawe vir die jaar
Net book value	24 335 607	23 797 783	23 781 148	24 335 607	Netto boekwaarde
<b>3.2 Office and other equipment</b>					<b>3.2 Kantoor- en ander toerusting</b>
<b>Cost</b>	<b>15 577 418</b>	<b>15 125 220</b>	<b>13 710 507</b>	<b>14 153 711</b>	<b>Kosprys</b>
Beginning of year	15 125 220	13 379 528	11 874 469	13 710 507	Begin van jaar
Additions	627 125	1 898 231	1 876 063	616 199	Toevoegings
Disposals	(174 927)	(152 539)	(40 025)	(172 995)	Verkope
<b>Accumulated depreciation</b>	<b>11 728 470</b>	<b>9 577 583</b>	<b>8 664 256</b>	<b>10 679 042</b>	<b>Opgehoopte waardevermindering</b>
Beginning of year	9 577 583	7 399 969	6 620 456	8 664 256	Begin van jaar
Charge for the year	2 292 997	2 220 984	2 069 862	2 155 538	Uitgawe vir die jaar
Depreciation on disposals	(142 110)	(43 370)	(26 062)	(140 752)	Komponent toegeskryf aan verkope
<b>Net book value</b>	<b>3 848 948</b>	<b>5 547 637</b>	<b>5 046 251</b>	<b>3 474 669</b>	<b>Netto boekwaarde</b>

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	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>3.3 Motor vehicles</b>					<b>3.3 Motorvoertuie</b>
<b>Cost</b>	<b>4 436 190</b>	4 479 894	4 351 455	<b>4 266 449</b>	<b>Kosprys</b>
Beginning of year	4 479 894	4 756 130	4 364 731	4 351 455	Begin van jaar
Additions	547 798	245 319	164 180	506 496	Toevoegings
Disposals	(591 502)	(521 555)	(177 456)	(591 502)	Verkope
<b>Accumulated depreciation</b>	<b>3 192 807</b>	3 329 527	3 293 771	<b>3 131 694</b>	<b>Opgehoopte waardevermindering</b>
Beginning of year	3 329 527	3 495 155	3 156 055	3 293 771	Begin van jaar
Charge for the year	450 045	336 292	302 120	424 688	Uitgawe vir die jaar
Depreciation on disposals	(586 765)	(501 920)	(164 404)	(586 765)	Komponent toegeskryf aan verkope
<b>Net book value</b>	<b>1 243 383</b>	1 150 367	1 057 684	<b>1 134 755</b>	<b>Netto boekwaarde</b>

Land and buildings comprise numerous properties spread throughout Namibia. Detailed information is maintained in a register which is open for inspection by members and their authorised agents at the co-operative's registered office. Certain of the land and buildings have been encumbered as set out in note 12.2.

Grond en geboue bestaan uit verskeie eiendomme regoor die land. 'n Volledige register, wat alle inligting met betrekking tot vaste eiendomme vervat, is by die koöperasie se geregistreerde kantoor ter insae vir lede en hulle gemagtigde agente. Sekere grond en geboue is beswaar soos aangedui in aantekening 12.2

**4. Investment properties**

**Valuation**

Beginning of year	37 110 422	35 058 710	35 042 648	37 094 388
Additions	2 209 201	2 051 712	2 051 740	2 192 854
Revaluation	273 000	-	-	273 000
Disposals	(328 091)	-	-	(328 091)
<b>Net book value</b>	<b>39 264 532</b>	37 110 422	37 094 388	<b>39 232 151</b>

**4. Beleggingseiendomme**

**Waardasie**

Begin van jaar  
Toevoegings  
Herwaardasie  
Verkope

**Netto boekwaarde**

Refer to detail provided in note 3 regarding land and buildings. The investment property portion of erf 2225 (the head office property) was valued by F.A. Frank – Shultz, a qualified property valuator, in 2003 at N\$29,273 million using the income capitalization method. The remaining investment properties were valued by the directors at market value.

Verwys na detail rakende grond en geboue verskaf in aantekening 3. Die beleggingseiendoms gedeelte van erf 2225 (die hoofkantoor eiendom) is deur F.A. Frank – Schultz, 'n gekwalifiseerde eiendoms waardeerder, gewaardeer in 2003 teen N\$29,273 miljoen, volgens die inkomste – kapitaliseringsmetode. Die ander beleggingseiendomme is deur die direkteure waardeer teen markwaarde.

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	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>5. Subsidiaries</b>					<b>5. Filiale</b>
5.1 Shares at cost and directors' valuation			518 742	518 742	5.1 Aandele teen kosprys en direkteurswaardasie
5.2 Loans			<u>4 105 633</u>	<u>4 212 953</u>	5.2 Lenings
			<u>4 624 375</u>	<u>4 731 695</u>	

**6. Investments**

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

**6. Beleggings**

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

	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>Unlisted</b>					<b>Ongenoteer</b>
Shares at cost and directors' valuation	3 548 068	1 794 007	1 794 007	3 548 068	Aandele teen kosprys en Direkteurswaardasie
Loans	<u>2 641 206</u>	<u>2 541 206</u>	<u>2 541 206</u>	<u>2 641 206</u>	Lenings
	<u>6 189 274</u>	<u>4 335 213</u>	<u>4 335 213</u>	<u>6 189 274</u>	
<b>Listed</b>					<b>Genoteer</b>
Share at fair value and market value	45 840	-	-	45 840	Aandele teen billike waarde en markwaarde
<b>Total</b>	<b>6 235 114</b>	<b>4 335 213</b>	<b>4 335 213</b>	<b>6 235 114</b>	<b>Totaal</b>

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	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>7. Taxation</b>					<b>7. Belasting</b>
Namibian normal tax					Namibiese normale belasting
Current tax	(161 117)	(82 133)	-	-	Lopende belasting
Deferred tax					Uitgestelde belasting
Current year release	328 302	490 416	490 416	220 560	Huidige jaar aanpassing
Deferred tax asset adjustment	-	146 173	-	-	Uitgestelde belasting bate aanpassing
	<u>167 185</u>	<u>554 456</u>	<u>490 416</u>	<u>220 560</u>	
Gross calculated tax losses at the end of the financial year available for utilisation against future taxable income.	13 213 334	11 256 162	7 969 977	9 989 725	Bruto berekende belastingverlies aan die einde van die finansiële jaar beskikbaar vir gebruik teen toekomstige belasbare inkomste.
Less: Applied in reduction of deferred tax	(9 765 848)	(8 116 505)	(7 969 977)	(9 989 725)	Min: Aangewend om uitgestelde belasting te verminder
Net calculated tax losses carried forward	3 447 486	3 139 657	-	-	Netto berekende belastingverliese oorgedra
Tax relief calculated at current tax rates	1 206 620	1 098 880	-	-	Belastingverligting teen huidige belastingkoerse bereken
<b>8. Inventories</b>					<b>8. Voorraad</b>
Raw material	242 418	267 935	-	-	Grondstowwe
Finished products	41 979 980	34 599 856	30 578 800	37 187 327	Klaarprodukte
Consumables	443 082	379 295	372 948	421 199	Verbruikersmateriaal
	<u>42 665 480</u>	<u>35 247 086</u>	<u>30 951 748</u>	<u>37 608 526</u>	
<b>9. Accounts receivable</b>					<b>9. Rekening ontvangbaar</b>
Trade debtors	31 739 313	38 855 933	35 855 600	28 823 117	Handelsdebiteure
Other debtors	4 810 753	10 016 337	9 419 536	3 942 176	Ander debiteure
	<u>36 550 066</u>	<u>48 872 270</u>	<u>45 275 136</u>	<u>32 765 293</u>	

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	Consolidated		Co-operative	
	2003 N\$	2002 N\$	2002 N\$	2003 N\$
<b>10. Bankoverdraft</b>				
The bank overdrafts are unsecured.				
<b>Total interest bearing borrowings:</b>				
Bank overdrafts	13 952 902	11 386 292	11 077 055	13 474 889
Long-term loans (note 12)	14 549 681	18 238 046	18 153 546	14 441 562
	<u>28 502 583</u>	<u>29 624 338</u>	<u>29 230 601</u>	<u>27 916 451</u>
<b>11. Outside shareholder's interest</b>				
At beginning of year	13 095	4 989	-	-
Share of net profit of subsidiary	70 053	40 530	-	-
Dividends paid	(56 042)	(32 424)	-	-
At end of year	<u>27 106</u>	<u>13 095</u>	<u>-</u>	<u>-</u>

**10. Bankoortrekking**

Die bankoortrekkings is onverseker.

**Totale rentedraende lenings:**

Bankoortrekkings  
Langtermynlenings (nota 12)

**11. Buite-aandehouersbelang**

Aan begin van die jaar  
Deel van netto wins van filiaal  
Dividende betaal  
Aan einde van jaar

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	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>12. Long-term loans</b>					<b>12. Langtermynlenings</b>
<b>12.1 Unsecured</b>					<b>12.1 Onverseker</b>
Interest free loans not subject to any fixed terms of repayment.	169 924	244 125	244 125	169 924	Rentevrye lenings wat nie onderhewig is aan enige vaste terugbetalingsvoorwaardes nie.
Shareholder's loan which bears interest at 16,5% (2002:16,5%) and which is not subject to any fixed terms of repayment.	108 119	84 500	-	-	Aandeelhouderslening wat rente dra teen 16,5% (2002:16,5%) en wat nie onderhewig is aan enige vaste terugbetalingsvoorwaardes nie.
<b>12.2 Secured</b>					<b>12.2 Verseker</b>
Commercial Bank of Namibia Ltd Capital outstanding	14 441 562	18 153 546	18 153 546	14 441 562	Commercial Bank van Namibië Bpk Kapitaal uitstaande
Less:					Min:
- Capital repayable in one year, and transferred to accounts payable	(3 860 024)	(3 577 410)	(3 577 410)	(3 860 024)	- Kapitaal binne een jaar betaalbaar en oorgedra na rekening betaalbaar
	<u>10 859 581</u>	<u>14 904 761</u>	<u>14 820 261</u>	<u>10 751 462</u>	

The secured loans are due to the Commercial Bank of Namibia Ltd and are secured by a first continuing covering mortgage bond of N\$24,0 million (2002: N\$24,0 million) over certain land and buildings included in property, plant and equipment at a depreciated cost of N\$ 11 203 642 (2002:N\$ 11 168 891) and included in investment property at market value of N\$ 29 273 000 (2002:N\$29,0 million). The loans bear interest at a rate of 14,63% p.a. (2002: 15,75%) per annum compounded monthly, payable on a monthly basis. Capital is repayable as follows:

Yearly instalments of N\$3 787 570 (2002:N\$6 185 643) until March 2005  
Yearly instalments of N\$1 850 251 (2002:N\$1 984 297) until June 2011

Die versekerde lenings is verskuldig aan die Commercial Bank van Namibië Bpk en is verseker deur 'n eerste dekkingsverband van N\$24,0 miljoen (2002: N\$24,0 miljoen) oor sekere grond en geboue ingesluit in eiendomme, aanleg en toerusting teen 'n depreseeerde waarde van N\$ 11 203 642 (2002:N\$ 11 168 891) en ingesluit in beleggingseiendomme teen 'n markwaarde van N\$ 29 273 000 (2002:N\$29,0 miljoen) Die lenings dra rente teen 14,63% p.j.(2002: 15,75%) per jaar, maandeliks saamgestel, wat maandeliks gedelg word. Die kapitaal is terugbetaalbaar soos volg:

Jaarlikse paaieimente van N\$3 787 570 (2002:N\$6 185 643) tot Maart 2005  
Jaarlikse paaieimente van N\$1 850 251 (2002:N\$1 984 297) tot Junie 2011

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**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 (2002: N\$25 million).

The principal actuarial assumptions used for accounting purposes were:

- Real rate of return 1% (2002: 1%)
- Discount rate 10,74% (2002: 11,95%)
- Medical inflation rate 9,74% (2002: 10,95%)

• **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

50 to 60:	
Number	21 (2002:23)
Average age (years)	55 (2002:52)

Above 60:	
Number	4 (2002:4)
Average age (years)	62 (2002:62)

Total:

Number	25 (2002:27)
Average age (years)	57 (2002:56)

• **Current pensioner members**

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

Total:	
Number	103 (2002:98)
Average age (years)	69 (2002:68)

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

**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 (2002: N\$25 miljoen).

Die belangrikste aktuariële aannames gebruik vir rekeningkundige doeleindes, was:

- Reële opbrengskoers 1% (2002: 1%)
- Verdiskonteringskoers 10,74% (2002: 11,95%)
- Mediese inflasiekoers 9,74% (2002: 10,95%)

• **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

50 tot 60:	
Aantal	21 (2002:23)
Gemiddelde ouderdom (jare)	55 (2002:52)

Bo 60:	
Aantal	4 (2002:4)
Gemiddelde ouderdom (jare)	62 (2002:62)

Totaal:

Aantal	25 (2002:27)
Gemiddelde ouderdom (jare)	57 (2002:56)

• **Huidige pensioenaris-lede**

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

Totaal:	
Aantal	103 (2002: 98)
Gemiddelde ouderdom (jare)	69 (2002: 68)

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

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	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>14. Deferred tax obligations</b>					<b>14. Uitgestelde belasting aanspreeklikheid</b>
Balance at beginning of year	2 084 669	2 603 268	2 575 085	2 084 669	Saldo aan begin van jaar
Movements during the year attributable to timing differences	(220 560)	(518 599)	(490 416)	(220 560)	Bewegings gedurende die jaar toeskryfbaar aan tydskerekening verskille
Balance at end of year	1 864 109	2 084 669	2 084 669	1 864 109	Saldo aan einde van jaar
The balance comprises:					Die saldo behels:
Capital allowances	6 635 350	6 112 422	5 984 001	6 635 350	Kapitaaltoelae
Provisions	(1 291 507)	(1 201 204)	(1 124 068)	(1 291 507)	Voorsienings
Lease deposits	16 670	14 228	14 228	16 670	Huurdeposito's
Gross calculated tax losses	(3 496 404)	(2 840 777)	(2 789 492)	(3 496 404)	Berekende belastingverliese
	1 864 109	2 084 669	2 084 669	1 864 109	

**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
- Auas Vet Med (Pty) Ltd	100
- Agra Eiendomme (Pty) Ltd	100
- SWA Amalgameerde Afslaers (Pty) Ltd	100

The following are related companies:

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

**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
- Auas Vet Med (Edms) Bpk	100
- Agra Eiendomme (Edms) Bpk	100
- SWA Amalgameerde Afslaers (Edms) Bpk	100

Die volgende is verwante maatskappye:

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

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	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
The following transactions were carried out with related parties:					Die volgende verwante-party transaksies het gedurende die jaar plaasgevind:
i) Interest received:					i) Rente ontvang:
- Star Plastics (Pty) Ltd	-	-	217 066	48 681	- Star Plastics (Edms) Bpk
- Wire Industries (Pty) Ltd	-	-	244 528	245 000	- Wire Industries (Edms) Bpk
- Agra Verspreiders (Pty) Ltd	-	-	-	253 425	- Agra Verspreiders (Edms) Bpk
			<u>461 594</u>	<u>547 106</u>	
ii) Purchases:					ii) Aankope:
- Star Plastics (Pty) Ltd	-	-	1 934 285	10 130	- Star Plastics (Edms) Bpk
- Wire Industries (Pty) Ltd	-	-	2 381 259	12 887 539	- Wire Industries (Edms) Bpk
- Agra Verspreiders (Pty) Ltd	-	-	<u>3 662 476</u>	<u>2 853 170</u>	- Agra Verspreiders (Edms) Bpk
			<u>7 978 020</u>	<u>15 750 839</u>	
			<u>2 057 552</u>	<u>2 092 143</u>	
iii) Management fees and dividends received:					iii) Bestuursfooie en dividende ontvang:

The following balances were outstanding at year end:

<b>Consolidated</b>		<b>Co-operative</b>	
<b>2003</b>	<b>2002</b>	<b>2002</b>	<b>2003</b>
<b>N\$</b>	<b>N\$</b>	<b>N\$</b>	<b>N\$</b>

Die volgende balanse was uitstaande op  
jaareinde:

i) Accounts receivable:				
- Star Plastics (Pty) Ltd	-	-	27 052	44 331
- Wire industries (Pty) Ltd	-	-	252 482	899 261
- Ondangwa Service Station (Pty) Ltd	-	-	474 923	231 894
			<u>754 457</u>	<u>1 175 486</u>
ii) Long- term receivables:				
- Star Plastics (Pty) Ltd	-	-	347 718	347 718
- Wire Industries (Pty) Ltd	-	-	1 750 000	1 750 000
- Ondangwa Service Station (Pty) Ltd	-	-	104 650	104 650
- Agra Verspreiders (Pty) Ltd	-	-	1 791 255	1 553 204
- Lumley Agra Farmers Insurance Brokers (Pty) Ltd	-	-	-	-
- Bloukop Voerkraal (Pty) Ltd	100 000	-	-	100 000
- Consolidated Sugar Industries (Namibia) (Pty) Ltd	<u>2 541 205</u>	<u>2 541 205</u>	<u>2 541 205</u>	<u>2 541 205</u>
	<u>2 641 205</u>	<u>2 541 205</u>	<u>6 534 828</u>	<u>6 396 777</u>
iii) Long –term loan:				
- SWAAA	-	-	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\$3,0 (2002:N\$4,5) million. At year-end the bank overdraft of Wire Industries amounted to N\$978 425 (2002:N\$ 609 038) and Star Plastics N\$228 318 (2002:N\$634 892)

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

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	
- Bloukop Voerkraal (Edms) Bpk	
- Consolidated Sugar Industries (Namibia) (Edms) Bpk	

iii) Langtermynlenings:	
- SWAAA	

Die bogemelde transaksies is teen kommersiële terme uitgevoer.

## 16. Waarborge

Agra (Koöperatief) Bpk waarborg die volgende:

16.1 Die bankoortrekkings van filiaalmaatskappye, Wire Industries (Edms) Bpk en Star Plastics (Edms) Bpk tot 'n maksimum van N\$3,0 (2002:N\$4,5) miljoen. Die bankoortrekking van Wire Industries het op jaareinde N\$978 425 (2002:N\$609 038) beloop en Star Plastics N\$228 318 (2002:N\$634 892)

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

Departement van Waterwese  
Vleisraad  
Doeane en Aksyns  
Nampower

	Consolidated		Co-operative		
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
<b>17. Capital expenditure approved</b>					<b>17. Kapitaaluitgawes goedgekeur</b>
Commitments in respect of contracts placed	-	-	-	-	Verpligtinge ten opsigte van kontrakte aangegaan
Capital expenditure approved by the directors in addition to contracts placed	3 569 740	8 934 075	8 934 075	3 569 740	Goedgekeur deur die direkteure benewens kontrakte aangegaan
	<u>3 569 740</u>	<u>8 934 075</u>	<u>8 934 075</u>	<u>3 569 740</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.
<b>18. Working capital changes</b>					<b>18. Bedryfskapitaalveranderinge</b>
- Decrease / (Increase) in accounts Receivable	12 322 204	(5 140 645)	(3 888 254)	12 509 843	- Afname / (Toename) in rekeninge ontvangbaar
- Increase in inventories	(7 418 394)	(3 426 989)	(4 199 395)	(6 656 778)	- Toename in voorraad
- Increase / (Decrease) in accounts payable	(4 120 029)	6 907 415	4 923 001	(4 781 841)	- Toename / (Afname) in rekeninge betaalbaar
	<u>783 781</u>	<u>(1 660 219)</u>	<u>(3 164 648)</u>	<u>1 071 224</u>	
<b>19. Operating lease commitments</b>					<b>19. Bedryfshuurverpligtinge</b>
The future minimum lease payments under operating lease contracts are as follows:					Die toekomstige minimum huurverpligtinge in terme van bedryfshuurkontrakte, is as volg:
Not later than one year	809 709	876 201	873 126	809 709	Nie later as een jaar
Later than one year, but not later than five years	1 165 910	1 316 068	1 316 068	1 165 910	Later as een jaar, maar nie later as vyf jaar nie
Later than five years	-	-	-	-	Later as vyf jaar

for the year ended 31 July 2003

vir die jaar geëindig 31 Julie 2003

20. Staff costs	Consolidated		Co-operative		20. Werknemersvergoeding
	2003 N\$	2002 N\$	2002 N\$	2003 N\$	
Salaries and wages	23 985 552	21 379 645	19 845 511	22 444 538	Salarisse en lone
Social Security costs	101 305	97 262	89 901	96 253	Maatskaplike voorsorgfondsbydraes
Pension fund contributions	3 437 635	3 101 301	2 907 419	3 235 454	Pensioenfondsbydraes
Medical aid fund contributions	3 516 637	3 215 047	3 127 098	3 404 366	Mediese fondsbydraes
	<u>31 041 129</u>	<u>27 793 255</u>	<u>25 969 929</u>	<u>29 180 611</u>	
Average monthly number of persons employed during the year:	<u>457</u>	<u>450</u>	<u>415</u>	<u>417</u>	Gemiddelde maandelikse personeel werksaam gedurende die jaar:

**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 Pension Funds Act of Namibia. A statutory actuarial valuation was carried out on 30 April 2001. In the actuary's opinion the fund was in a sound financial position. The employer is currently contributing at a rate of 15% of total salaries.

**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 beheer word. 'n Statutêre aktuariële waardasie is uitgevoer op 30 April 2001. In die aktuaris se opinie was die fonds in 'n gesonde finansiële posisie. Die werkgewer se bydrae tot die fonds is 15% van totale salarisse.