Senwes

Annual Report 09

CELEBRATING
100 YEARS
OF GROWTH
IN AGRICULTURE

SENWES: 100 YEARS OF FINANCIAL GROWTH

Senwes's one-hundredth year of existence is celebrated this year with the announcement of a record turnover and profit figure as part of the most profitable year in the history of this agri-business.

Despite fluctuating climatic conditions, the company has experience a number of extreme external factors since 1909. There was the free market during pioneering times, monopolistic practices by grain buyers, the depression of the 1930's, two world wars, the lengthy period of regulated agriculture with its single channel marketing system and, from the mid 1990's, the free market as we know it today.

With a view to sustainability, the company has survived many seasons and fulfills its role today as leading role player in South African agriculture. Geared for the next 100 years, Senwes's visionary co-ordinates are set upon being the most admired agri-business.

FINANCIAL TIMELINE: 1909 - 2009

	1909 - 1939*	1940 - 1959	1960 - 1982	1983 - 1997	1998 - 2002	2003 - 2009
	CO-OPERATIVE BUZZ	AGRICULTURE PROSPERS IN NEW CO-OPERATIVE FORM	TECHNOLOGICAL PROGRESS IN AGRICULTURE	SENWES ESTABLISHES ITSELF AS MARKET LEADER IN AGRICULTURE	STRIVE TOWARDS GROWTH AT A PRICE	SUCCESSFUL TURNAROUND AND FOCUS RENDERS GOOD RETURNS
					SENWES	Senwes
Average profit for the period		£78 904	R5,5 m	R56,6 m	(R119,4 m)	R170,9 m
Highest profit		£258 640	R21,6 m	R131,0 m	R70,0 m	R368,2 m
Lowest profit		£9 598	R0,05 m	R1,8 m	(R348,0 m)	R56,1 m

THE ABOVE FIGURES ARE THE NOMINAL FIGURES AND WERE NOT ADJUSTED FOR INFLATION

** No financial records available for this period.*

Moments from Senwes's history over the past 100 years are portrayed in this corporate DVD.

The enclosed DVD contains the centenary song, *My Land*, as bonus track. This song was composed and adapted on request of Senwes.

100 Senwes

FINANCIAL HIGHLIGHTS

NET PROFIT (R'm)

110,3%	2009	2008
	368,0	175,0

REVENUE (R'm)

46,0%	2009	2008
	11 157	7 640

HEADLINE EARNINGS PER SHARE (cents)

123,4%	2009	2008
	190,3	85,2

CASH PROFIT (R'm)

117,4%	2009	2008
	474,0	218,0

RETURN ON OPENING EQUITY (%)

21,2%	2009	2008
	43,6%	22,4%

BALANCE SHEET VELOCITY (times)

35,3%	2009	2008
	4,6	3,4

RETURN ON TOTAL ASSETS (%)

10,2%	2009	2008
	26,0%	15,8%

OWN CAPITAL RATIO (%)

10,0%	2009	2008
	45,0%	35,0%

NET ASSET VALUE PER SHARE (cents)

33,9%	2009	2008
	622,8	465,2

TOTAL INTEREST-BEARING LIABILITIES (R'm)

10,6%	2009	2008
	717,0	802,0

11,8%
DIVIDEND
YIELD

TOTAL DIVIDEND PER SHARE (cents)

14,8%	2009	2008
Total dividend	62	54
Final normal dividend proposed	30	14
Normal interim dividend paid	15	10
Special dividend paid	17	30

OTHER HIGHLIGHTS

Significant growth in summer production credit extension

Notable growth in market share for mechanisation, retail stores and grain receipts

Utilisation of positive cycles for particularly mechanisation whole goods sales, price movements of inputs and grain volumes

Despite significant growth in business base, balance sheet grew only marginally due to higher efficiencies

PROFILE AND STRATEGY

PROFILE

Senwes is an agricultural business that focuses on the provision of production inputs primarily to grain producers, as well as access to markets for agricultural produce. This is strategically coupled with the provision of value added services, which include, amongst others, financing, insurance and agricultural technical services.

Senwes conducts its business predominantly in the North West, Free State, Gauteng and Northern Cape provinces. The group also undertakes international trade in the SADC region as well as some parts of East Africa.

Senwes is a broad based black economic empowered company with 34,7% black shareholding by the Bafokeng Consortium, and the group obtained a level six BBBEE contributor rating.

VISION

To be the most admired agri-business in South Africa.

STRATEGY

Senwes's strategy is focused on agricultural production inputs and requisites of grain producers as well as market access for grain and by-products through to off-takers in Sub-Saharan Africa.

The strategic thrust is to develop a thorough understanding of the markets, the needs of the grain producers and grain off-takers in order to respond with appropriate, value adding products and service solutions in order to build strong customer relationships.

The strategic objective is to enhance the overall service to selected markets by:

- Proactively sourcing and providing continuous access to grain commodities by setting up relevant procurement strategies with grain producers/suppliers and off-takers;
- Developing products, methodologies and mechanisms to manage risk through innovative research and development;
- Developing financing products and methodologies, selected insurance products and technical advice that will cement the relationship with the grain producer and off-taker;
- Strategically locating operating centres appropriate to the needs of the grain industry within the selected geographical markets; and
- Leveraging the integrated business model, technology platform and logistics capability.

Senwes views its employees as key to sustainable strategic success, and in that regard focus is placed on the development of an enabling working environment with appropriate leadership that will attract, engage, develop and retain talented employees who live the company's core values.

Senwes's strategy is focused on agricultural production inputs and requisites of grain producers as well as market access for grain and by-products through to off-takers in Sub-Saharan Africa

CORE VALUES

Integrity, accountability, innovation, business orientation, self- motivation and loyalty.

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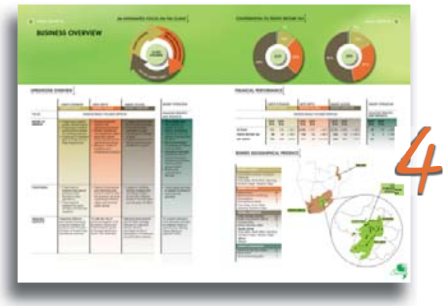

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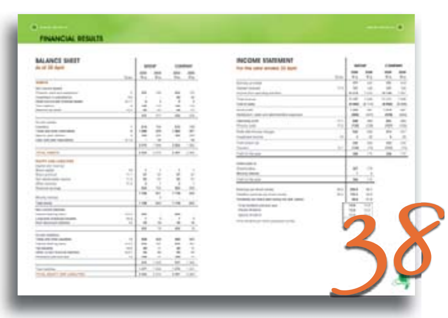
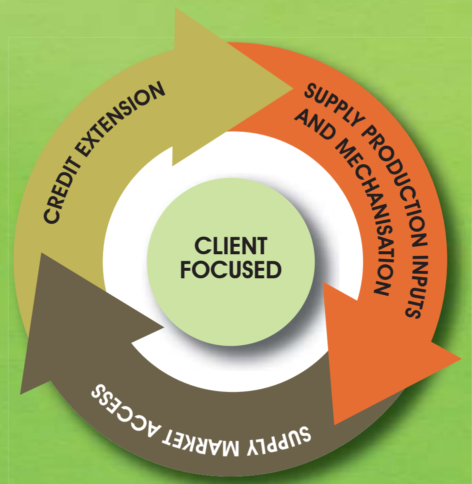
FINANCIAL REVIEW

FINANCIAL RESULTS



BUSINESS OVERVIEW

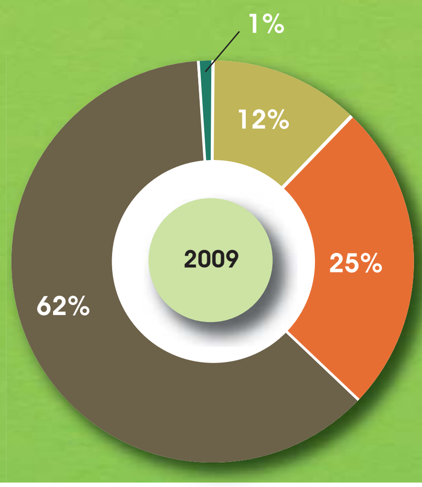
AN INTEGRATED FOCUS ON THE CLIENT

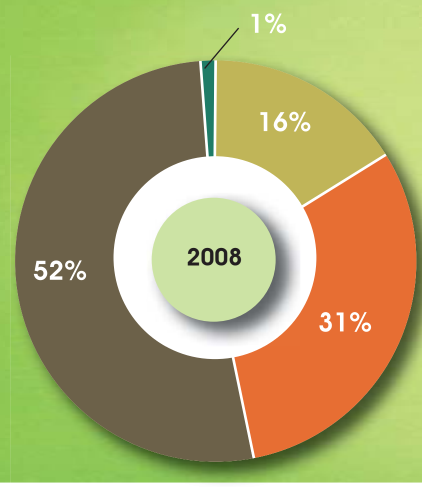


OPERATIONS OVERVIEW

	CREDIT EXTENSION *SENWES CREDIT*	INPUT SUPPLY *SENWES VILLAGE*	MARKET ACCESS *SENWES GRAINLINK*	SUNDRY OPERATIONS
FOCUS	AGRICULTURALLY FOCUSED SERVICES			ADJACENT SERVICES AND PRODUCTS
NATURE OF BUSINESS	• Financing of agriculturally oriented inputs • Financing of medium- and long-term assets for farming purposes • Financing of marketed grain through various financing products	• Supply production inputs to the agricultural producer • Supply mechanisation equipment, spare parts and maintenance services to the agricultural producer • Supply a variety of hardware and convenience products	• Create market access for the grain producer • Procurement and marketing of grain • Handling and storage of grain • Logistical services for the procurement and distribution of grain	• **Wine production** Procurement of grapes from producers, processing thereof and the marketing of various wine products • **Seed processing** Processing of various seed products • **Insurance services** Supplying various focused insurance products to producer-clients and the general public • Broker and administrative services
POSITIONING	• Financing link between agricultural producers and Senwes's other operations • Financing link between the grain off-taker and *Senwes Grainlink*	• Deploy infrastructure and marketing platforms in order to offer the producer services regarding production inputs and mechanisation goods	• Logistics, handling, storing, hedging and marketing of grain – all services required between the farm-gate and the grain off-taker	• Value added services in support of Senwes's core business activities
STRATEGIC OBJECTIVE	Supplying effective and focused financing products enabling the producer and the grain off-taker to finance their operational business	To fulfil the role of preferred supplier of all production inputs and mechanisation goods to the agricultural producer, with distinction	Improved procurement- and off-taker strategy, focused on improved service delivery and higher levels of participation in traditional and alternative markets	To support Senwes's core business activities on different levels of operation by offering value-adding on adjacent levels

CONTRIBUTION TO PROFIT BEFORE TAX





FINANCIAL PERFORMANCE

	CREDIT EXTENSION *SENWES CREDIT*			INPUT SUPPLY *SENWES VILLAGE*			MARKET ACCESS *SENWES GRAINLINK*			SUNDRY OPERATIONS		
	AGRICULTURALLY FOCUSED SERVICES									ADJACENT SERVICES AND PRODUCTS		
	2009 R'm	2008 R'm		2009 R'm	2008 R'm		2009 R'm	2008 R'm		2009 R'm	2008 R'm	
REVENUE	161	120	+ 34%	2,208	1,573	+ 40%	8,723	5,902	+ 48%	48	39	+ 23%
PROFIT BEFORE TAX	68	44	+ 55%	138	83	+ 66%	349	138	+ 153%	4	3	+ 33%
NET ASSETS	752	479	+ 57%	111	35	+ 217%	249	363	- 31%	(3)	-	- 100%

SENWES GEOGRAPHICAL PRESENCE

SENWES CREDIT

Centralised producer and grain financing

Free State, North West, Gauteng, Northern Cape, Western Cape

SENWES VILLAGE

Retail stores	26
Mechanisation workshops	11
Fuel stations	4
Convenience stores	3

Free State, North West, Gauteng, Northern Cape

SENWES GRAINLINK

Grain storage facilities	70
Grain procurement offices	23
Trading office	1
Broker services office	1

South Africa

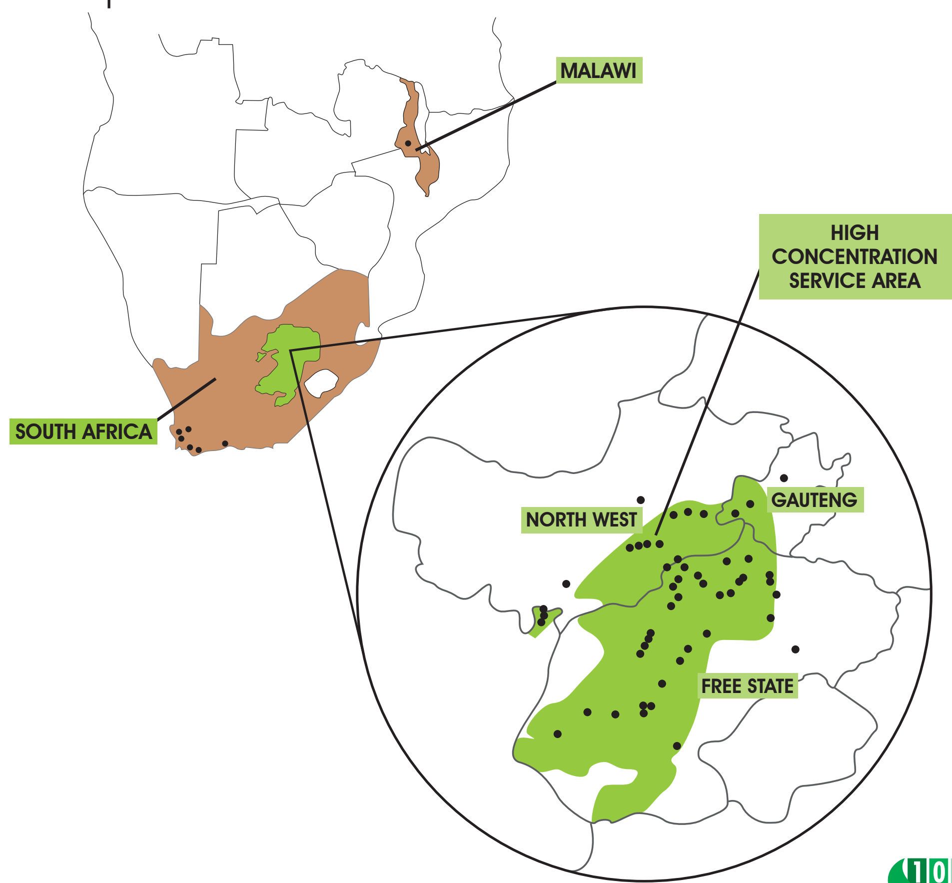
Free State, North West, Gauteng, Northern Cape, Western Cape

Africa

Malawi

SUNDRY OPERATIONS

Insurance service outlets	13
Wine cellar	1
Seed processing plant	1



BOARD OF DIRECTORS

JAPIE GROBLER (57)

Chairman

Board member since 1997
Senwesbel representative

Mr Grobler has B.Juris and LLB degrees. He is the chairman of the Standards Committee and has ex officio access to all board committees.

DANIE MINNAAR (44)

Vice-chairman

Board member since 1999
Senwesbel representative

Mr Minnaar has a B.Com-degree. He is the chairman of the Human Resources Committee and serves as a member of the Audit Committee and the Standards Committee.

JANNIE ELS (63)

Board member since 2000
Senwesbel representative

Mr Els has an Agricultural Diploma and serves as a member of the Human Resources Committee.

DRIES KRUGER (58)

Board member since 2007
Senwesbel representative

Mr Kruger's qualifications include a B.Compt(Hons) and CA(SA). He is also a professional appraiser and serves on the Audit Committee.

NICO LIEBENBERG (40)

Board member since 2008
Senwesbel representative

Mr Liebenberg has a B.Com(Hons) degree. He serves on the Risk Committee.

WH VAN ZYL (67)

Board member since 2002
Senwesbel representative

Mr Van Zyl is the chairman of the Risk Committee and serves on the Standards Committee.

JOHAN ALBERTS (66)

Board member since 2001
Independent representative

Mr Alberts is the chairman of the Audit Committee. His qualifications include SSAF, B.Com (Econ) and CA(SA).

JESMANE BOGGENPOEL (36)

Board member since 2008
Independent representative

Ms Boggenpoel has B.Com, B.Acc and CA(SA) degrees. She is a member of the Audit and Risk Committees.

JACOB MASHIKE (42)

Board member since 2006
Bafokeng Consortium representative

Mr Mashike has a B.Sc(Eng) Chem as well as an MBL-degree. He serves on the Risk Committee.

MPUELENG POOE (49)*

Board member since 2007
Bafokeng Consortium representative

Mr Pooe has a B.Proc-qualification and is an Attorney of the High Court. He serves on the Human Resources Committee.

RUDOLF PRETORIUS (47)

Board member since 2008
Bafokeng Consortium representative

Mr Pretorius has a B.Compt(Hons) and CA(SA) qualification and serves on the Audit Committee and Standards Committee.

ELMARIE JOYNT (39)

Company Secretary
Appointed in 2002

Ms Joynt has the following qualifications: B.Com(Law), LLB, Attorney of the High Court, FCIS and FCIBM.

* LUCAS NDALA (34)

Alternate director for M. Pooe
Board member since 2006

Mr Ndala has the following qualifications: B.Com, PGDM, B.Com(Hons) and CA(SA).

EXECUTIVE DIRECTORS

FRANCOIS STRYDOM (49)

Director: Operations

Appointed in 2001

Mr Strydom has a B.ScAgric(Hons) (Animal Science) degree. His management responsibilities include *Senwes Village*, *Senwes Grainlink* and the sundry operations. He serves on the Risk Committee.

JOHAN DIQUE (53)

Managing Director

Appointed in 2001

As Managing Director, Mr Dique is responsible for the operational activities of the group and for the development of strategic and policy proposals for consideration by the Board of Directors. He serves on the Risk, Human Resources and Standards Committees.

The Corporate Services and Secretariat/Legal Services functions also report to him. He has a B.Com(Hons) degree and is a chartered accountant.

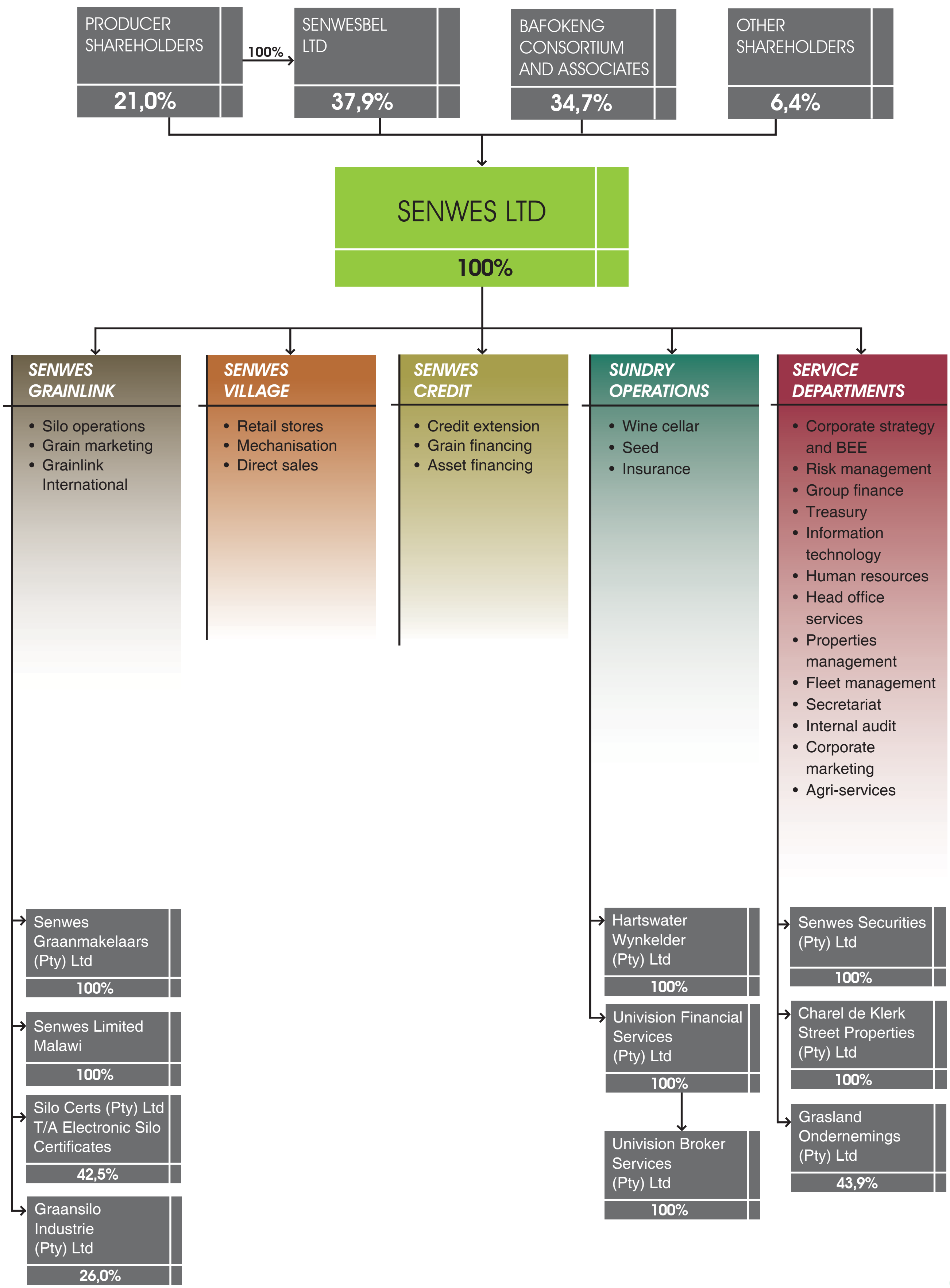
STEVEN ALBERTS (43)

Director: Finance

Appointed in 2005

Mr Alberts' portfolio includes Group Finance, Treasury, Internal Audit and Risk Management, *Senwes Credit* and Information Technology. He has B.Acc. and B.Compt(Hons) degrees and is a chartered accountant. He serves on the Risk Committee.

GROUP STRUCTURE



CHAIRMAN'S REPORT

JAPIE GROBLER

From where Senwes is standing at the 100-year mark in 2009, we are looking back on ten decades during which this agricultural company grew to maturity. As stewards currently borrowing these assets and opportunities from our descendants, we also see the dawning of a new era for a changed Senwes.

Time has taught us that past sentiment alone is not enough to withstand the test of time. Senwes probably underwent the most drastic changes of the century over the past ten years and the company had to adjust to hard financial directives.

From the turn-around process in 2000, Senwes has probably now attained the level of being a listable entity in many respects. We are receptive to amalgamations and we are in a situation where we can spread our wings. We also have the depth to accommodate difficult years, because we are after all in agriculture.

Senwes's 100-year existence is in itself a remarkable event. The fact that it has been the most profitable year in the history of the organisation, namely a record turnover of R11,2 billion and a sturdy profit of R368 million, is equally impressive.

An organisation such as this one, would like to boldly acknowledge our Creator for this type of performance. Our insight and guidance come through His grace, with sound relationships as our base.

AGRICULTURAL CONDITIONS

Farmers have come through a five-year cycle during which excellent agricultural conditions have prevailed. If the farmer prospers, agricultural businesses prosper since it is an extension of the business of the producer.

Expectations are that the South African producer will continue to produce a surplus of all crops with the exception of wheat. Agriculture in South Africa is prospering and indications are that this trend will continue for the next five years.

Sharply increased input costs made exceptional demands on producers during the past season, but this was mitigated by the bull run in respect of commodity prices. Opportunities for agricultural companies always arise when prices escalate – which in turn benefit the producer. Senwes interpreted the market correctly, did timeous purchases and marketed commodities in good time in order to realise the best prices for Senwes and its clients. This also enabled the company to expand its market share.

Adjustment and change remain the norm for survival and growth in agriculture. On farm level mechanisation and precision farming will be taken to new heights over the next five to ten years. The crux for survival remains effective marketing with a constant focus on increased productivity on all levels.

The majority of our customers have made a mind-shift to adjust to these dynamics over the past years. It is particularly encouraging to see that younger farmers also realise this and that they are focusing their farming enterprises accordingly.

Times for stabilisation should be identified and consolidation should be done where necessary. Senwes and producers will have to tighten their belts and productivity will have to be increased materially.

Senwes welcomes the appointment of the new ministers of agriculture. While we have two top persons in Ms. Tina Joemat-Pettersson and Dr. Pieter Mulder, major changes in agriculture are not expected. Since sufficient food is being produced for the country it would be to the advantage of the agricultural fraternity if ministerial focus could be placed on the further implementation of good, existing agricultural policy, inter alia the sector plan for agriculture, to the benefit of the industry.

Adjustment and change remain the norm for survival and growth in agriculture

GROWTH OPPORTUNITIES

A more extensive and skillful shift will have to be accomplished in respect of the commodities traded by Senwes in the countries north of South Africa. Infrastructure is in the process of being restored and production will increase as these countries grow and as consumer patterns change. Surplus years pose excellent opportunities for Senwes. Surpluses taken out of the local market, support local commodity prices and Senwes's involvement with exports will consequently benefit our shareholders.

Senwes's core business is vested in the effective creation of "shelf space" for:

1. Grain commodities – via our own storage network, in new markets and even in other countries;
2. Suppliers – via our retail outlets and mechanisation business units; and
3. Financing – from our producer clients and role players further down the value chain.

In addition to the expansion of local market share, our target is also set at duplicating our "shelf space" in other countries and markets and even to being involved in the logistics in respect thereof. The challenge is not to become involved in the next link of the value chain, but to take what we are involved in, to its full consequence.

Efficient customer service, effective negotiations with suppliers and effective "shelf space" are the origin of Senwes's sustainability and success.

EFFICIENCY

As chairman of Senwes, I am very excited about the team – and the opportunities beckoning. Senwes has an excellently balanced Board of Directors. We have specialists in our top management positions and the total personnel corps adjusted at a phenomenal rate to outperform Senwes's past performance.

Strict financial management is being applied – which placed Senwes on the same level as listed companies in respect of transparency and corporate governance. The following efficiently functioning board committees are adding value:

- The Standards Committee is responsible for the composition, evaluation and training of the Board;
- The Audit Committee provides comfort in respect of financial business execution;
- The Human Resources Committee understands all levels of personnel and ensures that remuneration is market related; and
- The Risk Committee evaluates and makes recommendations regarding existing and potential problems for Senwes on a continuous basis.

Senwes also meets its responsibilities towards society and the environment. We are making a meaningful impact on the level of social responsibility by focusing on the development of sport and by supporting organised agriculture on national, provincial and local level.

VIEW OF THE FUTURE

Despite the fact that Senwes has one hundred successful years behind it, the momentum of the next ten years will be an accurate indication of the effective range of the company for the next hundred years.

We share a dream that in ten years from now, Senwes will be regarded as the most admired agriculturally oriented company, still anchored in agriculture in South Africa and also adding value for shareholders in the greater Southern Africa and other relevant global countries.

Japie Grobler
Chairman

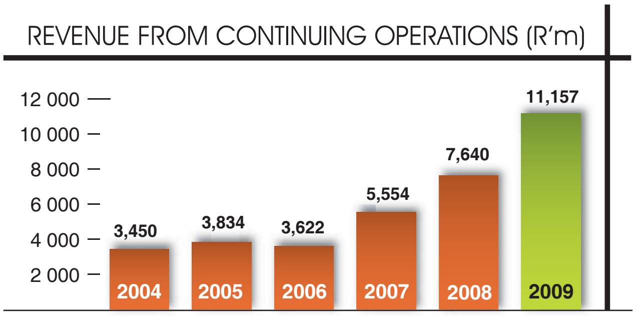
A more extensive and skillful shift will have to be accomplished in respect of the commodities traded by Senwes in the countries north of South Africa

MANAGING DIRECTOR'S REPORT

JOHAN DIQUE

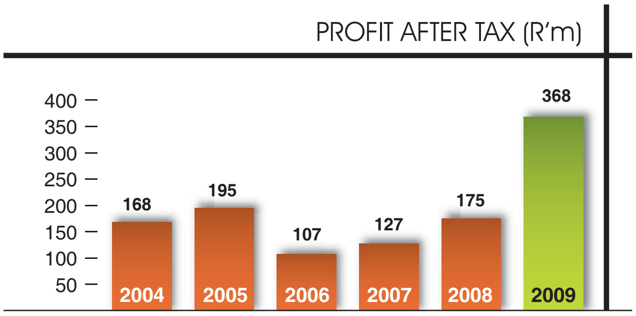
It is a privilege par excellence for Senwes to deliver financial results which compliment its vision to be the most admired agri-business in its one hundredth year of existence. We hereby acknowledge the hard work, commitment and insight of all our predecessors as well as our current stakeholders.

The results with which this organisation concludes its first century, tipped the turnover scale to R11,157 billion – and was converted to a profit of R368 million.



The favourable agricultural season of the past year wrote the introduction to the most profitable chapter ever in the history of Senwes. However, it is a culmination of the turn-around process, strategy implementation, focus and expansion of our core business and the level of ownership accepted by personnel which concluded this chapter with a quantum improvement in our results as highlighted.

Underlying statistics of the past financial year indicate that the planted hectares of the favourable season are reflected accurately in the results of the trade business and the tonnage put through the silo infrastructure. Although the recorded hectares and throughput reflected a marginal increase, the traditional business compares well with a year such as the 2003/2004 season. The financial results recorded for the rest of the financial year are, however, significantly better.



This year is once again proof that Senwes's business success is undoubtedly vested in its focus on core business and the expansion and strengthening thereof. Credit for these results is due to the personnel for the exceptional level of ownership which is demonstrated at all levels.

After finalisation of the turn-around process in 2004, a strategy was formulated to focus on core business, geographic expansion and finding new markets and commodities, with the perilous objective of doubling the enterprise value over a period of three years – with the expectation that the share price would follow the same trend. The initial view of the input provision and market access operations was that such a doubling of enterprise value would be improbable, unless the shortfall could be made up by means of acquisitions or amalgamations.

Despite the above (which has not taken place as yet), the same operations attained this stiff objective under their own steam by means of the rolling out of business strategy and business expansion. This splendid performance reconfirms Senwes's view that the potential vested in our core business will exceed all expectations.

Senwes's business has traditionally been erratic, with a lag between the results delivered by the grain business and the trade business. Both business pillars performed at full capacity for the first time this year, with strong support from the credit extension division.

There is huge appreciation for the quality of service, support and value addition by Senwes's corporate services functions in all areas. A valuable contribution is made by these services, which also act as a management aid for maintenance and good internal and corporate management, without which an organisation such as Senwes cannot achieve success.

The company's trademark received a lot of attention over the past year. Although the name Senwes is a strong trademark in the market, the operational divisions did not have descriptive trademarks. In order to improve the image of the whole group, the logo was refreshed and three new sub-trademarks for the core business units were announced, namely *Senwes Credit*, *Senwes Villlage* and *Senwes Grainlink*.

SENWES CREDIT

Senwes Credit's business plan was deployed during the year under review in such a manner that it resulted in a very sound debtor book and market share per client was expanded due to better service levels and improved client relationships.

The division changed its approach by being more prominent rather than reactive. This resulted in material expansion of a very sound book, the risk profile of which is structurally far better than previous years.

Gerrit van Zyl (General Manager: Senwes Credit), second from left, and his management team, created a basis from which material expansion of the debtor book resulted. This was done by proactive actions and increased visibility.

His team consists of (from the left): Herman Harmzen (Finance and Administration), Alec Azar (Snr Credit Manager), Johan Meiring (Business Development), and Phillip Hollenbach (Snr Credit Manager).

KEY DEVELOPMENTS

- Further momentum was obtained from focused geographic expansion into selected areas.
- The financing model with accompanying processes for grain buyers was optimised.
- The impact of the substantial increase in input costs on the risk profile of the debtor book was managed effectively.
- Further market share growth with increased share per customer materialised within the traditional Senwes area.

ACHIEVEMENT OF OBJECTIVES

The production credit accounts receivable grew by 28,2% but was maintained on a sound level. Consequently, provision for bad debts was less than the targeted 0,5% of credit extended. The growth targets were attained through accessing new clients as well as increasing business with clients, which led to increased profitability.

FUTURE FOCUS, PROSPECTS AND EXPECTATIONS

- Creation of capacity to lend momentum to growth initiatives.
- The credit crisis and decreasing grain prices could lead to lower plantings and these factors, together with decreasing input costs, will probably inhibit the growth of the book.
- Optimising of the financing model of *Senwes Asset Financing* and concomitant meaningful growth of the book concerned.

SENWES VILLAGE

The focused drive to service customers within this business unit, resulted in the expansion of market share per customer. New geographic areas accessed during the previous years, were also serviced more efficiently. The results of Senwes Village were boosted by the strategic purchases of inputs and the favourable whole goods cycle experienced.

Village ensured expansion of market share per customer by a focused drive to service customers.

The Village management team consists of (front): Jan Coetzee (Retail), Frans du Plessis (General Manager: Senwes Village). Back: Marlo Kotze (Finance) and Sarel Greyling (Mechanisation).

KEY DEVELOPMENTS

- During the year the autonomous brand, *Senwes Village,* was successfully established.
- The positive agricultural cycle of the past year supported the profitability of the strategic business units.
- The excellent results of the input pillar were a direct result of increased volumes in the business, and an indication of the progress made in terms of customer loyalty.
- A programme to train trainee branch managers was rolled out during the year and several other BEE-objectives were also achieved.

- Senwes achieved the highest unit sales figure of John Deere products by any one dealer in the Southern hemisphere.
- Several stores were upgraded to offer an improved shopping experience to the farmer, who remains the main focus, but also to the urban customer.
- *Senwes Village Quick Serve* kiosks were established at fuel stations.
- Significant growth in market share has been achieved in all the strategic product categories of the business.

ACHIEVEMENT OF OBJECTIVES

Retail

Focus on new business development gained momentum, particularly in respect of the grocery store conversions, *Quick Serve* kiosks and tender business, which increased the success rate. Customer satisfaction improved due to training programmes and feedback to management. Product availability was also increased and the growth in sales figures confirmed the success of the programme. Product knowledge at all levels also received attention in conjunction with suppliers and several training programmes were completed.

Our objective to put Mechanisation on a sustainable level has been exceeded and all departments reported above average profits for the year

Direct Input Marketing

Higher volumes of input supplies were sold through stores over the past year as a result of good business relationships that exist between *Senwes Village* and its suppliers. This led to increased market share in this particular business space. In pursuit of geographical expansion and increased customer relationships, additional input supply marketers were employed in new areas and retained in traditional areas.

Mechanisation

Our objective to put Mechanisation on a sustainable level has been exceeded and all departments reported above average profits for the year. Even though it is expected that sales volumes of whole goods for the coming year will decline significantly, this business unit should still be profitable in the coming year. Market share was increased satisfactorily and the total service offering will be extended in the new financial year. Increased customer satisfaction was confirmed by independent customer satisfaction polls. In order to increase capacity in respect of technical support, more qualified technicians were contracted. Management also embarked on a programme to train future technicians by appointing apprentices in collaboration with the John Deere Academy. Optimising of stock levels was attained through the implementation of a model to improve stock availability for counter sales and workshops during the year.

FUTURE FOCUS, PROSPECTS AND EXPECTATIONS

Retail

- Successful roll-out of the *Senwes Village* value proposition.
- Upgrading of strategic retail outlets.
- Improving service offering and value-adding.
- Expanding the product range and improving the quality.
- Focusing on after-sales service.
- Expanding market share.
- Expanding total product and service offering.
- Establishing new outlets in strategically important areas.
- Optimising stock levels and product ranges.
- Increasing risk management practices.
- Focusing on qualitative aspects of the business.

Direct Input Marketing

- Further growth of market share through improved strategic supplier relationships.
- Further capitalisation on the strategic opportunity to become a significant role player as wholesaler and retailer.
- Improving customer relationships by added value services.
- Further expansion of geographic area.

Mechanisation

- Maintaining growth in market share.
- Maintaining profitability.
- Investigating further opportunities for geographic expansion.
- Pursuing excellence in respect of customer service.
- Optimising stock levels.
- Building world-class technical ability.
- Focusing on availability of value added products and services in respect of precision farming practices.

The group's sundry operations entail wine production and insurance services. Deon Truter (Hartswater Wine Cellar), left, and Dawie Barnard (Univision Financial Services) discuss the stable growth of both business units over the past year.

SENWES GRAINLINK

The so-called traditional grain business involving storage and marketing rendered excellent results, given the volumes handled. These results set the table for the expansion of markets and exports by *Grainlink International* – the trademark under which international business is conducted – at the end of the financial year.

The excellent results of the grain business laid the foundation for the expansion of international business.

Pieter Esterhuysen (General Manager: Senwes Grainlink) left front, talks strategy with his management team. Back from left to right: Gerard van Zyl (New Business Development), Andrew Martalas (Grainlink International), André Erasmus (Grain Silo Operations), Wikus Grobler (Finance and Administration) and Christo Booyens (Grain Marketing).

KEY DEVELOPMENTS

- Extremely low opening stock levels as well as below average carry-over stock levels towards the end of the financial year.
- Above average grain quantities were received that led to marginal better utilisation of silo capacity. The trend of increasing average production yields continues.
- Increased local and African maize demand resulted in above average outloading rate during the year.
- Crop profile in terms of location, volume and quality offered a variety of stock management opportunities.
- Relative market prices created price management opportunities.
- Internal development of systems and procedures resulted in improved contract management, substantial interest savings, fewer disputes and improved margin management.
- A specialised products project was expanded and made a substantial contribution to profitability.
- Increased competition was experienced in respect of different alternative storage initiatives. *Grainlink's* alternative storage strategy supported the establishment of a national footprint, *Grainlink's* relative position in a highly competitive environment and contributed towards the income base of the business.
- Logistics capacity is increasingly becoming a key enabler for growth.
- Increased competitiveness and economic downturn left the market with an over-supply of capacity, which resulted in lower transport costs.
- Financial market turmoil resulted in more focus on grain debtor account management and a challenging environment for the financing of buyers.
- Increased international focus on food security and Africa as a relatively unutilised food production alternative is increasingly drawing international attention to the continent and especially to SADC. This trend has important competition implications for the region but also offers very attractive opportunities for agri-businesses.

- The establishment of *Grainlink International* opened the door to the international soft commodity market for Senwes and has already contributed significantly towards the profitability of *Grainlink*.

ACHIEVEMENT OF OBJECTIVES

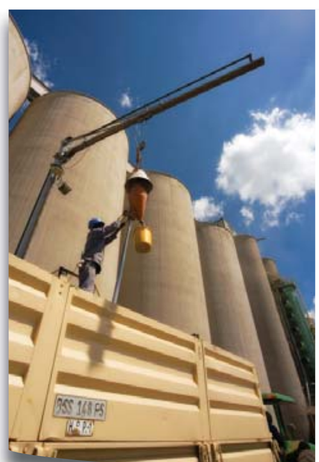
Silo Operations

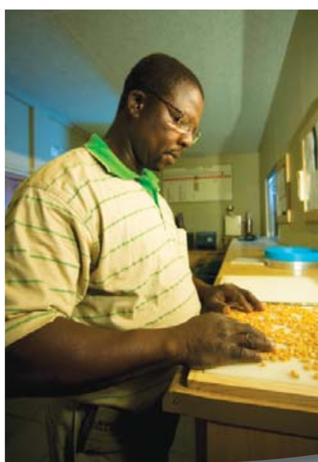
The focus on speciality products yielded good results and good premiums were extracted from increased transaction volumes. The method that was developed and implemented successfully to isolate milling quality grain supports these good results. Two new business units were commissioned successfully to expand the footprint of the business and a research project was undertaken to store winter grain in alternative storage structures. Earlier intake of grain at a higher moisture level and appropriate drying thereof led to grain being available in the market at an earlier stage and resulted in increased margins. Proven aeration practices were enhanced by increased investment at certain facilities, thereby enhancing capacity, capabilities and grain security. Proven grading practices were also implemented and a sharper focus on customer service yielded positive results.

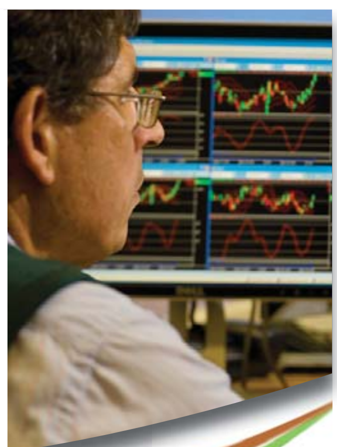
Grain Marketing

Suitable opportunities can further increase our business success and will enhance shareholder value beneficiation

Grainlink did not only retain its market share in the traditional area, but even expanded on it slightly. New procurement structures were expanded to Bethlehem, Hoopstad, Lichtenburg and Vereeniging. Advanced negotiations have taken place with a national logistics company that will enhance the logistics capacity of *Grainlink*. Moreover, by focusing on the expansion of farm-loading and mill door transactions during selected periods, effective competition with opposition was possible and *Grainlink* managed to retain its market share. In targeting expansion of *Grainlink's* activities to Sub-Saharan Africa, key skills were recruited and a process is underway to further recruit personnel and establish infrastructure. Several very lucrative export transactions were concluded during the year. Innovative new products, which include farming management models, logistical solutions and financing products, were developed and successfully marketed to our client base. Risk management, particularly the risk of non-delivery in respect of grain contracts and the impact of interest on Safex margins, were neutralised to a large degree by decreased commodity prices and consequently no write-offs were necessary. Various platforms were used and used as leverage, such as *Senwes Mobi*, to effectively communicate with our client base and enhance relationships. In order to develop and enhance service delivery, training received priority attention on various levels.







FUTURE FOCUS, PROSPECTS AND EXPECTATIONS

General

- To continue with the establishment of a *Senwes Grainlink* footprint in broader South Africa and Southern African Development Community (SADC).
- Finalising the establishment and full integration of *Grainlink International*.
- Continued focus on and expansion of specialised products project.
- Establishment of a specialised bulk grain logistics enterprise providing services on a national basis.
- Expanding of alternative handling and storage activities.
- Further development and fine-tuning of information systems, technological platforms, policies and procedures to support a first class business and growth strategy.
- An above normal harvest is expected, which will offer adequate grain volumes and opportunities for handling, storage and trading.

Silo Operations

- Offering of suitable storage facilities for speciality products to meet the demand.
- Focusing on the unique requirements of the market and specific clients with concomitant expansion of the product and service menu.
- Developing of innovative tariff structures with resultant increased competitiveness and interest cost efficiency.
- Establishing of additional storage and transit structures in SA and SADC as part of the growth strategy of *Grainlink*.
- Undertaking of special projects to improve customer service.
- Technological improvement with a view to improving operational efficiency and risk management.
- Investing in equipment which would broaden the grain delivery window as well as the marketing and delivery options of the customer.
- Expanding the information systems to increase the accuracy of crop estimates and the monitoring of stock.
- Research projects to test different forms of alternative storage options under various conditions.

Grain Marketing

- Retaining and improving market share with producers choosing Senwes as their storage service provider.
- Growing market share in the South African mill-door business.
- Optimising marketing opportunities through alternative storage on a national and regional basis.
- Focusing on developing the market for specialised products.
- Finalising *Grainlink's* capacity expansion to enable the business to source grain or oilseeds on a national basis.
- Developing access to international sources of grains or oilseeds and/or by-products.
- Growing of market share in respect of the Sub-Saharan grains and oilseeds and/or by-products market.
- Optimising systems, procedures and policies to effectively support a growth strategy and to enable business in an acceptable risk environment.
- Improving transport logistical capacity as well as financing products for buyers.
- Utilising different forms of joint ventures where such initiatives will contribute towards *Grainlink's* growth strategy.
- Attracting, retaining and developing talented entrepreneurs.

VIEW ON THE FUTURE

Senwes is planning to build on the foundation which has been laid and which consists of exceptional operational efficiency, competitive prices and service, increased focus and acceptance of ownership by personnel. Suitable opportunities offering both geographic and commodity expansion could further increase our business success and will further enhance the beneficiation of the shareholder's value.

Despite the fact that our biggest single risk is a persistent drought which could result in grain shortages and production loans in arrears, the company is structured in such a manner as to withstand erratic climatic conditions and yields to a large extent.

Corporate Services focuses on service delivery, support and value addition to core business.

From the left: Joe Maswanganyi (General Manager: Corporate Services), Johan du Toit (Agricultural Services), Sizwe Magagula (Talent and Leadership Development), Corné Kruger (Group Finance and Treasury), Johan Grobler (Corporate Marketing), Martin van Zyl (Information Technology), Alf White (Internal Audit and Risk Management). Front right: Elmarie Joynt (Secretariat and Legal Services) and Henco de Jager (Human Resources).

ACKNOWLEDGEMENTS

I would like to thank and at the same time congratulate the following groupings:

- The Board of Directors, for exceptional guidance, the excellent quality of corporate governance and the support of Management in the execution of the strategy;
- Management at all levels of the organisation for hard work and commitment to make a success of the steep objectives;
- Personnel, for their committed service and particularly for the level of ownership accepted by them in order to be true Senwesters;
- Our customers, for their continued support;
- Suppliers, for sustained partnerships and business relationships; and
- All other stakeholders who, as corporate citizens, join Senwes in striving for success.

Senwes closes this centenary chapter in gratitude to a Higher hand, with spontaneous and continued acknowledgement of our dependance on His power and guidance.

Johan Dique
Managing Director

FINANCIAL REVIEW

STEVEN ALBERTS

Senwes is proud to announce the excellent results achieved in its one hundredth year of existence. The information below clearly illustrates the remarkable results and the growth achieved for the year.

OVERVIEW

R'm	2009	2008	% change
Income	**11 157**	7 640	+ 46%
Profit from operations	**648**	350	+ 85%
Finance cost	**(126)**	(126)	-
Net profit	**368**	175	+ 110%
Cash flow from operations	**744**	438	+ 70%
Cash profit	**474**	218	+ 117%
Dividends paid (cash flow)	**(83)**	(103)	+ 19%
Operating capital cash outflow	**(290)**	(348)	+ 17%
Net cash flow before financing activities	**46**	(233)	+ 120%
Interest-bearing financing (long and short-term)	**717**	802	- 11%
Current assets	**2 070**	1 998	+ 4%
Net operating capital	**1 125**	545	+ 106%
Earnings per share (cents)	**203**	96	+ 111%
Headline earnings per share (cents)	**190**	85	+ 124%
Net asset value per share (cents)	**623**	465	+ 34%
Trading price at year-end (cents)	**550**	525	+ 5%

GENERAL

The income growth of 46% was partially due to the effect of the inflationary conditions which dominated a large part of the financial year and which impacted on both the input costs of producers and commodity prices. However, a material portion of the growth can be attributed to the significant increase in throughput and trading volumes of grain (+ 37%), as well as the increase in mechanisation sales. Whole goods unit sales (SAAMA) increased by a total of 34% in South Africa during the financial year, compared to the previous year, due to the positive investment cycle of producers and this trend was experienced throughout the industry.

Notwithstanding the above, Senwes managed to grow its market share in respect of whole goods by almost 7%. Senwes also launched new initiatives in various new markets, which made a significant contribution to profitability. One such initiative was the success achieved by *Grainlink International*, which utilised other markets by means of exports and international trading of commodities. The value chain in which Senwes shares, was expanded by these actions.

Given all these positive circumstances, the operating profit increased by 85% to R648 million. Despite the increased business base, due to both price and volume business, the financing account remained constant as a result of effective balance sheet management. This is illustrated clearly by the asset turnover ratio which increased from 3,4 times per year to 4,6 times per year. This increased efficiency, together with the increased business base, are demonstrated in the net profit figure of R368 million, which translates to more than a doubling of the previous year's figure.

Increased profitability also had a positive impact on the cash flow generated from operations and a positive cash flow of R744 million was generated. As in the previous financial year, the larger business base (prices and volumes) calls for cash to be invested in the operating capital of the organisation (debtors and inventory) and R290 million was invested on these lines this year. All of the above resulted in Senwes concluding the year with a total net positive cash flow position of R46 million before taking long-term financing activities into account.

The abovementioned fact in itself is not a source of concern due to the fact that it is often the result of an organically growing organisation. It should also be borne in mind that Senwes's business model is mainly credit driven (producer credit and grain buyers) and that commodity price levels have a huge impact on stock levels. Positive business cycles will therefore render good net results, but this often comes at the price of a larger investment in the balance sheet, translating into current assets increasing.

Senwes applies very strict risk management practices as far as credit management is concerned and the growth of the debtor book was effected on a very sound basis in that the average quality exposure of clients (valuation levels), as well as securitisation levels, showed a positive increase. Risk management in respect of stock management was a specific area of focus and excellent progress has been made in this regard over the past number of years. Net operating capital reflected exceptional growth due to the fact that a portion of the funding shifted from short-term financing to longer term financing (R350 million).

The shareholder's earnings per share more than doubled to 203 cents per share. Significant value was created for the shareholder and the net asset value per share increased by 34%, although the trading price has not discounted the full growth and increased by a mere 5% until year-end. Given the economic conditions applicable to the share market, which declined by 40% in general, this performance is commendable. Measured against the price earnings ratio, the share price is probably not on the level of the actual intrinsic value.

Senwes also launched new initiatives in various new markets, which made a significant contribution to profitability

INCOME STATEMENT SUMMARISED

R'm	2009	2008	% change
Income	**11 157**	7 640	+ 46%
Gross profit	**1 253**	927	+ 35%
Gross profit margin	**11,2%**	12,1%	
Cost structures – distribution, sales, administration	**(605)**	(577)	+ 4,9%
Profit from operations	**648**	350	+ 85%
Investment income	**4**	26	- 85%
Finance cost	**(126)**	(126)	-
Tax	**(158)**	(75)	+ 111%
Effective tax rate	**30,1%**	30,3%	
Net profit after tax	**368**	175	+ 110%
Attributable to shareholders	**367**	173	+ 112%
Earnings per share (cents)	**203**	96	+ 111%
Headline earnings per share (cents)	**190**	85	+ 124%

INCOME STATEMENT ANALYSIS

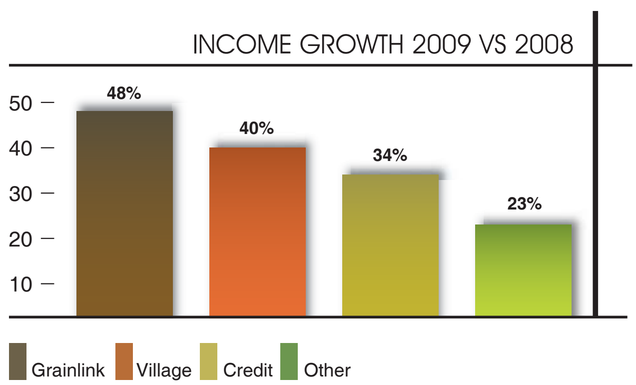
The increased income from whole goods sales resulted in a positive sales mix variance with a resultant positive impact on gross profit margins in the *Village* business unit trading in inputs. However, the relative increase of low margin grain commodity business in the *Grainlink* business unit, decreased the total net margin. Cost increases were limited to 4,9% and of particular significance was the effect of above normal inflation of increased transport costs.

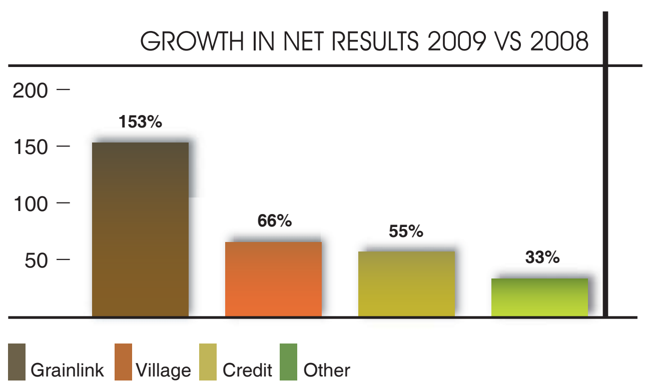
During the previous financial year liquidity was problematic in relation to short-term notice movements which had to be dealt with by the main financier, namely Land Bank, who was unable to make large amounts available at short term notice. Additional cash was therefore set aside in the form of short notice investment instruments in order to manage liquidity. This resulted in investment income streams during the previous year.This problem did not occur during this year and no significant investment income was earned.

The fact that the balance sheet remained on levels similar to the previous year, resulted in finance costs having been maintained on the same levels, despite increased business levels. This was also the result of further increased balance sheet efficiency and the balance sheet turnover ratio.

SEGMENTAL ANALYSIS

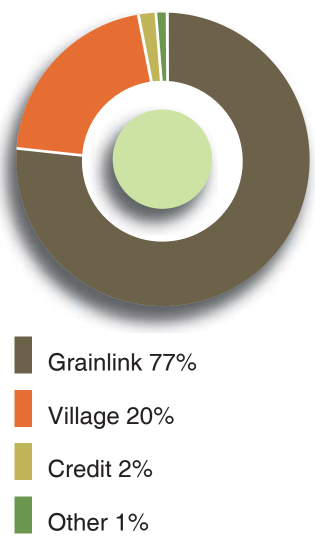
Good crops during the year resulted in increased volumes of available grain compared to the previous year, which in turn resulted in a 48% growth in income in the *Grainlink* division and in a total income of R8,7 billion for the division. However, storage and handling only represented R305 million of the above amount, whilst commodity trading and financing of buyers of the product made up the bulk of this amount. Commodity prices remained on profitable levels during planting season, which had a positive effect on the buying power of producers and increased demand, while inflationary conditions resulted in material input price increases.



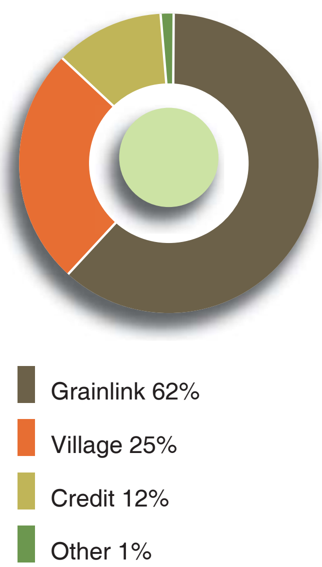


SEGMENTAL ANALYSIS

INCOME PER SEGMENT



OPERATING PROFIT PER SEGMENT



Grainlink added value to the results by means of new business initiatives such as Grainlink International

Together with increased market share, the above resulted in a growth in income of *Village* of 40%, to R2,2 billion. Consequently, the results of the division increased significantly by 66% to R138 million. The Mechanisation division in particular performed very well and managed to utilise the positive environmental factors and business cycle by means of good service delivery and competitive prices.

Grainlink added value to the results by means of new business initiatives such as *Grainlink International*, through involvement in the export market, thereby unlocking the benefits of international markets for the producer.

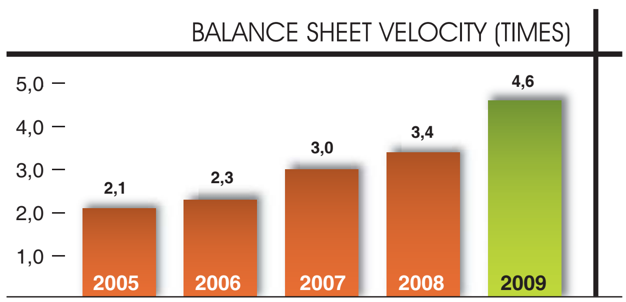
BALANCE SHEET MANAGEMENT AND CASH FLOW

OPERATING CAPITAL (R'm)

	2009	2008	% change
Inventory	**619**	734	- 16%
Accounts receivable	**1 451**	1 229	+ 18%
Creditors and other provisions	**(577)**	(650)	- 11%
Net operating capital (excluding interest-bearing financing)	**1 493**	1 313	+ 14%
Net operating capital (excluding interest-bearing financing) as percentage of income	**13,4%**	17,2%	

TOTAL BALANCE SHEET (R'm)

	2009	2008	% change
Total assets	**2 503**	2 375	+ 5%
Total average assets	**2 439**	2 249	+ 8%
Income/Total average assets	**4,6**	3,4	

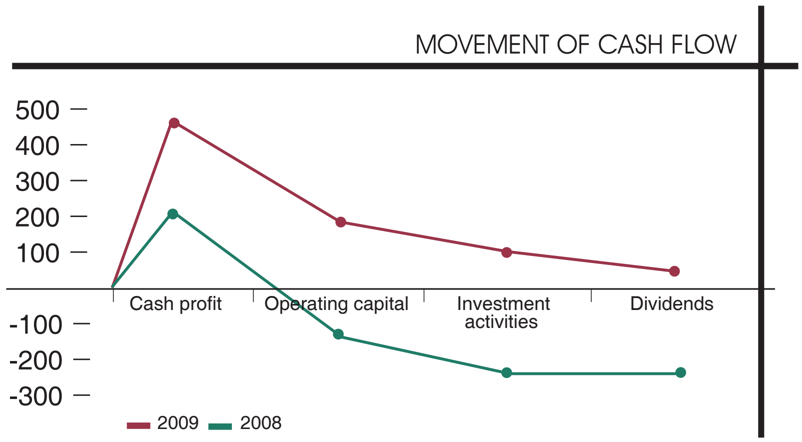


The growth in the business base, increased input prices and higher commodity levels and prices during the first half of the year subsequently decreased due to lower commodity prices and grain stocks. The positive business cycle of the *Village* business unit resulted in an increase of 18% in respect of specifically the amounts receivable.

On a net basis the increase amounts to 11% due to a decrease in creditors and provisions. From an efficiency point of view, the increase in respect of the balance sheet relative to the increase in income was less and is displayed by the net operating capital as percentage of income that was lower and the total balance sheet turnaround that was subsequently faster at 4,6 times.

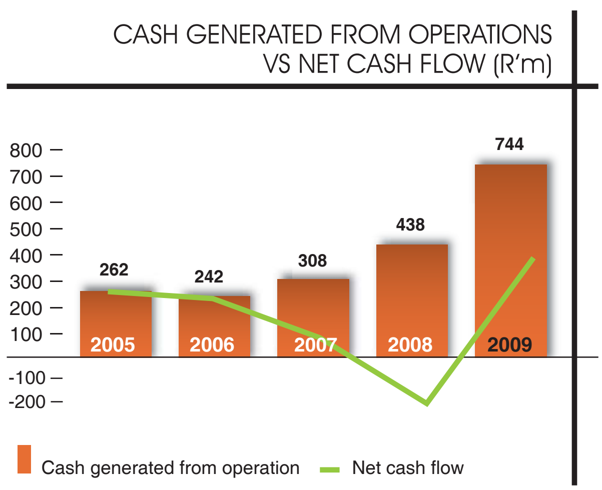
CASH FLOW (R'm)

	2009	2008	% change
Cash profit	**474**	218	+ 117%
Net cash flow from operating activities	**(290)**	(348)	+ 17%
Net investment activities	**(55)**	-	- 100%
Dividends paid	**(83)**	(103)	+ 19%
Net cash flow before financing activities	**46**	(233)	+ 120%



It is evident from the above that a significant increase of 117% resulted from the increase in profitability (net cash profit after interest and tax). The previous year included a special dividend of 30 cents per share whilst, in line with the current economic conditions, a more conservative dividend amounting to 17 cents per share was still declared for 2009. This had a 19% positive effect on cash flow from dividends compared to the previous year.

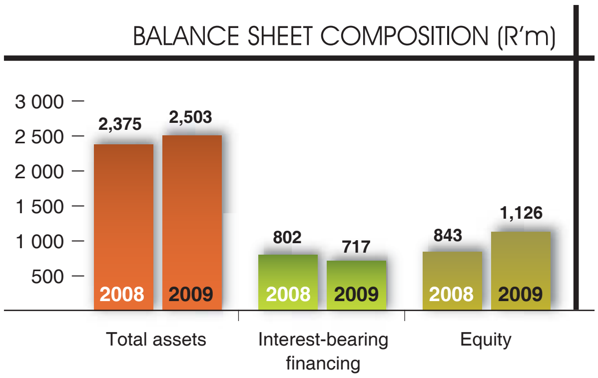
Additional investment in the balance sheet, although high at R290 million in absolute terms, is relatively low and cash flow improved by 17% compared to the previous year.

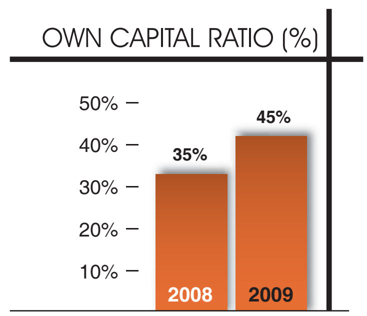


Cash to the amount of R55 million was spent this year on capital projects, which included upgrading actions at business units (both silos and retail outlets). Other projects related to the head office building, where the air conditioning system was replaced by a system which is more efficient in respect of energy consumption.

FINANCE COST AND SOLVENCY (R'm)

	2009	2008	% change
Total finance cost paid	**(126)**	(126)	-
Total finance income	**161**	120	+ 34%
Net finance income/(cost)	**35**	(6)	+ 683%
Interest cover (times)	**5,4**	3,2	

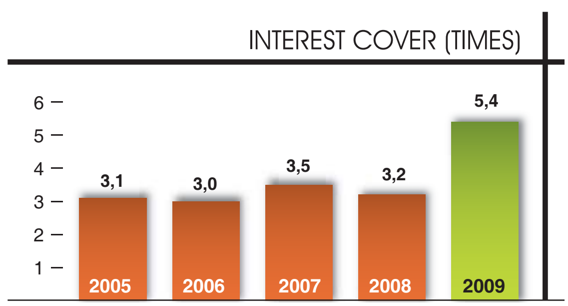




Approximately 58% of the balance sheet is invested in credit extension activities. On a net basis more interest was earned than spent in respect of external financiers this year due to the improved own capital ratio of 45%.

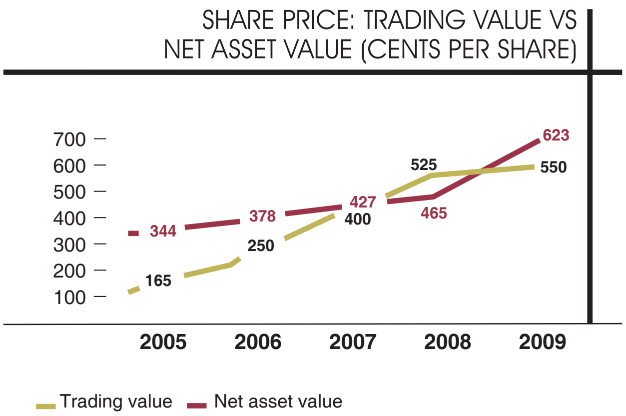
Senwes's operating earnings were on record levels during the year and both the two main pillars of the business performed exceptionally well

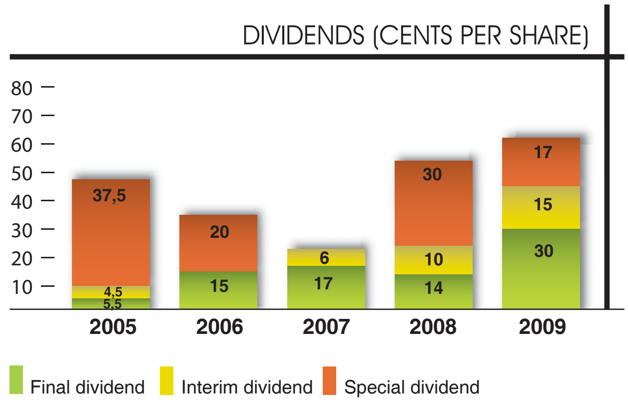
The balance sheet remained within the set target levels of maintaining an own capital ratio of between 35% and 45%. A balanced gearing ratio is used to create value for the shareholder, without exposing the organisation to high levels of borrowed capital. The more conservative ratio during the past year takes the global credit crisis into account and prudent actions were taken in view of environmental factors which required more conservatism.



SHAREHOLDER VALUE

The shareholders derived a lot of benefit this year, specifically by means of earnings per share of 203 cents, which is more than double that of the previous year's 96 cents. The total dividend stream of 62 cents per share represents a sound dividend yield of 12% on the general opening trading price of R5,25. The share price increased by a further 5% during the year, which translated to a total yield of 17% for the shareholder.



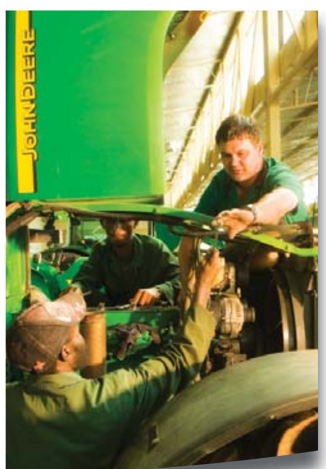


CONCLUSION

The operating earnings of the organisation were on record levels during the year and both the two main pillars of the business performed exceptionally well. The organisation is well-geared for future developments and growth and interest-bearing debt is serviced comfortably. Although cash flow was only marginally positive, the reason was the expansion of the business base with a resultant growth in profitability. The group has sufficient cash sources and financing facilities of R1,2 billion. Strong shareholder groups, who could follow rights if necessary, could also support further growth.

The prospects for the coming year are positive, despite uncertain global economic conditions. The agricultural and food sectors and derived commodities are exposed to a lesser degree to the huge decline experienced by other sectors and are supported by sufficient volumes of available grain.

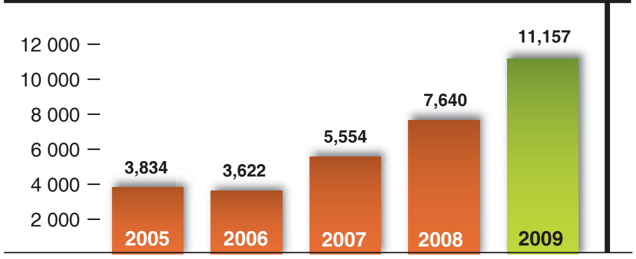
Steven Alberts
Director: Finance



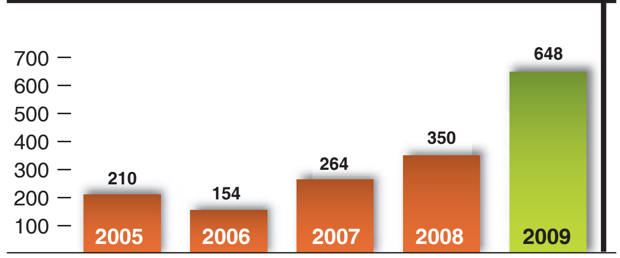
FINANCIAL STATISTICS

INCOME STATEMENT AND PROFITABILITY

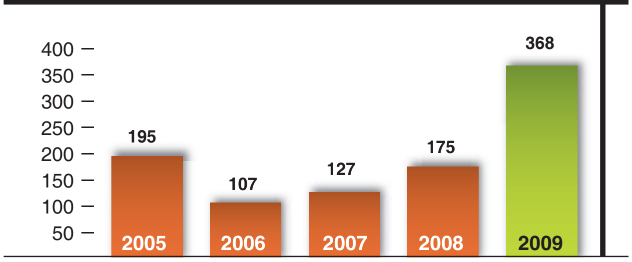
REVENUE FROM CONTINUING OPERATIONS (R'm)



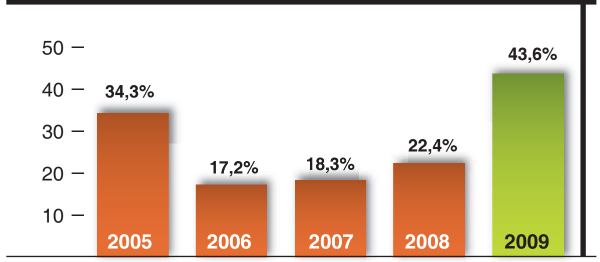
OPERATING PROFIT BEFORE INTEREST (R'm)



PROFIT AFTER TAX (R'm)

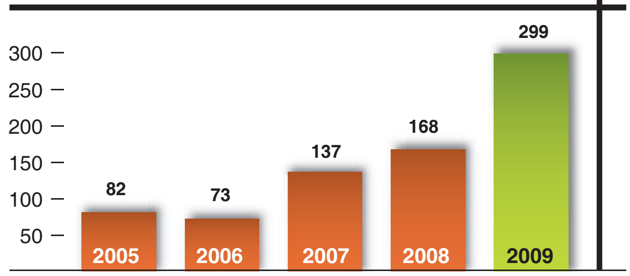


RETURN ON OPENING EQUITY (%)

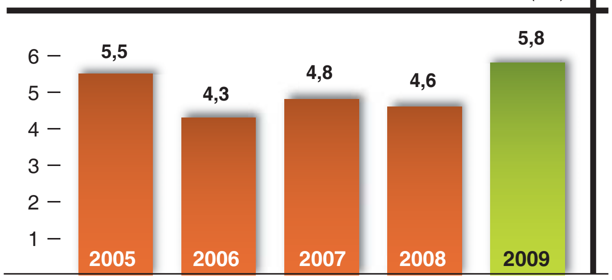


EFFECTIVITY AND PRODUCTIVITY

OPERATING PROFIT PER EMPLOYEE (R'000)

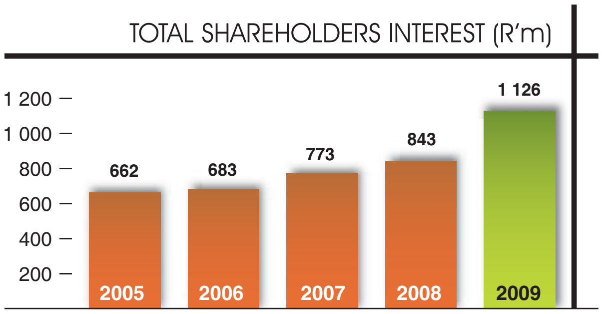


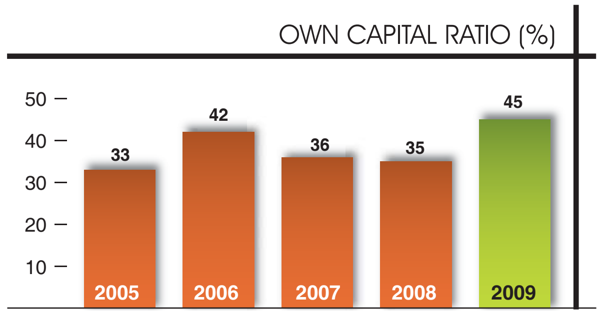
OPERATING PROFIT MARGIN (%)

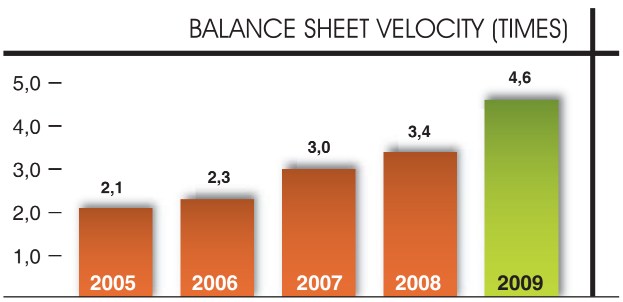


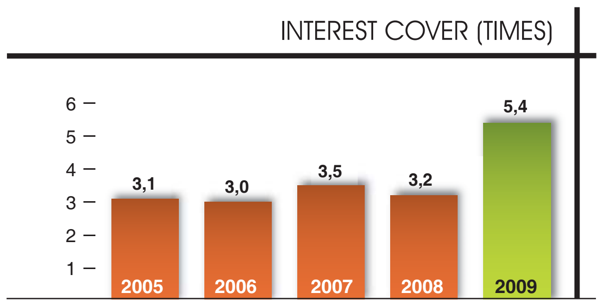
Due to all these positive circumstances the operating profit increased by 85% to R648 million. Despite the increased business base, due to both price and volume business, the financing account remained constant as a result of effective balance sheet management

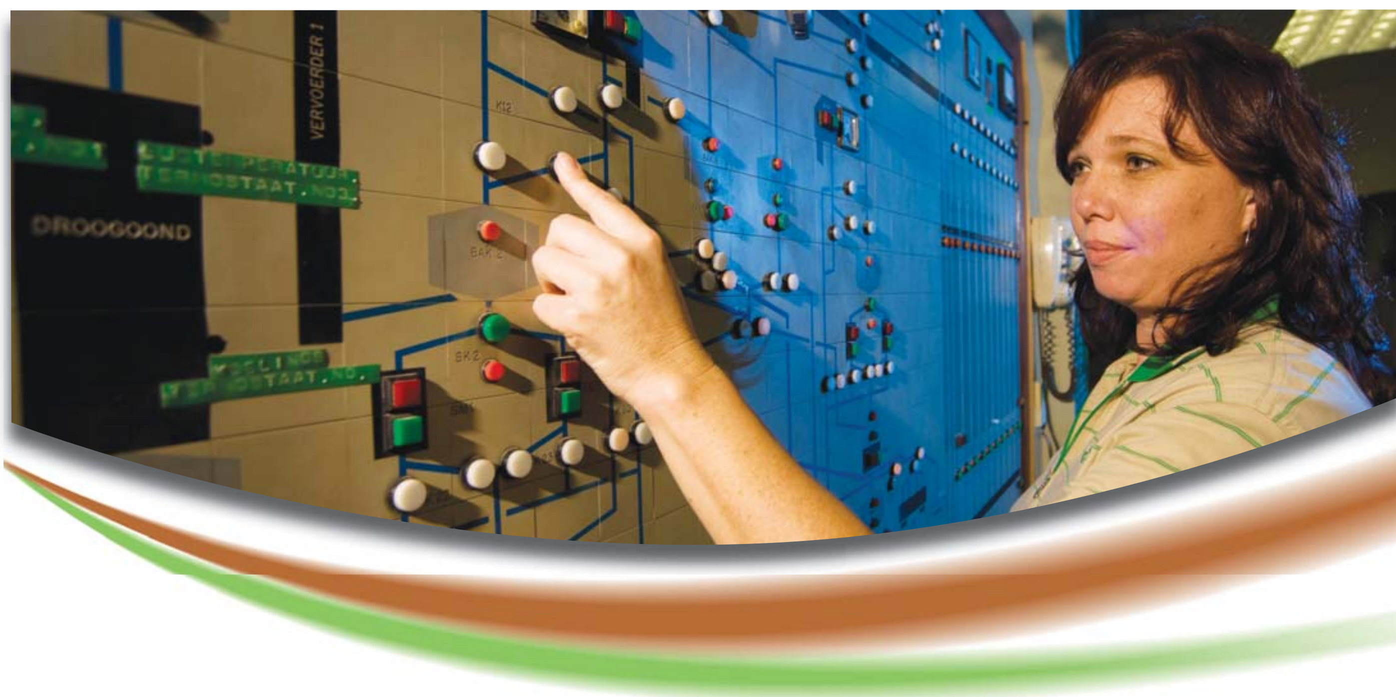
BALANCE SHEET AND STRUCTURING





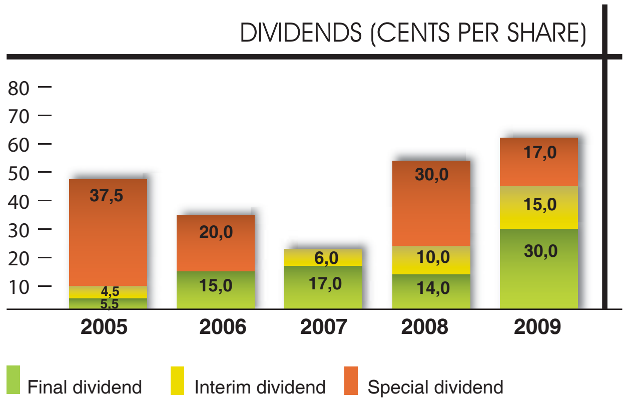


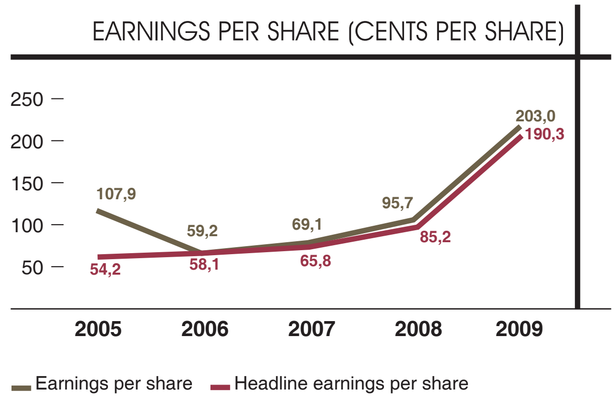


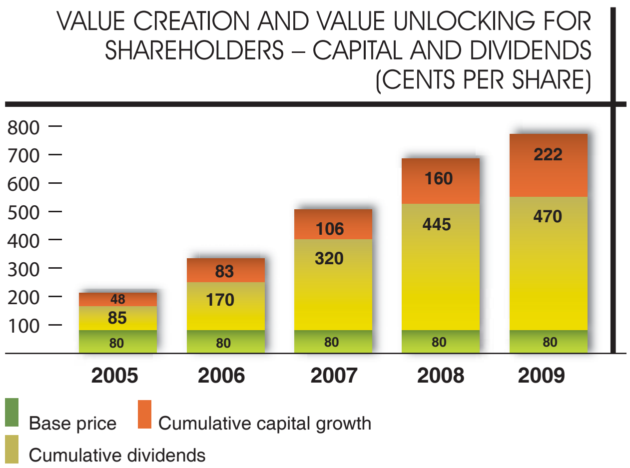


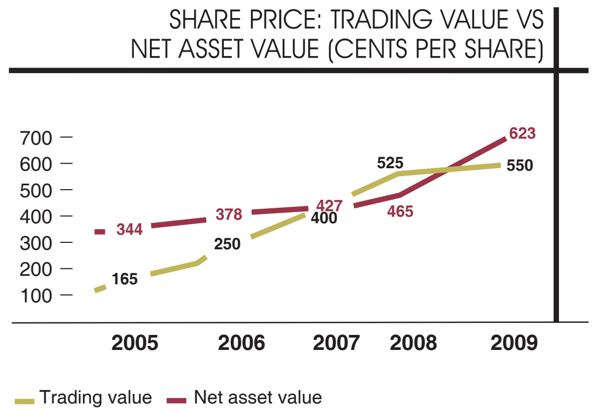
FINANCIAL STATISTICS (CONTINUED)

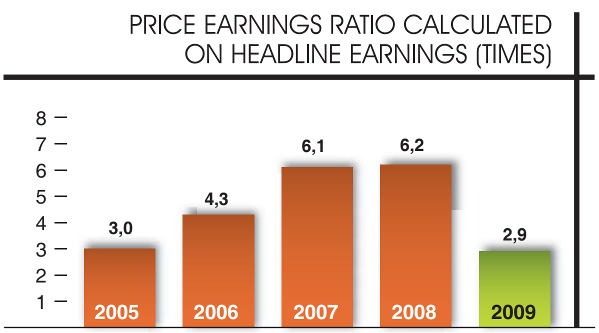
SHAREHOLDERS

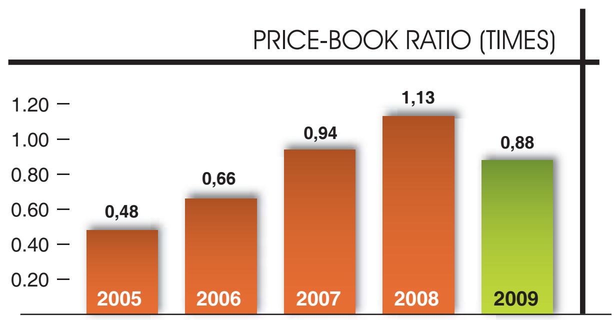












SENWES GROUP – FIVE-YEAR PERSPECTIVE

	2009 R'm	2008 R'm	2007 R'm	2006 R'm	2005 R'm
BALANCE SHEET					
Assets					
Non-current assets	**433**	376	331	254	269
Current assets	**2 070**	1 999	1 777	1 386	1 595
Non-current assets held for sale	**-**	-	14	3	-
Total assets	**2 503**	2 375	2 122	1 643	1 864
Equity and liabilities					
Total shareholders interest	**1 126**	843	773	683	622
Non-current liabilities	**432**	79	106	89	80
Current liabilities	**945**	1 453	1 243	870	1 162
Liabilities associated with non-current assets – held for sale	**-**	-	-	1	-
Total equity and liabilities	**2 503**	2 375	2 122	1 643	1 864
Interest-bearing liabilities included in current liabilities	**717**	802	771	606	815
INCOME STATEMENT *					
Revenue					
Credit Extension – *Senwes Credit*	**161**	120	80	78	87
Input Supply – *Senwes Village*	**2 208**	1 573	1 155	821	850
Market Access – *Senwes Grainlink*	**8 723**	5 902	4 273	2 662	2 849
Sundry operations	**48**	39	40	31	38
Normal operating activities	**11 140**	7 634	5 548	3 592	3 824
Other non-apportionable	**17**	6	6	30	10
Continuing operations	**11 157**	7 640	5 554	3 622	3 834
Discontinued operations – held for sale	**-**	-	24	426	523
Inter-segmental sales	**-**	-	-	(69)	(107)
Total income for the year	**11 157**	7 640	5 578	3 979	4 250
Profit/(loss)					
Credit Extension – *Senwes Credit*	**68**	44	24	23	32
Input Supply – *Senwes Village*	**138**	83	42	(36)	(35)
Market Access – *Senwes Grainlink*	**349**	138	166	177	175
Sundry operations	**4**	3	2	4	8
Normal operating activities	**559**	268	234	168	180
Corporate and non-apportionable costs	**(37)**	(44)	(53)	(76)	(54)
Investment income	**4**	26	2	5	14
Continuing operations	**526**	250	183	97	140
Discontinued operations – held for sale	**-**	-	(1)	28	98
Profit before tax	**526**	250	182	125	238
Taxation	**(158)**	(75)	(55)	(18)	(43)
Profit for the period	**368**	175	127	107	195
Minority interest	**1**	2	2	-	-
Finance charges included above	**(126)**	(126)	(83)	(62)	(84)
CASH FLOW STATEMENT					
Net cash flow from operating activities					
Cash profit	**474**	218	202	169	192
Dividends paid	**(83)**	(103)	(24)	(29)	(12)
Movement in operating capital	**(290)**	(348)	(107)	10	(25)
Net cash generated/(invested) through investment activities	**(55)**	-	(21)	56	92
Net cash generated	**46**	(233)	50	206	247
Cash flow from financing activities	**354**	1	(1)	9	(1)
Net cash flow	**400**	(232)	49	215	246

* *For comparative purposes the segmental revenue and results of previous periods have been restated for discontinued operations.*

SENWES GROUP – FIVE-YEAR PERSPECTIVE (CONTINUED)

	5 YEAR COMPOUND ANNUAL GROWTH (%)	2009	2008	2007	2006	2005
FINANCIAL GROWTH (percentage)						
Total assets	3,1	**5,4**	11,9	29,2	(11,9)	(13,4)
Total shareholders interest	14,6	**33,6**	9,1	13,2	9,8	9,3
Interest-bearing liabilities	(7,7)	**(10,6)**	4,0	27,2	(25,6)	(23,9)
Total revenue from continuing operations	26,5	**46,0**	37,6	53,3	(5,5)	11,1
Profit before tax from continuing operations	26,3	**110,4**	36,6	88,7	(30,7)	(14,6)
Headline earnings per share	22,0	**123,4**	29,4	13,3	7,1	(23,0)
Net asset value per share	14,6	**33,9**	9,1	12,9	9,8	9,3
Closing market price per share	47,0	**4,8**	31,3	60,0	51,5	106,3
Total dividends for the year	62,3	**14,8**	134,8	(34,3)	(26,3)	763,6
NUMBER OF ORDINARY SHARES ('m)						
Weighted average number in issue *		**180,79**	180,79	180,79	180,79	180,79
Number in issue at year-end *		**180,79**	180,79	180,79	180,79	180,79
PERFORMANCE OF ORDINARY SHARES						
Cents per share						
Earnings		**203,0**	95,7	69,1	59,2	107,9
Headline earnings		**190,3**	85,2	65,8	58,1	54,2
Net asset value		**622,8**	465,2	426,5	377,8	344,0
Closing market price		**550,0**	525,0	400,0	250,0	165,0
Total dividends for the year		**62,0**	54,0	23,0	35,0	47,5
Final dividend declared		**30,0**	14,0	17,0	15,0	5,5
Interim dividend paid		**15,0**	10,0	6,0	-	4,5
Special dividend paid in the interim		**17,0**	30,0	-	20,0	37,5
Percentage						
Price book ratio		**88,3**	112,9	93,8	66,2	48,0
Dividend yield on opening market price (normal dividends)		**8,6**	6,0	9,2	9,1	12,5
Dividend yield on opening market price, including special dividends		**11,8**	13,5	9,2	21,2	59,4
Times						
Price-earnings ratio		**2,7**	5,5	5,8	4,2	1,5
Dividend cover from normal dividends		**4,5**	4,0	3,0	3,9	10,8
Dividend cover, including special dividends		**3,3**	1,8	3,0	1,7	2,3
RETURN (%)						
Return on opening equity		**43,6**	22,4	18,3	17,2	34,3
Return on average equity		**37,3**	21,5	17,2	16,4	32,7
Total shareholders return (dividends & capital growth)		**16,6**	44,8	69,2	72,7	165,6
Return on total assets – continuing operations – EBIT		**26,0**	15,8	12,6	9,7	12,0
Operating profit from continuing operations as % of income		**5,8**	4,6	4,8	4,3	5,5
Effective tax rate		**30**	30	31	15	18
PRODUCTIVITY						
Asset velocity (times)		**4,6**	3,4	3,0	2,3	2,1
Revenue/equity (times)		**9,9**	9,1	7,2	5,8	6,8
Operating profit per employee (R'000)		**299**	168	137	73	82
SOLVENCY AND LIQUIDITY						
Equity as % of net assets		**61**	51	50	53	43
Equity as % of total assets		**45**	35	36	42	33
Gearing ratio %		**64**	91	69	86	129
Non-interest-bearing liabilities as % of equity		**59**	87	75	52	69
Interest cover (times)		**5,4**	3,2	3,5	3,0	3,1
Current ratio		**2,2**	1,4	1,4	1,6	1,4
Quick asset ratio		**1,5**	0,9	0,9	0,9	1,1

** Senwes dissolved its Personnel Share Trust in the 2005/06 financial year. According to IFRS this figure has to be adjusted from 2004 against equity as if the Trust was previously consolidated.*

STATUTORY FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The directors are responsible for the preparation, integrity and reasonableness of presentation of the financial statements of the company and its subsidiaries. The financial statements set out on page 36 to 85 have been prepared in accordance with *International Financial Reporting Standards (IFRS)*. The Board also prepared all other information included in this annual report and is responsible for both the accuracy and the consistency of the financial statements.

The Board is also responsible for the financial control and risk management of the company and its subsidiaries, which are reviewed regularly. These controls are designed to provide reasonable but not absolute assurance with regard to the reliability of the financial statements, to provide adequate safeguarding and maintenance of assets and to prevent and identify misrepresentations and losses. Nothing has come to the attention of the Board which could indicate a material deficiency in the functioning of these controls, procedures and systems during the year under review.

The financial statements were prepared on a going concern basis. The directors have no reason to believe that the group or any company in the group will not be a going concern in the foreseeable future, based on results, operational trends, market environment, estimates and forecasts, risks, capital structure and available cash and finance resources.

The financial statements were audited by the independent auditors, Ernst & Young Incorporated. The independent auditors had unrestricted access to all financial records, including all minutes of the Board, board committees, management and shareholder meetings. The Board believes that all representations made to the independent auditors during the audit were valid and proper.

The annual financial statements of the company and the group annual financial statements for the year ended 30 April 2009, set out on page 36 to 85, were approved by the Board.

JE Grobler	JJ Dique	SH Alberts
Chairman	**Managing Director**	**Director: Finance**

25 June 2009

STATUTORY FINANCIAL STATEMENTS (CONTINUED)

STATEMENT BY THE COMPANY SECRETARY

In terms of section 268G(d) of the Companies Act, as amended, the Company Secretary hereby certifies that all returns, as prescribed by the said Act, have been submitted to the Registrar of Companies and Intellectual Property Registration Office (CIPRO) and that the said returns are true, correct and up to date.

EM Joynt
Company Secretary

25 June 2009

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SENWES LIMITED

We have audited the group annual financial statements and annual financial statements of Senwes Limited, which comprise the consolidated and separate balance sheets as at 30 April 2009, the consolidated and separate income statements, the consolidated and separate statements of changes in equity, consolidated and separate cash flow statements for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' report, as set out on pages 36 to 85.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with *International Financial Reporting Standards (IFRS)*, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

It is our responsibility to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with *International Standards on Auditing (IFRS)*. Those standards require us to comply with ethical requirements and to plan and perform the audit in such a manner as to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves the execution of procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Senwes Limited as at 30 April 2009, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with *International Financial Reporting Standards*, and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Incorporated
Registered Auditor

25 June 2009
Johannesburg

STATUTORY FINANCIAL STATEMENTS (CONTINUED)

STATUTORY DIRECTORS' REPORT

1. **MAIN OBJECTIVES**
The main objectives of the company are as follows:
1.1 To supply primary agricultural inputs.
1.2 To provide market access for agricultural produce.

2. **CHANGE IN NATURE OF ACTIVITIES**
There were no material changes in the nature of property, plant and equipment during the year.

3. **SUBSIDIARIES AND OTHER FINANCIAL ASSETS**
Details of the company's interest in subsidiaries, joint ventures and other financial assets are set out in notes 3, 4 and 5 to the financial statements.

4. **RESULTS**
The net profit after tax (including minority interest) of the group for the year under review amounts to R368 million (2008 – R175 million).

The summarised results are as follows:

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Revenue	**11 157**	7 640	**11 111**	7 596
Operating profit	**648**	350	**641**	343
Net profit after tax	**368**	175	**368**	172

Refer to note 1 of the financial statements for a full segmental analysis.

The revenue increased by 46% to R11 157 million whilst the profit increased by 110% to R368 million. The higher turnover and better net profit are mainly due to higher throughput through the Market Access division as well as extremely good mechanisation sales in the Input Supply division.

Univision Financial Services, Hartswater Wynkelder and Senwes Seed, reported positive results.

The summarised balance sheet is as follows:

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Total assets	**2 503**	2 375	**2 497**	2 363
Total interest-bearing debt	**717**	802	**725**	806

The increase in total assets is the result of a higher investment in financing debtors whilst grain inventory decreased materially. A review of the results for the year is contained in the financial review on page 21.

5. **DIVIDENDS**
The directors propose that a final dividend of 30 cents per share (2008 – 14 cents per share) be declared. An interim dividend of 15 cents per share (2008 – 10 cents per share) and a special dividend of 17 cents per share (2008 – 30 cents per share) were paid during the year. All shareholders registered as such in the shares register on 27 August 2009, will receive dividends payable on approximately 10 September 2009, after confirmation thereof by the shareholders at the annual general meeting on 27 August 2008.

6. **DIRECTORS**

The following directors have a remaining term of office of less than one year:

Name	Retirement by rotation
AJ Kruger	2009
J Mashike	2009
JDM Minnaar	2009
JAE Els	2009

The following directors have a remaining term of office of more than one year:

Name	Retirement by rotation
JE Grobler	2010
M Pooe	2010
JPL Alberts	2011
NPD Liebenberg	2011
JA Boggenpoel	2011
PR Pretorius	2011
WH van Zyl	2011

One third of the elected non-executive directors, or should their numbers not be in multiples of three, then the number closest thereto but not less than one third, will retire at each annual general meeting. The elected non-executive directors are those directors with the longest term of office since the previous election. Should they have been elected on the same day, the directors to retire will be decided upon by agreement or by lot.

The independent non-executive directors are appointed by the Board and their appointments are confirmed by shareholders at the annual general meeting. These directors are also subject to the above rotation system. Current independent directors are Ms. JA Boggenpoel and Mr. JPL Alberts.

7. **STATUTORY APPOINTMENTS AND REGISTERED ADDRESS**

7.1 **Company Secretary**
EM Joynt

7.2 **Registered address**
1 Charel de Klerk Street, Klerksdorp

7.3 **Public officer**
SH Alberts (Appointed 15 February 2005)

8. **SHARE CAPITAL**
No shares were issued during the year under review.

9. **BUYBACK OF SHARES**
No shares were bought back (2008 – Nil).

10. **SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE**
None.

11. **SPECIAL RESOLUTIONS**
No special resolution was passed at the previous annual general meeting.

FINANCIAL RESULTS

BALANCE SHEET
As at 30 April

	Notes	GROUP 2009 R'm	GROUP 2008 R'm	COMPANY 2009 R'm	COMPANY 2008 R'm
ASSETS					
Non-current assets					
Property, plant and equipment	2	**222**	190	**204**	172
Investment in subsidiaries	3.2	**-**	-	**20**	20
Other non-current financial assets	4.1.1	**5**	5	**5**	4
Term debtors	6	**140**	115	**140**	115
Deferred tax asset	14.2	**66**	67	**66**	67
		433	377	**435**	378
Current assets					
Inventory	7	**619**	734	**615**	729
Trade and other receivables	8	**1 289**	999	**1 285**	997
Agency grain debtors	9	**162**	230	**162**	230
Cash and cash equivalents	4.1.2	**-**	35	**-**	29
		2 070	1 998	**2 062**	1 985
TOTAL ASSETS		**2 503**	2 375	**2 497**	2 363
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	10	**1**	1	**1**	1
Share premium	11.1	**67**	67	**67**	67
Non-distributable reserve	11.2	**66**	67	**66**	67
Other reserves	11.3	**2**	1	**2**	1
Retained earnings		**990**	705	**982**	696
		1 126	841	**1 118**	832
Minority interest		**-**	2	**-**	-
Total equity		**1 126**	843	**1 118**	832
Non-current liabilities					
Interest-bearing loans	4.2.3	**350**	-	**350**	-
Long-term employee benefits	15.3	**7**	3	**7**	3
Post-retirement liabilities	12	**75**	76	**75**	76
		432	79	**432**	79
Current liabilities					
Trade and other payables	13	**448**	568	**440**	562
Interest-bearing loans	4.2.2	**335**	761	**335**	761
Tax payable	14.3	**20**	11	**20**	11
Other current financial liabilities	4.2.1	**33**	42	**43**	47
Provisions and accruals	15	**109**	71	**109**	71
		945	1 453	**947**	1 452
Total liabilities		**1 377**	1 532	**1 379**	1 531
TOTAL EQUITY AND LIABILITIES		**2 503**	2 375	**2 497**	2 363

INCOME STATEMENT

For the year ended 30 April

	Notes	GROUP 2009 R'm	GROUP 2008 R'm	COMPANY 2009 R'm	COMPANY 2008 R'm
Services provided		**777**	447	**751**	419
Interest received	17.3	**161**	120	**161**	120
Income from operating activities		**10 219**	7 073	**10 199**	7 057
Total revenue		**11 157**	7 640	**11 111**	7 596
Cost of sales		**(9 904)**	(6 713)	**(9 892)**	(6 699)
Gross profit		**1 253**	927	**1 219**	897
Distribution, sales and administrative expenses		**(605)**	(577)	**(578)**	(554)
Operating profit	17.1	**648**	350	**641**	343
Finance costs	17.2	**(126)**	(126)	**(127)**	(126)
Profit after finance charges		**522**	224	**514**	217
Investment income	18	**4**	26	**8**	28
Profit before tax		**526**	250	**522**	245
Taxation	14.1	**(158)**	(75)	**(154)**	(73)
Profit for the year		**368**	175	**368**	172
Attributable to:					
Shareholders		**367**	173		
Minority interest		**1**	2		
Profit for the year		**368**	175		
Earnings per share (cents)	20.4	**203,0**	95,7		
Headline earnings per share (cents)	20.4	**190,3**	85,2		
Dividends per share paid during the year (cents)		**46,0**	57,0		
Final dividend previous year		**14,0**	17,0		
Interim dividend		**15,0**	10,0		
Special dividend		**17,0**	30,0		
Final dividend per share proposed (cents)		**30,0**	14,0		

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April

GROUP	SHARE CAPITAL R'm (Note 10)	SHARE PREMIUM R'm (Note 11.1)	NON-DIS-TRIBUTABLE RESERVE R'm (Note 11.2)	RETAINED EARNINGS R'm	OTHER RESERVES R'm (Note 11.3)	MINORITY INTEREST R'm	TOTAL R'm
Balance as at 30 April 2007	**1**	**67**	**315**	**387**	**1**	**2**	**773**
Profit for the year	-	-	-	173	-	2	175
Dividends paid	-	-	-	(103)	-	(2)	(105)
Transfer of reserve	-	-	(248)	248	-	-	-
Balance as at 30 April 2008	**1**	**67**	**67**	**705**	**1**	**2**	**843**
Profit for the year	-	-	-	367	-	1	368
Dividends paid	-	-	-	(83)	-	(3)	(86)
Transfer of Reserve	-	-	(1)	1	-	-	-
Fair value adjustment	-	-	-	-	1	-	1
Balance as at 30 April 2009	**1**	**67**	**66**	**990**	**2**	**-**	**1 126**
COMPANY							
Balance as at 30 April 2007	**1**	**67**	**314**	**380**	**1**	**-**	**763**
Profit for the year	-	-	-	172	-	-	172
Dividends paid	-	-	-	(103)	-	-	(103)
Transfer of reserve	-	-	(247)	247	-	-	-
Balance as at 30 April 2008	**1**	**67**	**67**	**696**	**1**	**-**	**832**
Profit for the year	-	-	-	368	-	-	368
Dividends paid	-	-	-	(83)	-	-	(83)
Transfer of Reserve	-	-	(1)	1	-	-	-
Fair value adjustment	-	-	-	-	1	-	1
Balance as at 30 April 2009	**1**	**67**	**66**	**982**	**2**	**-**	**1 118**

CASH FLOW STATEMENT

For the year ended 30 April

	Notes	GROUP 2009 R'm	GROUP 2008 R'm	COMPANY 2009 R'm	COMPANY 2008 R'm
Cash from operating activities	22	**744**	438	**772**	431
Investment income	18	**4**	26	**8**	28
Finance cost paid	17.2	**(126)**	(126)	**(127)**	(126)
Tax paid	24	**(148)**	(120)	**(144)**	(116)
Cash profit		**474**	218	**509**	217
Dividends paid	25	**(83)**	(103)	**(83)**	(103)
Increase in operating capital	23	**(290)**	(348)	**(322)**	(349)
Net cash flow from operating activities		**101**	(233)	**104**	(235)
Net cash flow from investment activities		**(55)**	-	**(58)**	1
Purchase of property, plant and equipment	26	**(63)**	(31)	**(63)**	(31)
Proceeds from disposal of property, plant and equipment	27	**3**	32	**3**	30
Decrease/(Increase) in short-term loans granted	29.3	**5**	(1)	**2**	2
Net cash flow before financing activities		**46**	(233)	**46**	(234)
Net cash flow from long-term financing activities					
Increase in long-term loans	28	**354**	1	**354**	1
Net increase/(decrease) in cash and cash equivalents		**400**	(232)	**400**	(233)
Net short-term loans after taking cash into account – beginning of the period		**(768)**	(536)	**(779)**	(546)
Net short-term loans after taking cash into account – end of the period	29.2	**(368)**	(768)	**(379)**	(779)

NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENTAL ANALYSIS

1.1 SEGMENTAL REVENUE AND RESULTS

	GROUP Segmental revenue		GROUP Segmental results	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Credit (*Senwes Credit*)	**161**	120	**68**	44
Input Supply (*Senwes Village*)	**2 208**	1 573	**138**	83
Market Access (*Senwes Grainlink*)	**8 723**	5 902	**349**	138
Sundry operations	**48**	39	**4**	3
Normal operational activities	**11 140**	7 634	**559**	268
Income/Corporate costs	**17**	6	**(37)**	(44)
Investment income	**-**	-	**4**	26
Total revenue	**11 157**	7 640		
Profit before tax			**526**	250
Taxation			**(158)**	(75)
Profit after tax			**368**	175
Minority interest			**(1)**	(2)
Profit attributable to the shareholders			**367**	173

1.2 NET SEGMENTAL ASSETS

	GROUP Assets		GROUP Liabilities		GROUP Net	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Credit (*Senwes Credit*)	**1 245**	907	**(493)**	(428)	**752**	479
Input Supply (*Senwes Village*)	**488**	353	**(377)**	(318)	**111**	35
Market Access (*Senwes Grainlink*)	**550**	969	**(301)**	(606)	**249**	363
Sundry operations	**6**	9	**(9)**	(9)	**(3)**	-
Total operations	**2 289**	2 238	**(1 180)**	(1 361)	**1 109**	877
Corporate	**141**	62	**(119)**	(91)	**22**	(29)
Investments	**7**	8	**(3)**	(4)	**4**	4
Deferred tax	**66**	67	**-**	-	**66**	67
Provision for post-retirement liabilities	**-**	-	**(75)**	(76)	**(75)**	(76)
Total	**2 503**	2 375	**(1 377)**	(1 532)	**1 126**	843

1.3 SEGMENTAL DISCLOSABLE ITEMS

	GROUP Capital expenditure		GROUP Depreciation		GROUP Non-cash transactions	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Credit (*Senwes Credit*)	**-**	-	**-**	-	**6**	16
Input Supply (*Senwes Village*)	**14**	3	**2**	1	**26**	11
Market Access (*Senwes Grainlink*)	**28**	17	**16**	11	**15**	-
Sundry operations	**-**	-	**-**	1	**(1)**	(1)
Corporate	**21**	11	**12**	11	**30**	56
Total	**63**	31	**30**	24	**76**	82

1.4 An analysis of geographical segments is not provided as the geographical distribution (as defined in terms of IFRS) is not material.

1.5 An analysis of the revenue and results of each segment is as follows:

Credit (***Senwes Credit***)	Credit extension to farmers and grain off-takers. This also includes a joint venture with Wesbank which extends credit on longer terms.
Input Supply (***Senwes Village***)	Sales at the retail outlets, direct sales of farming inputs and mechanisation goods and parts.
Market Access (***Senwes Grainlink***)	Income received for the handling and storage of agricultural produce and the total revenue of grain sold including commission earned on grain marketing.
Sundry operations	The wine and seed processing income as derived from sales of finished goods. Income received consists of commission received on premiums received from insurance broker service to the short-term, long-term and crop insurance market.
Corporate	Agri-services, head office services, information technology, human resources, properties, fleet management, secretarial services, corporate marketing, risk management, internal audit, strategic development, group finance, treasury and directors.

2. PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2009 R'm	**2008 R'm**	**2009 R'm**	**2008 R'm**
Cost	**569**	510	**542**	483
Land	**2**	2	**2**	2
Buildings and improvements	**207**	199	**187**	179
Plant and equipment	**318**	274	**312**	268
Vehicles	**42**	35	**41**	34
Accumulated depreciation and impairments	**(347)**	(320)	**(338)**	(311)
Land	**-**	-	**-**	-
Buildings and improvements	**(96)**	(89)	**(94)**	(87)
Plant and equipment	**(225)**	(207)	**(219)**	(201)
Vehicles	**(26)**	(24)	**(25)**	(23)
Total carrying value	**222**	190	**204**	172

2.1 Registers of land and buildings are available for inspection at the registered offices of the relevant companies.
2.2 Certain assets are encumbered as set out in note 4.
2.3 The capital commitments of the group are set out in note16.2.

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION OF MOVEMENTS ON PROPERTY, PLANT AND EQUIPMENT 2009

	Carrying amount at beginning of period R'm	Purchases and adjust-ments R'm	Disposals R'm	Deprecia-tion R'm	Carrying amount at end of period R'm
GROUP – 2009					
Land	2	-	-	-	**2**
Buildings and improvements	110	8	-	(7)	**111**
Plant and equipment	67	45	-	(19)	**93**
Vehicles	11	10	(1)	(4)	**16**
Carrying value	**190**	**63**	**(1)**	**(30)**	**222**
COMPANY – 2009					
Land	2	-	-	-	**2**
Buildings and improvements	92	8	-	(7)	**93**
Plant and equipment	67	45	-	(19)	**93**
Vehicles	11	10	(1)	(4)	**16**
Carrying value	**172**	**63**	**(1)**	**(30)**	**204**

RECONCILIATION OF MOVEMENTS ON PROPERTY, PLANT AND EQUIPMENT 2008

	Carrying amount at beginning of period R'm	Purchases and adjust-ments R'm	Disposals R'm	Deprecia-tion R'm	Carrying amount at end of period R'm
GROUP – 2008					
Land	2	-	-	-	2
Buildings and improvements	108	11	(5)	(4)	110
Plant and equipment	76	15	(8)	(16)	67
Vehicles	10	5	-	(4)	11
Subtotal	196	31	(13)	(24)	190
Held for sale	(14)	-	-	-	-
Carrying value	182	31	(13)	(24)	190
COMPANY – 2008					
Land	2	-	-	-	2
Buildings and improvements	89	11	(4)	(4)	92
Plant and equipment	76	15	(8)	(16)	67
Vehicles	10	5	-	(4)	11
Subtotal	177	31	(12)	(24)	172
Held for sale	(14)	-	-	-	-
Carrying value	163	31	(12)	(24)	172

3. INVESTMENT IN SUBSIDIARIES

3.1 BUSINESS COMBINATIONS

Business combinations in 2009

Senwes Limited – Malawian based company

On 23 February 2009, the group registered and incorporated Senwes Limited, a Malawian based company, as a full subsidiary of Senwes, which specialises in procurement of grain and management of storage facilities for grain. Activities are still low and immaterial for reporting purposes.

Business combinations in 2008

Senwes Securities (Pty) Ltd

During 2008, the group established Senwes Securities (Pty) Limited ("the Company"), a private company as special purpose vehicle, which company guarantees Senwes' long term obligations in favour of an ABSA guarantee and in turn Senwes indemnifies the company by providing security in the form of covering and collateral mortgage bonds registered over assets in the Senwes group.

3.2 SHARES HELD IN SUBSIDIARIES

COMPANY – 2009

	Total shares in issue number	Interest %	Shares R'm	Shares provision R'm	Short-term loans R'm	Total net investment R'm
Charel de Klerk Street Properties (Pty) Ltd	11 054	100	25	(5)	-	**20**
Hartswater Wynkelder (Pty) Ltd	4 500 000	100	-	-	-	**-**
Senwes Graanmakelaars (Pty) Ltd	100	100	-	-	-	**-**
Univision Broker Services (Pty) Ltd	100	100	-	-	-	**-**
Univision Financial Services (Pty) Ltd	100	100	-	-	-	**-**
Total carrying value			**25**	**(5)**	**-**	**20**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. INVESTMENT IN SUBSIDIARIES (CONTINUED)

COMPANY – 2008

	Total shares in issue number	Interest %	Shares R'm	Shares provision R'm	Short-term loans R'm	Loans provision R'm	Total net investment R'm
Charel de Klerk Street Properties (Pty) Ltd	11 054	100	25	(5)	-	-	**20**
Hartswater Wynkelder (Pty) Ltd	4 500 000	100	-	-	2	(2)	**-**
Senwes Graanmakelaars (Pty) Ltd	100	80	-	-	-	-	**-**
Univision Broker Services (Pty) Ltd	100	100	-	-	-	-	**-**
Univision Financial Services (Pty) Ltd	100	100	-	-	-	-	**-**
Total carrying value			25	(5)	2	(2)	20

3.3 LOANS FROM/(TO) SUBSIDIARIES – COMPANY

	2009			2008		
	Short-term loans R'm	Provision R'm	Total net investment R'm	Short-term loans R'm	Provision R'm	Total net investment R'm
Charel de Klerk Street Properties (Pty) Ltd	-	-	**-**	-	-	**-**
Hartswater Wynkelder (Pty) Ltd	-	-	**-**	2	(2)	**-**
Senwes Graanmakelaars (Pty) Ltd	-	-	**-**	-	-	**-**
Univision Broker Services (Pty) Ltd	-	-	**-**	-	-	**-**
Univision Financial Services (Pty) Ltd	**(3)**	**-**	**(3)**	-	-	**-**
Total carrying value	**(3)**	**-**	**(3)**	2	(2)	**-**

- Unless specifically indicated otherwise, the short-term loans are unsecured, bear interest at varying rates with an applicable rate of 10,5% at year-end (2008 – 12,55%) and have no fixed repayment terms.
- The shares in Charel de Klerk Street Properties (Pty) Ltd were ceded and pledged in *securitatem debiti* in favour of a financier in terms of Senwes's previous facility agreements. This agreement subsequently expired and the cession and pledge over the shares are being cancelled.

3.4 RESULTS OF SUBSIDIARIES AFTER TAX (100%)

	COMPANY	
	2009 R'm	2008 R'm
Hartswater Wynkelder (Pty) Ltd	**1**	2
Univision Financial Services (Pty) Ltd	**2**	2
Senwes Graanmakelaars (Pty) Ltd	**3**	7

3.5 NATURE OF BUSINESS AND DIRECTORS' VALUATION #:

		COMPANY	
		2009 R'm	2008 R'm
Charel de Klerk Street Properties (Pty) Ltd	- Property company	**20**	20
Hartswater Wynkelder (Pty) Ltd	- Wine cellar	**7**	3
Univision Financial Services (Pty) Ltd	- Insurance broker and administrative services	**5**	2
Senwes Graanmakelaars (Pty) Ltd	- Option writing financial instruments	**-**	4

- Directors' valuations are based on the net asset value according to the latest available financial statements.

4. OTHER FINANCIAL ASSETS AND LIABILITIES

4.1 FINANCIAL ASSETS
4.1.1 NON-CURRENT FINANCIAL ASSETS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Financial assets available-for-sale:				
Public companies	**4**	3	**4**	3
Grasland Ondernemings (Pty) Ltd	**1**	1	**1**	1
Loans				
Silo Certs (Pty) Ltd	**-**	1	-	-
Loans to Silo Certs (Pty) Ltd	**3**	2	**3**	2
Less: Provision for write-off of loan	**(3)**	(1)	**(3)**	(2)
Total non-current assets	**5**	5	**5**	4

4.1.1.1 Financial assets available-for-sale: Public companies

Available-for-sale financial assets comprise of investments in unlisted ordinary shares with no maturity date or coupon rate and comprise of Suidwes Beleggings Ltd, Suidwes Beherend Ltd and JSE Ltd.

4.1.1.2 Loans

Loan to Silo Certs (Pty) Ltd is unsecured, interest free and there are no fixed terms of repayment. The total loan is subordinated to the claims of other creditors.

4. OTHER FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	GROUP Directors' valuation		COMPANY Directors' valuation	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Financial assets available for sale:				
Public companies	**3**	3	**3**	3
Grasland Ondernemings (Pty) Ltd	**4**	4	**4**	4

Shares and loans in private companies

The register of shares and loans in private companies are available for inspection at the registered office of the company.

4.1.2 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Cash and cash equivalents	**-**	35	**-**	29

Cash bears interest daily at a prime-linked rate and Senwes aims to have a zero balance by sweeping amounts to the short-term facilities.

4.2 FINANCIAL LIABILITIES

4.2.1 OTHER CURRENT FINANCIAL LIABILITIES

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Interest-bearing loans from related parties				
Senwesbel Ltd	**13**	39	**13**	39
Univision Broker Services (Pty) Ltd	**4**	2	**4**	5
Univision Financial Services (Pty) Ltd	-	-	**3**	1
Interest-bearing facility				
Bank overdraft	**15**	-	**20**	-
Non-interest-bearing loans of related parties				
Silo Certs (Pty) Ltd	**1**	1	**-**	-
Charel de Klerk Street Properties (Pty) Ltd	-	-	**3**	2
Total carrying value	**33**	42	**43**	47

- Senwesbel Ltd's loan is unsecured, bears interest according to a variable prime-linked rate. There are no fixed terms of repayment.
- Univision's loan is unsecured and bears interest according to a variable prime-linked rate. There are no fixed terms of repayment.
- The overdraft facility bears daily interest at a prime-linked rate whilst Senwes aims to have a zero balance by sweeping amounts to the short-term facilities.
- Non-interest-bearing loans are unsecured, bear no interest and have no fixed repayment terms.

4.2.2 INTEREST-BEARING SHORT-TERM LOANS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Interest-bearing short-term loan	**335**	649	**335**	649
Commodity financing	**-**	112	**-**	112
Total carrying value	**335**	761	**335**	761

Short-term loans
As continuing security of Senwes short-term facilities with ABSA, all rights, and interest to production debtors and their underlying security have been ceded and pledged to ABSA. The ABSA loan is renewable annually and the current facilities bear interest at a prime-linked rate. Interest is capitalised monthly. The next renewal will be on 15 October 2009.

Commodity financing
The carrying value of the financing is in accordance with the fair value of the underlying commodities. Interest on the commodity finance is linked to the prime rate and is capitalised monthly.

4.2.3 INTEREST-BEARING LONG-TERM LOANS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Interest-bearing long-term loans	**350**	-	**350**	-

The long-term loan is repayable as a balloon payment at the end of June 2013 and bears interest at a prime-linked rate. Interest is paid on a monthly basis, therefore only the capital amount is repayable.

5. INVESTMENT IN JOINT VENTURES

	GROUP	
	2009	2008
Silo Certs (Pty) Ltd	**42,50%**	42,50%

Silo Certs (Pty) Ltd deals with the issuing of silo certificates on an electronic system.

Although the year-end of the joint venture is 28 February, the financial statements on which an audit review has been conducted, were compiled on 30 April 2009. The latter was used in compiling the group statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT IN JOINT VENTURES (CONTINUED)

The proportional interest of the group in the assets and liabilities of the joint venture, included in the consolidated financial statements, is as follows:

	GROUP	
	2009	**2008**
Assets	**-**	-
Liabilities	**3**	3
Non-current liabilities	**-**	-

The proportional interest of the group in the revenue and expenditure of the joint venture is as follows:

	GROUP	
	2009	**2008**
Revenue	**1**	-
Net profit/(loss)	**-**	-

	COMPANY	
INVESTMENT SILO CERTS (PTY) LTD	**2009 R'm**	**2008 R'm**
Shares	**2**	2
Provision for write-off of shares	**(2)**	(2)
Loan	**3**	2
Provision for write-off of loan	**(3)**	(2)
Total carrying value	**-**	-

6. TERM DEBTORS

Represents debtors for items sold under an instalment sales agreement (note 6.2) and mortgage loans (note 6.1) extended over varying terms up to 120 months. The underlying asset serves as security for the transaction. Interest rates are market-related and can be variable or fixed according to the specific agreement.

		GROUP		COMPANY	
	Notes	**2009 R'm**	**2008 R'm**	**2009 R'm**	**2008 R'm**
Gross investment on instalment sales agreements and mortgage loans		**281**	267	**281**	267
Less: Unearned finance income		**(103)**	(96)	**(103)**	(96)
Carrying amount		**178**	171	**178**	171
Less: Short-term portion		**(38)**	(56)	**(38)**	(56)
Total carrying value	6.1, 6.2	**140**	115	**140**	115

6.1 MORTGAGE LOANS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Within one year	**36**	48	**36**	48
More than one year and within five years	**77**	66	**77**	66
More than five years	**62**	44	**62**	44
	175	158	**175**	158
Less: short-term portion	**(36)**	(48)	**(36)**	(48)
Total carrying value	**139**	110	**139**	110

6.1.1 Terms and conditions
Mortgage loans are repayable over 2 to 10 years, secured by a first bond over property. The interest rate is market related, in accordance with the specific agreement.

6.1.2 Fair value
The Board is of opinion that the carrying amount of the mortgage loan is presented at fair value.

6.2 INSTALMENT SALES AGREEMENTS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Within one year	**2**	8	**2**	8
More than one year and within five years	**1**	5	**1**	5
	3	13	**3**	13
Less: short-term portion	**(2)**	(8)	**(2)**	(8)
Total carrying value	**1**	5	**1**	5

6.2.1 Terms and conditions
Instalment sales agreements are payable over 2 to 5 years after the initial date of the contract. These contracts bear interest at competitive rates. The main portion of the historic book was sold to Wesbank and future transactions will be financed through the joint venture (*Senwes Asset Financing*).

6.2.2 Fair value
The Board is of opinion that the carrying amount of the instalment sales agreements is presented at fair value.

7. INVENTORY

		GROUP		COMPANY	
	Notes	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Raw materials and work in progress		**3**	3	**-**	-
Merchandise	7.1, 7.3	**454**	297	**454**	296
Consumables		**2**	7	**1**	6
Grain commodities	7.5	**160**	427	**160**	427
Total carrying value	7.2, 7.4	**619**	734	**615**	729

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVENTORY (CONTINUED)

7.1 Included is a floor plan inventory of R78,5 million (2008 – R50,4 million), which is subject to encumbrance in terms of an agreement with the relevant manufacturers of farming equipment.

7.2 Inventory is valued as follows:

	GROUP		
	2009 R'm	2008 R'm	Valuation method
Inventory and merchandise	**286**	227	Weighted average
Mechanisation whole goods	**169**	76	Purchase price
Grain commodities	**160**	427	Specific contract price/Fair value
Other inventory	**4**	4	First in, first out (FIFO)
Total carrying value	**619**	734	

7.3 Included under merchandise for the company and group is a provision for slow-moving and obsolete inventory of R13 million (2008 – R 13,4 million).

7.4 No inventory of the company and the group has been pledged as security for loans granted by financiers (2008 – R427 million).

7.5 These amounts represent grain inventory purchased from producers, the price of which is hedged on the South African Futures Exchange (Safex). Variation margins are also set off against these items. Consequently the carrying value is equal to the fair value thereof.

8. TRADE AND OTHER DEBTORS

		GROUP		COMPANY	
	Notes	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Trade debtors		**1 130**	900	**1 125**	898
Production accounts	8.1	**1 004**	758	**1 004**	758
Current accounts	8.2	**125**	120	**120**	118
Cash advances on grain commodities	8.3	**1**	22	**1**	22
Term debtors – short term portion	6.1, 6.2	**38**	56	**38**	56
Sundry debtors	8.4	**169**	103	**170**	103
Less: Provision for impairment	8.5	**(48)**	(60)	**(48)**	(60)
Total carrying value	8.6, 8.7	**1 289**	999	**1 285**	997

8.1 Production account debtors mainly include the extension of credit to producers on a seasonal basis for purposes of procuring inputs from or via Senwes. These debtors bear interest at competitive rates.

8.2 Current accounts include 30-day monthly accounts, silo cost accounts and other accounts for specific products.

These accounts bear interest as follows:

Monthly account	Interest free for first 30 days after statement
Silo cost account	Interest free period that varies from season to season (determined before every season)
Deferred payment arrangement	Interest free period that varies according to transactions

Interest is levied on arrear debtor accounts at guideline rates, as indicated by the National Credit Act.

8.3 Cash advance payments on grain commodities represent credit supplied to producers on an advance payment basis in order to utilise price opportunities which occur in the commodity market. As soon as the position is liquidated, the amount due bears interest at rates according to the National Credit Act. Open positions by Grain cash advance debtors bear no interest.

8.4 Sundry debtors include debtors for corporate and statutory services as well as deposits held for trading purposes (Safex).

8.5 The provision of R48 million was made in respect of trade and other debtors as at 30 April 2009, which is composed as follows:

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Specific impairment	**(22)**	(38)	**(22)**	(38)
Balance at the beginning of the year	**(38)**	(40)	**(38)**	(40)
Provision for the year	**(1)**	(4)	**(1)**	(4)
Utilised during the year	**17**	6	**17**	6
Portfolio impairment:	**(26)**	(22)	**(26)**	(22)
Balance at the beginning of the year	**(22)**	(18)	**(22)**	(18)
Provision for the year	**(4)**	(4)	**(4)**	(4)
Total provision for impairment	**(48)**	(60)	**(48)**	(60)

8.6 The debtors department analysis is summarised as follows:

	GROUP 2009			GROUP 2008		
	Current R'm	Debt in arrears R'm	Total R'm	Current R'm	Debt in arrears R'm	Total R'm
Trade debtors	**1 077**	**53**	**1 130**	837	63	900
Production loans	**971**	**33**	**1 004**	731	27	758
Current accounts	**106**	**19**	**125**	106	14	120
Cash advances on grain commodities	**-**	**1**	**1**	-	22	22
Term debtors – short term portion	**35**	**3**	**38**	52	4	56
Sundry debtors	**166**	**3**	**169**	100	3	103
Less: Provision for impairment	**(22)**	**(26)**	**(48)**	(41)	(19)	(60)
Total carrying value	**1 256**	**33**	**1 289**	948	51	999

8.6.1 Current debtors are debtors classified as debtors within current credit terms.
8.6.2 Debt in arrears is classified as debtors who are outside their current credit terms.

8.7 As security of Senwes short-term facilities with ABSA, all rights and interest to production debtors and their underlying security have been ceded and pledged to ABSA. The ceded amount was R1 138 million at year-end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. AGENCY GRAIN DEBTORS

		GROUP		COMPANY	
	Notes	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Agency grain debtors	9.1, 9.2	**162**	230	**162**	230

9.1 Agency grain debtors represent payments made on behalf of third parties in respect of agricultural produce received from producers and are repayable on delivery of such agricultural produce to these third parties. This includes sales in terms of sale agreements secured by inventory. A provision for impairment of R13,3 million (2008 – R17,9 million) is included in the balance.

9.2 At year-end no agency grain debtors were encumbered (2008 – R115 million).

10. SHARE CAPITAL

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Authorised 581 116 758 (2008 and 2009) ordinary shares of 0,516 cents each	**3**	3	**3**	3
Issued 180 789 308 (2008 and 2009) ordinary shares of 0,516 cents each	**1**	1	**1**	1

Shares in issue:

	GROUP Number of shares		COMPANY Number of shares	
	2009	2008	2009	2008
Opening balance	**180 789 308**	180 789 308	**180 789 308**	180 789 308
Shares issued	**-**	-	**-**	-
Closing balance	**180 789 308**	180 789 308	**180 789 308**	180 789 308

The unissued shares are under the control of the directors until the forthcoming annual general meeting.

11. RESERVES

11.1 SHARE PREMIUM

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Comprised of:				
Issue of shares	**74**	74	**74**	74
Buyback of own shares	**(7)**	(7)	**(7)**	(7)
Total carrying value	**67**	67	**67**	67

11.2 NON-DISTRIBUTABLE RESERVES

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Opening balance	**67**	314	**67**	314
Transfer of funds – retained income	**-**	(240)	**-**	(240)
Unrealised deferred tax assets	**(1)**	(7)	**(1)**	(7)
Total carrying value	**66**	67	**66**	67

The non-distributable reserve was established when the company was converted from a co-operative. This reserve was carried over to retained earnings during 2008. The balance consists of unrealised deferred tax assets.

11.3 OTHER RESERVES

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Net unrealised gains reserve: opening balance	**1**	-	**1**	-
Fair value adjustment	**1**	1	**1**	1
Total carrying value	**2**	1	**2**	1

This reserve is adjusted with fair value changes on available for sale financial assets as shown in note 4.

12. POST-RETIREMENT LIABILITIES

PENSION

The group has a defined contribution plan which essentially covers all the employees in the group. For contributions to the pension fund, refer to note 17.4.

HEALTH CARE

Future post-retirement health care contributions are provided for against income.

An actuarial valuation is carried out every year and the most recent valuation was on 30 April 2009.

The calculation is based on the current value of future medical scheme subsidies in respect of existing pensioners, by using actuarial techniques to make a reliable estimate of benefits. These benefits are discounted using the Projected Unit Credit Method to determine the present value of the obligation.

A cash offer to pensioners led to a settlement of R5 million (2008 – R26 million).

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
The movement in post-retirement health care liabilities:				
Opening balance	**76**	104	**76**	104
Cash offer	**(5)**	(26)	**(5)**	(26)
Net provision created	**11**	8	**11**	8
Contributions paid	**(7)**	(10)	**(7)**	(10)
Total carrying value	**75**	76	**75**	76

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. POST-RETIREMENT LIABILITIES (CONTINUED)

In determining the liability, the calculation is based on the assumption of an expected rate of return (discount rate) of 8% (2008 – 9%) on investments and an escalation of 5% (2008 – 4%) which will yield a real rate of return of 5,01% (2008 – 4,81%) and mortality rates in accordance with generally accepted mortality tables.

SENSITIVITY ANALYSIS	Deviation from current assumptions	% change in liability	% change in service cost plus interest cost liability
Subsidy increase	1%	8,00%	7,80%
Subsidy decrease	-1%	-7,10%	-7,10%
Discount rate increase	1%	-6,60%	-4,70%
Discount rate decrease	-1%	7,50%	4,00%

13. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Trade creditors	**346**	439	**345**	434
Other amounts payable	**81**	110	**74**	110
Leave and 13th cheque	**21**	19	**21**	18
Total carrying value	**448**	568	**440**	562

Terms and conditions in respect of trade and other creditors:

- Trade creditors are payable on different terms from 30 days after date of statement and are not interest-bearing.
- Other creditors have varying payment dates – See note 19.1.3.
- Leave and thirteenth cheque bonus provisions are provided for on a monthly basis.

14. INCOME TAX

14.1 INCOME TAX EXPENSE

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
SA normal tax – current year	**(150)**	(59)	**(147)**	(57)
Previous year over-provision	**1**	-	**1**	-
Increase in deferred tax	**(1)**	(7)	**(1)**	(7)
Capital gains tax	**-**	(1)	**-**	(1)
Secondary tax on companies	**(8)**	(8)	**(7)**	(8)
Total expenditure	**(158)**	(75)	**(154)**	(73)

14.2 DEFERRED TAX

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
The main temporary differences from the statutory rate are:				
Property, plant and equipment	**(10)**	(9)	**(10)**	(9)
Inventory	**10**	3	**10**	3
Trade and other debtors	**12**	13	**12**	13
Provisions	**54**	60	**54**	60
Total carrying value	**66**	67	**66**	67
Reconciliation of deferred tax balance:				
Opening balance	**67**	74	**67**	74
Temporary differences – movements during the period	**(1)**	(7)	**(1)**	(7)
Total carrying value	**66**	67	**66**	67

14.3 TAX PAYABLE

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Income- and capital gains tax payable	**20**	11	**20**	11

14.4 RECONCILIATION OF TAX RATE

	GROUP		COMPANY	
	2009 %	2008 %	2009 %	2008 %
Standard tax rate	**28,0**	29,0	**28,0**	29,0
Decrease in rate effective from 1 April 2008	**-**	(1,0)	**-**	(1,0)
Adjusted for:				
Non-taxable income	**(0,6)**	(5,4)	**(0,6)**	(5,4)
Non-deductable items	**0,3**	1,5	**0,3**	1,5
Other	**(1,3)**	0,9	**(1,3)**	0,8
Temporary differences	**2,2**	1,9	**1,8**	1,7
Capital gains tax	**-**	0,3	**-**	0,3
Secondary tax on companies	**1,5**	3,1	**1,4**	3,0
Effective tax rate	**30,1**	30,3	**29,6**	29,9

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. INCOME TAX (CONTINUED)

14.5 UNUTILISED AMOUNTS – INCOME TAX

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Unutilised estimated assessed losses available for set-off against income at the beginning of the year	**5**	7	**-**	-
Utilised during the year	**(2)**	(2)	**-**	-
Net unutilised amounts at end of year	**3**	5	**-**	-

14.6 UNUTILISED AMOUNTS – SECONDARY TAX ON COMPANIES

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Unutilised secondary tax credits	**-**	5	**-**	5

14.7 CRITICAL ESTIMATES AND ASSUMPTIONS REGARDING INCOME TAX

The group is subject to tax in South Africa. There may be transactions and calculations for which the ultimate tax determination has an element of uncertainty during the ordinary course of business. The group recognises liabilities based on objective estimates of the amount of tax that may be due. Where the final tax determination is different from the amounts that were initially recognised, such difference will have an impact on the income tax and deferred tax provisions in the period in which such determination was made. The corporate tax rate in South Africa is 28 % as announced by the Minister effective from 1 April 2008, for the year end ending thereafter.

15. PROVISIONS AND ACCRUALS

GROUP AND COMPANY	Grain risk R'm	Straight-line recognition of operating leases R'm	Incentive bonuses R'm	Total R'm
Balance at 30 April 2007	29	6	37	72
Increase/(decrease) in provision for the year	(17)	-	54	37
Utilised during the year	-	-	(35)	(35)
Transferred from long-term liabilities	-	-	(3)	(3)
Balance at 30 April 2008	**12**	**6**	**53**	**71**
Increase in provision for the year	4	-	86	90
Utilised during the year	-	-	(48)	(48)
Transferred from long-term liabilities	-	-	(4)	(4)
Balance at 30 April 2009	**16**	**6**	**87**	**109**

15.1 GRAIN RISKS

The group is exposed to risks in the grain industry, including the physical risk of holding inventory and non-compliance with grain contracts by counter-parties. Estimates for these risks are based on potential shortfalls and non-compliance with contracts at current market prices.

15.2 STRAIGHT-LINE RECOGNITION OF OPERATING LEASES

According to IAS 17 the expenditure on operating leases with a fixed term and fixed escalation rate has to be recognised on a straight-line basis. Subsequently a provision needs to be made, which will only be utilised during the contract term.

15.3 INCENTIVE BONUSES

	GROUP		COMPANY	
	2009	2008	**2009**	2008
Incentive bonuses – long-term portion	**7**	3	**7**	3

The group has a short-term and a long-term incentive scheme in place for employees. The objective is to promote profitability by subjecting a portion of the remuneration to risk. Provision is only made if the objectives have been achieved.

15.3.1 Short-term incentives
The short-term incentive scheme is paid each year to employees who qualify. The calculation is based on the performance of the group, the division where the employee is employed as well as an individual evaluation of the employee.

15.3.2 Share-based payment plan
The long-term incentive scheme is a phantom share scheme which is calculated over a three-year period based on the performance of the group's shares as far as growth in share price and net asset value are concerned.

Cash settled share based transaction
The table below indicates the number of shares and weighted average vested price and movement:

	GROUP 2009		GROUP 2008	
	Market value Number of shares	**Net asset value Number of shares**	**Market value Number of shares**	**Net asset value Number of shares**
Outstanding number at the beginning of the year	**2 800 349**	**1 015 407**	837 724	546 632
Allocated during the year	**774 935**	**802 815**	2 077 933	544 016
Forfeited during the year	**-**	**-**	(115 308)	(75 241)
Exercised during the year	**-**	**-**	-	-
Outstanding at the end of the year	**3 575 284**	**1 818 222**	2 800 349	1 015 407

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. PROVISIONS AND ACCRUALS (CONTINUED)

	DATE OF GRANT 1 May 2008		DATE OF GRANT 1 May 2007		DATE OF GRANT 1 May 2006	
	Market value	Net asset value	Market value	Net asset value	Market value	Net asset value
Issue price of phantom shares	R5,57	R4,66	R4,01	R4,26	R2,46	R3,77
Expiry date	30/04/2011	30/04/2011	30/04/2010	30/04/2010	30/04/2009	30/04/2009
Price on 30 April 2009	R5,54*	R6,23	R5,54*	R6,23	R5,54*	R6,23
Accumulated dividends per share	R0,46	R0,46	R0,86	R0,86	R1,24	R1,24

* The price is calculated on an average price for 30 trading days before 30 April 2009 and 20 trading days after 30 April 2009.

The average growth in share price for the three-year period over which the scheme vested, was 27,8%. A discount rate of 12,08% was used for calculating this liability.

The carrying value of the cash settled based share scheme amounts to R6,7 million as at 30 April 2009 (2008 – R6,6 million).

16. CAPITAL OBLIGATIONS AND PROVISIONAL LIABILITIES

16.1 PROVISIONAL LIABILITIES

The Competition Commission ('the Commission') referred complaints of alleged abuse of dominance, and particularly price discrimination, as well as an alleged prohibited practice by Senwes, to the Competition Tribunal ('the Tribunal') in 2005.

Senwes denied these allegations and the matter was concluded after a lengthy trial.

In a judgement on 3 February 2009, the Competition Tribunal found that Senwes was not guilty of the two complaints referred for trial by the Competition Commission. Allegations of price discrimination against Senwes and that certain alleged actions were excluding competition in the grain trading market in an unlawful manner, were rejected by the Tribunal.

However, during the course of the hearing, the Tribunal came to the conclusion that Senwes squeezed the margins of competitors in the grain trading market. As this complaint did not formally form part of the Competition Commission's case against Senwes, Senwes objected to this complaint and recorded that it did not form part of the hearing. Despite this, it still formed the basis of a finding by the Tribunal that Senwes unlawfully excluded competitors from the market. The contravention is being dealt with in terms of section 8(c) of the Competition Act. The finding does not carry a fine.

After extensive advice, Senwes appealed against the finding. The appeal will be heard during September 2009.

According to the legal opinion, the prospects for success with the appeal are reasonably good.

16.2 OBLIGATIONS IN RESPECT OF CAPITAL PROJECTS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Capital commitments in process:				
Already contracted	**41**	29	**41**	29
Authorised by the Board but not yet contracted	**16**	3	**16**	3
Total future capital expenditure	**57**	32	**57**	32

16.3 OPERATING LEASE – MINIMUM LEASE PAYMENTS

The group has certain operational lease obligations (fixed rental contracts) in respect of equipment and properties with an average period of between three and six years.

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Within one year	**4**	4	**4**	4
More than one year and within five years	**13**	10	**13**	10
More than five years	**4**	6	**4**	6
Operating lease obligation	**21**	20	**21**	20

The capital commitments and operating leases (notes 16.2 and 16.3) will be financed from net cash flow from operations and/or loans from financial institutions.

17. OPERATING PROFIT

17.1 DISCLOSABLE ITEMS INCLUDED IN OPERATING PROFIT

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Profit from operations is stated after having taken the into following account:				
Operating lease expenses	**(6)**	(4)	**(6)**	(4)
Property	**(3)**	(2)	**(3)**	(2)
Plant and equipment	**(3)**	(2)	**(3)**	(2)
Depreciation	**(30)**	(24)	**(30)**	(24)
Net profit on realisation of property, plant and equipment	**2**	19	**2**	18
Auditors' remuneration	**(5)**	(4)	**(5)**	(4)
Bad debts written off	**(26)**	(3)	**(16)**	(3)
Bad debts recovered	**2**	7	**2**	7
Write back of doubtful debts	**10**	-	**20**	-
Write back/(provision) for grain risk	**(5)**	17	**(6)**	17
Write back/(write-off) of agency grain	**5**	(6)	**5**	(6)
Profit from pension fund surplus	**31**	-	**31**	-

17. OPERATING PROFIT (CONTINUED)

17.2 FINANCE COST

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Loans from commercial banks	**(91)**	(98)	**(91)**	(98)
Commodity financing	**(29)**	(19)	**(29)**	(19)
Other	**(6)**	(9)	**(7)**	(9)
Total finance cost	**(126)**	(126)	**(127)**	(126)

17.3 INTEREST RECEIVED

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Interest received – term debtors	**26**	8	**26**	8
Interest received – trade debtors	**135**	112	**135**	112
Total interest received	**161**	120	**161**	120

17.4 EMPLOYEE COSTS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Remuneration	**333**	270	**320**	259
Normal remuneration and benefits	**262**	226	**249**	215
Incentive scheme	**71**	44	**71**	44
Pension costs – defined contribution plan	**20**	18	**19**	17
Total employee costs	**353**	288	**339**	276
	Number	**Number**	**Number**	**Number**
Permanent employees	**1 936**	1 837	**1 856**	1 751
Temporary employees	**231**	250	**223**	246
Employees at the end of the year	**2 167**	2 087	**2 079**	1 997

18. INVESTMENT INCOME

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Dividends	**4**	26	**8**	26
Interest received – subsidiaries	**-**	-	**-**	2
Total investment income	**4**	26	**8**	28

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The methods and assumptions used for the year are consistent with the previous year major risks which are identified and managed as set out below.

19.1 FINANCIAL RISKS

19.1.1 MARKET RISKS

19.1.1.1 Commodity price risk

Positions that are not hedged on the Safex market leave Senwes with an exposure to price movements. This risk is exacerbated during low market liquidity. Senwes applies a strict policy and limits are set at low levels with regard to open positions, whether speculative or operational in nature. The status of open positions is monitored daily and reported to appropriate senior management.

The group uses derivative instruments to manage and hedge exposure to commodity price risk. In accordance with the group's risk management policy, only minimal unhedged market positions exist from time to time. The value of available commodities, the net value of futures contracts and option contracts and the value of the net position of the pre-season contracts indicate an effective hedge as described in IAS 39. The total value of the futures contracts is regarded as sensitive information and is not disclosed in the financial statements.

The hedging instruments used consist of futures contracts and option contracts. The mark-to-market value in respect of futures contracts for hedging as at 30 April 2009 amounted to R59,6 million (30/4/2008 – R61,7 million). The mark-to-market value in respect of pre-season contracts was an asset of R49,8 million. As explained in the previous paragraph, the net-revaluation difference of the instruments used for hedging was taken into account against the value of commodities and the fair value of pre-season contracts. The value of commodities on the balance sheet indicates the market value thereof at year-end and the fair value of the futures contracts, option contracts and pre-season contracts is also included in the balance sheet.

19.1.1.2 Trading risk

Market risk with regards to trading relates to the potential losses in the trading portfolio due to market fluctuations such as interest rates, spread between current and future prices of commodities, volatility of these markets and changes in market liquidity. Risk limits are set to govern trading within the risk appetite of the group.

19.1.1.3 Foreign exchange risk

The group has minimal exposure to fluctuations in mainly the rand/USD exchange rate in respect of imports and exports. Foreign currency transactions are mainly concluded for the purchase and sale of inventory.

Foreign exchange contracts are concluded for specific transactions as a hedge against fluctuations in exchange rates.

At year-end, foreign exchange contracts of R7,9 million (2008 – Rnil) were entered into as a hedge expected payments.

Contracts were concluded in order to hedge expected cash flows of R6,5 million (2008 – Rnil).

19.1.1.4 Interest rate risk

Balance sheet funding

The balance sheet of the group is naturally hedged to a large extent in respect of floating interest rates as most of the items on the balance sheet generate revenues and costs that are interest related.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

2009 Interest rate risk	Total current assets R'm	Non-interest earning assets R'm	Interest earning assets R'm
Inventory	619	619	-
Debtors	1 289	113	1 176
Agency debtors	162	-	162
Total	2 070	732	1 338
Interest-bearing liabilities			(717)
Net exposure to interest rate risk			-

2008 Interest rate risk	Total current assets R'm	Non-interest earning assets R'm	Interest earning assets R'm
Inventory	734	734	-
Debtors	1 159	176	983
Agency debtors	230	-	230
Bank	35	-	35
Total	2 158	910	1 248
Interest-bearing liabilities			(761)
Net exposure to interest rate risk			-

Interest cost is naturally hedged in instances where interest earning assets exceed interest bearing liabilities. Interest rates are hedged in times of high volatility or when interest bearing liabilities significantly exceed interest earning assets.

Sensitivity of interest rates
The impact of interest rate changes on the gross interest cost is illustrated below:

	Increase/ (decrease) in base points %	Impact on Interest expenses before tax R'm
2009		
Commodity financing	2%	-5
	1%	-2,5
	-1%	2,5
	-2%	5
Short-term rate	2%	-10
	1%	-5
	-1%	5
	-2%	10
Long-term rate	2%	-7
	1%	-3,5
	-1%	3,5
	-2%	7
2008		
Commodity financing	2%	-4
	1%	-2
	-1%	2
	-2%	4
Short-term rate	2%	-19
	1%	-10
	-1%	10
	-2%	19

19.1.2 CREDIT RISK

Concentration risk
The potential concentration of credit risk relates mainly to trade debtors. Trade debtors consist of a large number of clients, spread over different geographic areas and credit is extended in accordance with the credit policy of the group. Prudent credit evaluation processes are strictly adhered to.

The value at risk mentioned below, is calculated as follows:

1. "Gross exposure" is calculated by decreasing the total producer debtor balance by the security value held or added to Senwes as well as the appropriate provision for bad debt.

2. Distribution (spread) is measured against best practices in the industry, given the concentration in respect of geography, stratification, categorisation and arrears. Sources for measurement of concentration risk are formulated from various industry norms, market trends in big agricultural companies and own analysis. The spread will increase the value at risk should it be higher than the norm and decrease should it be lower than the norm.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

	2009 R'm	2008 R'm
Gross exposure	**341**	347
Concentration decreased due to better distribution	**(155)**	(137)
Value at risk of producer debtors	**186**	210

The above value at risk is measured in respect of concentration in the different areas, namely arrears, categorisation, stratification (individual extent of the balance of the debtor account) and geography and is discussed in detail below:

Geography:
Low concentration risk is applicable due to widely spread geographic area, mainly the Free State, North West and Northern Cape.

Stratification and arrears:

Stratification of the client base in extent to which credit was extended	2009 % exposure of book	2009 % arrears	2008 % exposure of book	2008 % arrears
R1 – R500 000	8%	7,25%	17%	7,60%
R500 000 – R1 250 000	18%	2,54%	24%	6,08%
R1 250 000 – R3 000 000	27%	3,56%	33%	1,74%
R3 000 000 – R 5 000 000	27%	2,04%	16%	3,04%
Above R5 000 000	20%	3,59%	10%	3,50%
	100%		100%	

A fair distribution of client size and arrears is applicable.

Categorisation:

Distribution of debtors by category	2009 Trade debtors	2009 Commodity debtors	2009 Total	2008 Trade debtors	2008 Commodity debtors	2008 Total
Category 1	32%	-	29%	33%	-	30%
Category 2	52%	-	46%	53%	-	47%
Category 3	5%	-	4%	3%	-	3%
Category 4	-	-	1%	1%	-	1%
Other	11%	100%	20%	10%	100%	19%
	100%	100%	100%	100%	100%	100%

The different categories are defined as follows:

Category 1 client:	Top clients in the market with an excellent credit history, balance sheet, financial position and repayment ability.
Category 2 client:	Top quartile clients (with the exception of category 1 clients) in the market with a good credit history and a sound, financial position and excellent repayment ability.
Category 3 and 4 client:	Represents a broad client base varrying from beginner farmers with relatively poor balance sheets to producers involved in a fight for survival. Senwes's policy only provides for this category in circumstances which include a high security position, specific tailor-made lower risk financing products and where Senwes is of the opinion that the client should be able to recover to a stronger position.

Counter-party risk
The credit crunch raises generic questions regarding the financiers' ability and appetite for funding. ABSA as key financier is regarded as an excellent counter-party, and therefore falls within acceptable levels of counter-party risk.

19.1.3 Liquidity risk

The group monitors its liquidity risk by means of cash flow planning and a security model.

The group takes into account the maturity date of its various assets applied and funds its activities by obtaining a balance between the optimal financing mechanism and the different financing products, which include bank overdrafts, short-term loans, commodity finance and other creditors. The different debt expiry dates are as follows:

Debt – 2009	Total R'm	Due within 1 month R'm	Due within 1 - 2 months R'm	Due within 2 - 6 months R'm	Due within 6 - 12 months R'm	Due after 1 year R'm
Non-current liabilities						
Short-term loans	350	-	-	-	-	350
Long-term employment benefits	7	-	-	-	-	7
Post-retirement liabilities	75	-	-	-	-	75
	432	-	-	-	-	432
Current liabilities						
Short-term loans	335	-	-	-	335	-
Creditors	448	120	287	7	16	18
Other	162	-	86	20	32	24
	945	120	373	27	383	42
Total liabilities	**1 377**	120	373	27	383	474

Debt – 2008	Total R'm	Due within 1 month R'm	Due within 1 - 2 months R'm	Due within 2 - 6 months R'm	Due within 6 - 12 months R'm	Due after 1 year R'm
Non-current liabilities						
Long-term employment benefits	3	-	-	-	-	3
Post-retirement liabilities	76	-	-	-	-	76
	79	-	-	-	-	79
Current liabilities						
Short-term loans	649	-	-	-	649	-
Commodity financing	112	112	-	-	-	-
Creditors	568	348	181	6	16	17
Other	124	-	54	10	12	48
	1 453	460	235	16	677	65
Total liabilities	1 532	460	235	16	677	144

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

19.1.4 Capital maintenance guidelines

The group maintains its own capital ratio within the following guidelines:

- Own capital ratio (equity to total assets) between 35% - 45%
- Interest cover of higher than 3 is set as a target.

Capital maintenance	2009 Own capital ratio (total assets) R'm	2008 Own capital ratio (total assets) R'm
Total assets	**2 503**	2 375
Equity	**1 126**	843
Liabilities	**1 377**	1 532
Total equities and liabilities	**2 503**	2 375
Calculated rate (%)	**45%**	35%
Set target (%)	**35% - 45%**	30% - 40%

The own capital ratio is currently on the top level of the set norms in order to be able to deal with the impact of the credit crunch and other macro-economic conditions in a more prudent manner.

Interest cover	2009 Interest cover R'm	2008 Interest cover R'm
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**682**	401
Finance cost	**126**	126
Calculated interest cover (times)	**5,40**	3,18
Set target (times)	**>3**	>3

The interest cover is within the set norms.

19.2 BUSINESS RISKS

19.2.1 Operational risk

Access to grain

There is a risk of Senwes not being able to maintain access to or increase volumes of grain within its geographic base and that the concomitant impact on its grain income stream can be significant. Reduced access to grain crops could be the result of a number of causes such as:

- Downscaled plantings – Models were developed and are being managed to reduce the impact of significantly downscaled plantings.
- Competition from alternative storage structures – Alternative storage structures are addressed by innovative market transactions and the maintenance of good producer relationships. Differences between product offerings are also being addressed in the market. Logistical solutions and funding of grain users are additional risk mitigating measures.
- Droughts – The threat of climate change can pose significant risks for Senwes and the sale of products could be affected significantly. Models were developed and financial instruments are used to manage and reduce the potential impact of droughts.

- Improper management of transformation and land reform may have a significant impact on production. Senwes works in conjunction with all applicable government departments in seeking and implementing viable options, taking the BEE-policy into account.

Human capital – scarcity and retention of talent
One of the cornerstones of good performance is access to and retention of excellent personnel. South Africa is currently involved in a talent war due to various reasons. Furthermore, Senwes itself has a relatively young talent profile which in itself brings about difficulty to retain talent because of mobility. Added to this is the fact that Senwes is predominantly situated in rural areas and many young people relocate to the large metropoles where there are more career opportunities. In order to mitigate this risk and as part of a comprehensive strategy for retention of talent, appropriate remuneration and incentive schemes as well as providing ample opportunities for growth through training opportunities have been provided. Succession planning and identification also receive the necessary attention.

19.2.2 Legal risks

Non-compliance on contracts
The fact that Senwes contracts with both producers and buyers presents a risk when prevailing conditions create circumstances of inability or the temptation not to comply with contractual obligations. These conditions could arise due to drought or significant price movements. Proper evaluation and accreditation of clients as well as the monitoring of the flow of the harvest play important roles in addressing this risk. Limiting contract volumes per counter party further reduces the risk. Market trends that might lead to non-compliance with contracts are monitored closely and strategies to hedge this risk on the Safex market are used when deemed necessary. These instruments are included with the values indicated in note 19.1.1.1

19.2.3 System risks
The company relies heavily on technology. The risk relating to archiving, capacity, data integrity, relevance, integration and adaptability are the main risks. A good IT-strategy and a management committee are in place and formal changes, projects and integration management are applied.

19.3 ENVIRONMENTAL RISKS

19.3.1 Weather and climate risks
Refer to paragraph 19.2.1.

19.3.2 Political risks
Refer to paragraph 19.2.1.

19.4 FAIR VALUE

All financial instruments are reflected at their fair value. These carry amounts are a reasonable approximation of a market related fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. EARNINGS PER SHARE

The following calculations are based on a weighted average number of 180 789 308 (2008 – 180 789 308) shares in issue. The earnings were calculated on profit attributable to shareholders.

20.1 Earnings per share is calculated on a profit of R367 million (2008 – R173 million) attributable to ordinary shares.
20.2 Earnings per share from continuing operations is calculated on a profit of R367 million (2008 – R173 million).
20.3 Headline earnings per share is calculated on a profit of R344 million (2008 – R154 million).
20.4 Reconciliation between earnings and headline earnings:

	GROUP		
	% change	2009 R'm	2008 R'm
Earnings as per financial statements	112%	**367**	173
Adjustments:			
After tax profit on sale of property, plant and equipment		**(1)**	(19)
After tax provision for actuarial profit on pension fund contributions		**(22)**	-
Headline earnings	123%	**344**	154
Earnings per share (cents)		**203,0**	95,7
Headline earnings per share (cents)		**190,3**	85,2

All adjustments are stated after tax has been raised against it.

21. RELATED PARTY TRANSACTIONS

21.1 SUBSIDIARIES

The financial statements include the financial statements of the subsidiaries listed in the following table:

2009	% interest	Income received from sub-sidiaries R'm	Amounts owed (to)/ by sub-sidiaries R'm
Univision Financial Services (Pty) Ltd	100%	3	(3)
Univision Broker Services (Pty) Ltd	100%	1	-
Charel de Klerk Street Properties (Pty) Ltd	100%	-	3

2008	% interest	Income received from sub-sidiaries R'm	Amounts owed (to)/ by sub-sidiaries R'm
Univision Financial Services (Pty) Ltd	100%	2	(1)
Univision Broker Services (Pty) Ltd	100%	1	(3)
Charel de Klerk Street Properties (Pty) Ltd	100%	-	3

Univision Financial Services (Pty) Ltd holds a 100% interest in Univision Broker Services (Pty) Ltd. Senwes Ltd holds a direct interest in Univision Financial Services (Pty) Ltd and an indirect interest in Univision Broker Services (Pty) Ltd.

The following interest is also held in the following subsidiaries:

	2009	2008
Senwes Limited *(Malawian based company)*	100%	-
Senwes Securities (Pty) Ltd	100%	100%
Senwes Graanmakelaars (Pty) Ltd	100%	80%
Hartswater Wynkelder (Pty) Ltd	100%	100%

21.2 ASSOCIATES

Details of transactions with associates are listed in the table below:

	2009 % interest	2008 % interest	Purchases from associates 2009 R'm	Purchases from associates 2008 R'm
Grasland Onderneming (Pty) Ltd	**43,90%**	38,50%	**4**	2
Graansilo Industrie (Pty) Ltd	**26,00%**	26,00%	**-**	-

21.3 INVESTMENT IN JOINT VENTURES

Detail of related party transactions is as follows:

	2009 % interest	2008 % interest	Expenses paid to joint ventures 2009 R'm	Expenses paid to joint ventures 2008 R'm	Amount owed by joint ventures 2009 R'm	Amount owed by joint ventures 2008 R'm
Silo Certs (Pty) Ltd	**42,50%**	42,50%	**1**	-	**2**	1

21.4 SIGNIFICANT INFLUENCE

Senwesbel Ltd, which holds 37,9% and the Bafokeng Consortium which holds 34,6% of the company's shares, exert significant influence.

	Management fees received 2009 R'm	Management fees received 2008 R'm	Interest paid 2009 R'm	Interest paid 2008 R'm	Loan payable 2009 R'm	Loan payable 2008 R'm
Senwesbel Limited	**1**	1	**5**	4	**13**	39

- Dividends paid to Senwesbel Ltd amounted to R30 million (2008 – R36 million).
- Dividends paid to the Bafokeng Consortium amounted to R27 million (2008 – R29 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. RELATED PARTY TRANSACTIONS (CONTINUED)

21.5 TRADE DEBTORS – DIRECTORS AND EXECUTIVE MANAGEMENT

This comprises of production credit and other accounts for which customers of the company qualify. Credit extension terms and interest rates in respect of loans are in line with company policy.

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Related parties – trade debtors	**7**	9	**7**	9

21.6 DIRECTORS' REMUNERATION

	COMPANY	
	2009 R'm	2008 R'm
Salaries	**7**	7
Incentive scheme – STI	**11**	6
Incentive scheme – LTI	**3**	4
Executive directors	**21**	17
Non-executive directors	**2**	2
Directors' remuneration	**23**	19

The directors' remuneration is not included in the employee costs, as stated in note 17.4.

21.7 OTHER KEY MANAGEMENT PERSONNEL

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Salaries	**18**	19	**17**	18
Incentive schemes	**11**	7	**11**	7
Total remuneration to key management personnel	**29**	26	**28**	25
Number of key management personnel at year-end	**18**	18	**16**	16

The remuneration of these employees is included in employee costs, as stated in note 17.4 and the long-term incentive bonuses as stated in note 15.

Key management personnel are those persons with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

21.8 CASH SETTLED SHARE BASED TRANSACTION

Refer to note 15.3.2 for information on cash settled share based transactions which directors make use of.

21.9 INFORMATION ON DIRECTORS' TERMS OF OFFICE

Non-executive directors – refer to the statutory directors report (note 6).

Executive directors:

Director	*Service contract Expiry date*	*Position held*
JJ Dique	31 July 2011	Managing Director
F Strydom	30 April 2011	Director: Operations
SH Alberts	31 October 2011	Director: Finance

Interest of the directors in the company:

	COMPANY	
	2009 Number of shares	**2008 Number of shares**
Direct		
Non-executive directors	**633 731**	613 731
Executive directors	**396 657**	406 657
Indirect		
Non-executive directors	**15 344 015**	10 946 184
Executive directors	**250 566**	95 909
Total direct and indirect interest	**16 624 969**	12 062 481

For individual information regarding interests held, refer to the Corporate Governance report.

22. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	GROUP		COMPANY	
	2009 R'm	**2008 R'm**	**2009 R'm**	**2008 R'm**
Profit before tax	**526**	250	**522**	245
Adjusted for:	**218**	188	**250**	186
Depreciation	**30**	24	**30**	24
Profit on sale of fixed assets	**(2)**	(19)	**(2)**	(18)
Investment income	**(4)**	(26)	**(8)**	(28)
Finance charges	**126**	126	**127**	126
Increase in provisions and non-cash items	**68**	83	**103**	82
Cash generated from operations	**744**	438	**772**	431

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. CHANGE IN OPERATING CAPITAL

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Decrease/(increase) in inventory	**103**	(96)	**103**	(96)
Increase in debtors	**(281)**	(385)	**(311)**	(384)
Decrease in agency grain debtors	**68**	11	**68**	11
Increase/(decrease) in creditors	**(180)**	122	**(182)**	120
Increase in operating capital	**(290)**	(348)	**(322)**	(349)

24. TAXATION PAID

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Tax payable at the beginning of the period	**(11)**	(63)	**(11)**	(61)
Deferred tax receivable at the beginning of the period	**67**	74	**67**	74
Amounts debited in the income statement	**(158)**	(75)	**(154)**	(73)
Deferred tax receivable at the end of the period	**(66)**	(67)	**(66)**	(67)
Tax payable at the end of the period	**20**	11	**20**	11
Tax paid	**(148)**	(120)	**(144)**	(116)

25. DIVIDENDS PAID

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Amounts payable at the beginning of the period	**-**	-	**-**	-
Amounts debited against equity	**(83)**	(103)	**(83)**	(103)
Amounts debited against debtors and loan accounts	**-**	-	**-**	-
Amounts payable at the end of the period	**-**	-	**-**	-
Dividends paid	**(83)**	(103)	**(83)**	(103)

26. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Buildings and improvements	**(8)**	(11)	**(8)**	(11)
Plant and equipment	**(45)**	(15)	**(45)**	(15)
Vehicles	**(10)**	(5)	**(10)**	(5)
Total acquisition of property, plant and equipment	**(63)**	(31)	**(63)**	(31)
Represented by:				
Acquisition to increase operating capacity	**(27)**	(18)	**(27)**	(18)
Acquisition to maintain operating capacity	**(36)**	(13)	**(36)**	(13)

27. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Carrying value of assets sold	**1**	13	**1**	12
Profit from disposal	**2**	19	**2**	18
Proceeds from disposal	**3**	32	**3**	30

28. LONG-TERM LOANS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Loans increase	**354**	1	**354**	1

29. NET SHORT-TERM LIABILITIES – AFTER TAKING CASH INTO ACCOUNT

29.1 SHORT-TERM LOANS

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Net increase/(decrease) in financier loans	**(426)**	26	**(426)**	26
Net increase/(decrease) in other short-term loans	**(9)**	5	**(4)**	3
Increase/(settlement) in short-term loans	**(435)**	31	**(430)**	29

29.2 NET SHORT-TERM LOANS AFTER CASH

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Short terms loans	**335**	761	**335**	761
Bank overdraft	**15**	-	**21**	-
Interest-bearing – loans from related parties	**18**	41	**23**	45
Non-interest-bearing – loans from related parties	**-**	1	**-**	2
Cash and cash equivalents	**-**	(35)	**-**	(29)
Net short-term loans after taking cash and cash equivalents into account	**368**	768	**379**	779

29. NET SHORT-TERM LIABILITIES – AFTER TAKING CASH INTO ACCOUNT (CONTINUED)

29.3 SHORT-TERM LOANS RECEIVABLE

	GROUP		COMPANY	
	2009 R'm	2008 R'm	2009 R'm	2008 R'm
Decrease/(increase) in other financial assets	**1**	(1)	**-**	(1)
Increase in the provision for impairment of short-term loans	**4**	-	**2**	3
Decrease/(increase) in short-term loans	**5**	(1)	**2**	2

30. UNUTILISED BORROWING FACILITIES

The group has unutilised loan facilities of R815 million, which are secured by means of cessions and pledges of production credit debtors as well as silo storage and handling debtors. The group also has available unutilised commodity finance funds which are unlimited in respect of limit (but which are limited to the security value of the commodity) as well as R155 million in respect of unutilised overdraft facilities.

ACCOUNTING POLICIES

1. Basis of presentation

The financial statements are prepared on the historical-cost basis except for derivative financial instruments, and available-for-sale financial assets shown at fair values. The carrying values of hedged assets and liabilities are adjusted to reflect changes in the fair values resulting from the hedged risks. The financial statements are compiled in rands and all values are rounded to the nearest million (R' 000 000), unless otherwise indicated.

1.1 Statement of compliance

The financial statements of the Senwes group and all its subsidiaries have been compiled in accordance and in compliance with the requirements of International Financial Reporting Standards (IFRS).

1.2 New reporting standards and interpretations

The following new reporting standards and interpretations have been adopted in these financial statements:

- IFRIC 11, IFRS 2 – *Group and Treasury Share Transactions*, provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the standalone accounts of parent and group companies.
- IFRIC 12 – *Service Concession Arrangements* interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. No member of the group is an operator and, therefore, this interpretation has no impact on the group.
- IFRIC 14 – *The limit on a Defined Benefit Asset*, Minimum Funding Requirements and their interaction provide guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 1 Employee Benefits, this interpretation has no impact on the group.

1.3 New standards, interpretations and amendments

The following interpretation to published standards is mandatory for accounting periods beginning on or after 1 January 2009.

- IAS 1 (Revised) – *Presentation of Financial Statements* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and a separate statement of comprehensive income). Revised IAS 1, which becomes mandatory for the group's 2010 consolidated financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements.
- IAS 23 (Revised) – *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. (Effective from 1 January 2009).
- IAS 27 (Amended) – *Consolidated and Separate Financial Statements* requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. (Effective from 1 July 2009).
- IAS 32 (Amended) – *Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements* – Puttable Financial Instruments and Obligations Arising on Liquidation. (Effective from 1 January 2009).
- IFRS 8 – *Operating Segments* introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports, in order to assess each segment's performance and to allocate resources to them. Currently the group presents segment information in respect of its business and geographical segments. (Effective from 1 January 2009).
- IFRIC 13 – *Customer Loyalty Programmes* requires that customer loyalty credits be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to deferred credits. This is then recognised as revenue over the period that the award credits are redeemed. All loyalty programs are outsourced and the obligation of credits does not lay with the group.
- IFRS 2 (Amended) – *Share-based payment* – The amended standard deals with vesting conditions and cancellations where the definition of "vesting condition" is clarified. It further prescribes the accounting treatment of an award that is effectively cancelled because of non-vesting conditions that is not satisfactory. For example, non-vesting conditions are similar to requirements that should be met based on an external source of commodity index other than the share price of the company. (Effective from 1 January 2009).
- IFRS 3 (Revised) – *Business combinations*. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquisition either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. (Effective from 1 July 2009).
- IAS 39 (Amended) – *Financial Instruments:* Recognition and Measurement – qualifying hedged items. The final amendment addresses only the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. (Effective from 1 July 2009).
- IAS 39 & IFRS 7 – *Reclassification of Financial Assets* – IASB allowed the reclassification of certain financial instruments from held for trading and available for sale categories. (Effective from 1 July 2008).

ACCOUNTING POLICIES (CONTINUED)

- IFRS 1 & IAS 27 – First-time Adoption of IFRS and Consolidated and Separate Financial Statements are amended to allow the first time determining of the cost of investments in subsidiaries, jointly controlled entities and associates. (Effective from 1 January 2009).
- IFRIC 15 – *Agreements for the construction of real estate*. The standard gives consistency to the recognition of revenue and related expenses of developments and sale of real estate. (Effective from 1 January 2009).
- IFRIC 16 – *Hedges of a net investment in a foreign operation*. IFRIC 16 clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the group. The requirements of IAS21, "The effects of changes in foreign exchange rates", do apply to the hedged item. (Effective from 1 January 2009).
- IFRIC 17 – *Distributions of Non-Cash Assets to Owners.* Guidance is given by IFRIC 17 on the distribution of non-cash assets to owners to get conformity between businesses. (Effective from 1 July 2009).
- IFRIC 18 – *Transfers of Assets from Customer*. This IFRIC handles the accounting issues regarding the receiving of assets from telecoms such as networks or other services/goods. (Effective from 1 July 2009).

2. Significant accounting policies

2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of Senwes group and its subsidiaries as at 30 April 2009.

2.1.1 Subsidiaries and special purpose entities

Subsidiaries are entities where control can be exercised over their operating and financial policies in order to benefit from their activities or where the group has the majority of the voting rights.

Special purpose entities are entities where the group is entitled to control the entities and they are consolidated into the group financial statements. Included in the consolidated annual financial statements are the assets and liabilities of all the subsidiaries and their results for the period. In the case of an acquisition or a change in interest during the year, the results of the relevant subsidiaries are included as from the date of effective control or to the effective date when effective control ended. Intergroup transactions, balances and unrealised profits and losses among entities in the group are eliminated. All the subsidiaries have the same financial year-end and accounting policy as the holding company.

Any provisions for investment write-offs on account of accumulated losses arising in the entity are written back on consolidation. Where impairments occur, these are accounted for against the relevant class of assets. Investments in subsidiaries at company level are shown at cost less any provisions for impairments.

Minority interest represents the portion of profit or loss and net assets that are not held by the group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

2.1.2 Joint ventures

Joint ventures are businesses where the group, together with one or more other entities, performs an economic activity which is subject to joint control. The group's interest in joint ventures is accounted for by the proportional consolidation method. The income statement, balance sheet, cash flow statement and statement of changes in equity include the group's share of income, expenditure, assets, liabilities and cash flows of these joint ventures on a line-for-line basis.

2.1.3 Investments in an associate

The group's investments in its associates are accounted for using the equity method of accounting. An associate is an entity in which the group has significant influence. Acquisitions of shares in investments can be shown as financial assets available for sale until significant influence is obtained in that investment when that investment is shown as an associate.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The income statement reflects the share of the results of operations of the associate. The financial year-end of the associate is the same as that of the group.

After application of the equity method, the group determines whether it is necessary to recognise an additional impairment loss on the group's investment in its associates. The group determines at each balance sheet date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the income statement.

The investment in the associate is recognised within the separate financial statements of the company at fair value.

2.1.4 Other investments

All investments are recognised at fair value, including any acquisition costs associated with the investment. After initial recognition, investments classified as available-for-sale are adjusted to fair value. Profits or losses arising from fair value adjustments on these investments are taken directly to equity. Once the investment is sold or disposed of, the accumulated profit or loss previously adjusted to equity is included as part of net profit or loss in the income statement.

2.2 Foreign currency

2.2.1 Foreign transactions
Transactions in foreign currencies are converted at spot rates applicable on the transaction dates. Monetary assets and/or liabilities in foreign currencies are converted to South African rand at spot rates applicable at the financial year-end. Profits and losses arising on settlement or recovery of such transactions are recognised in the income statement.

2.2.2 Foreign operations
The assets and liabilities of foreign operations as well as income and expenses, including goodwill and fair value adjustments arising on acquisition, are translated to spot rates then ruling on the reporting date, excluding foreign operations in hyperinflationary economies.

2.3 Property, plant and equipment
Property, plant and equipment are held with a view to extract economic benefit from it over more than one period and are not acquired for resale purposes.

All property, plant and equipment are initially recognised at cost. Thereafter it is measured with reference to the cost of the asset less accumulated depreciation and impairments.

- The cost of property, plant and equipment includes the following: purchase price including import duties, non-refundable purchase taxes, less trade discounts and rebates and costs directly attributable to bringing an asset to the location and condition necessary to operate as intended by management.
- Property, plant and equipment with a cost of more than R5 000 are capitalised, assets less than R5 000 are written of against operating profit.
- Profits and losses on sale of property, plant and equipment are calculated on the basis of their carrying values and are accounted for in operating profit. With the replacement of a part of an item of property, plant and equipment, the replaced part is derecognised. None the less the replacement part shall be recognised according to the criteria of the accounting statements.

The carrying values of property, plant and equipment are considered for impairment when the events or changes in circumstances indicate that the carrying values are no longer recoverable from its future earnings or realisation of the assets.

Depreciation is calculated on a fixed instalment basis over the expected useful life at the following rates:

	%
• Land	-
• Buildings and improvements	2,5 - 2,85
• Plant and equipment	7,5 - 33,3
• Vehicles	20

Depreciation begins when an asset is available for use, even if it is not yet brought into use. Each part of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item is depreciated separately. Land is not depreciated as it is deemed to have an unlimited life.

The useful life and residual value of property, plant and equipment are reviewed annually. The evaluations in respect of the useful life and residual value of assets can only be determined accurately when items of property, plant and equipment approach the end of their lives. Useful life and residual value evaluations can result in an increased or decreased depreciation expense. If the residual value of an asset equals its carry amount, there will be a change in the write-down period of depreciation.

2.4 Inventory
Inventory represents assets held for resale in the normal course of business, to produce assets for sale, or for use in production processes or the provision of services. Included in cost of inventory are the cost price, production costs and any costs incurred in bringing the inventory to its current position and condition, ready for the intended purpose. Cost of inventory does not include interest, which is accounted for as an expense in the period when incurred.

Included in cost of production are costs directly attributable to units produced, and direct costs such as direct wages and salaries and variable overheads as well as the systematic allocation of fixed production overheads based on the normal capacity of the production facility.

Cost of grain and trade inventory items is determined in accordance with the weighted average cost method, unless it is appropriate to apply another basis on account of the characteristics of the inventory. Cost of inventory determined on a basis other than weighted average cost is as follows:

• Mechanisation whole goods	Purchase price
• Grain commodities	Specific contract price/fair value
• Other inventory	First-in, first-out (FIFO)

ACCOUNTING POLICIES (CONTINUED)

Inventory is stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the normal course of business less estimated costs necessary to make the sale. Cost of inventory items is determined on the basis of their characteristics in terms of their nature and use.

2.5 Agency grain debtors

Agency grain debtors represent payments made on behalf of third parties in respect of agricultural produce received from producers, which are payable by the third party on delivery of such agricultural produce to them. This includes sales in terms of sales contracts secured by inventory.

2.6 Deferred tax

Provision is made for deferred tax using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying values for purposes of financial reporting, by applying the tax rate applicable at year-end. The liability for deferred tax or deferred tax assets are adjusted for any changes in the income tax rate.

In accordance with this method, the group has to provide for deferred income tax on the revaluation of certain non-current assets and on the difference between fair values and the tax base of assets upon acquisition. Deferred tax assets arising from all deductable temporary differences are limited to the extent that future taxable income will probably be available against which the temporary differences can be charged.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

2.7 Liability for long term employee benefits

2.7.1 Retirement liability

The retirement liability comprises a defined contribution fund registered in terms of the Pension Funds Act, 1956, and the assets are administered separately by trustees. Funding is in terms of conditions of employment by means of contributions by the Company, participating subsidiaries as well as employees. Contributions are recognised in the income statement in the period to which they relate. As the funds are defined contribution funds, any under-funding that may occur when the value of the assets drop below that of the contributions, are absorbed by the members by means of decreased benefits.

2.7.2 Post-retirement medical care liability

Provision for future costs of post-retirement medical care is made against income, based on an annual independent actuarial valuation. Actuarial profits and losses are recognised in the year they originated. At balance sheet date the provision amounted to 100% of the obligation, based on certain accepted changes in benefits and assumptions.

2.7.3 Share-based payments

Profit-sharing and bonus payments that are not payable within twelve months of year-end are shown as long-term employee benefits.

Certain employees (including senior executives) of the group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for a share appreciation scheme which is “cash-settled transactions”.

The cost of cash-settled transactions is measured initially at fair value at the grant date using an economic forecasting model, taking into account the terms and conditions upon which the instruments were granted (see note 15). This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

2.8 Short-term employee benefits

These include normal benefits such as salaries, wages, paid leave, and sick leave, profit-sharing and other bonuses as well as fringe benefits in respect of existing employees, and are charged to income in the period in which they were incurred. A provision is raised for the expected costs of incentive bonuses where a legal or constructive liability exists and an accurate estimate of the liability can be made.

A provision is raised for the expected cost of the liability in respect of both normal leave days and long-service leave days accumulated, converted to a rand value at year-end, based on the cash equivalent thereof. The required adjustment is set off against income in the income statement.

A provision is raised for normal thirteenth cheque bonuses accrued, as a pro rata payout is made where resignation occurs prior to the employee’s normal elected date of payout.

Termination of service benefits are recognised as a liability and expense where the business is committed to terminating the position prior to the employee's normal retirement, or where benefits are offered to encourage voluntary termination of service by redundant employees. However, only a contingent liability is disclosed where it is uncertain by whom the offer would be accepted.

2.9 Revenue recognition

Revenue represents the net invoiced value of goods and services and any commission received from activities as a grain handler and provider of insurance and financial services. Interest received as a result of credit extension is also stated as income but only to the extent that collection is reasonably assured. Revenue is stated net of value-added tax. Revenue is measured at the fair value of the consideration received or receivable. Intergroup sales are eliminated on group level.

Revenue from sales of goods is recognised when the material risks and rewards of ownership of the goods are transferred to the buyer and reasonable assurance exists that the economic benefits of the transaction will flow to the business. Revenue from agency grain debtors is recognised on a time apportioned basis as and when services are rendered. Revenue from services provided is recognised by taking into account the stages of completion at balance sheet date and/or if results can be determined with reasonable accuracy. If revenue cannot be determined with reasonable accuracy, it is only recognised to the extent of recoverable expenses incurred.

In grain selling transactions, price risk exposure with regard to purchases is hedged by selling on the futures exchange, Safex. Where the objective is hedging, rather than delivery to Safex, these transactions are eliminated from revenue.

Direct delivery transactions with regard to fuel, fertiliser, seed and other farming inputs are eliminated from revenue, since their nature is in line with agency principles rather than acting as principal. The underlying reason for the transactions is credit extension. Commission earned on the transactions is accounted for as revenue.

Dividends received from investments are recognised when the last date for registration has expired.

2.10 Financial assets, instruments and fair value

Financial assets are recognised when the group has the right or access to receive economic benefits. Such assets consist of cash, a contractual right to receive cash or any other financial asset. Financial liabilities are recognised where there is an obligation to transfer economic benefits and that obligation is a contractual obligation to transfer cash or any other financial asset or a financial instrument to another entity.

2.10.1 Financial assets at fair value through profit or loss

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets as appropriate. Initial recognition of financial assets is at fair value. The group determines the classification of its financial assets on initial recognition.

2.10.2 Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the group has the positive intention and ability to hold to maturity. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

2.10.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables and or trade and other receivables financed by a commercial financier in the balance sheet.

Loans and receivables are initially recognised at fair value. At subsequent measurement, debtors are valued against amortised cost according to the effective interest rate method. This includes initial invoicing less provision according to impairment. Loans to subsidiaries, associates and joint ventures are initially measured at cost plus transaction cost if applicable. Instalment sales agreements and term debtors are measured at gross value of outstanding payments less unearned finance charges. Payments are split between financing cost and the capital amount.

2.10.4 Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognised in profit or loss.

Financial assets are initially valued at cost price plus transaction costs. Transaction costs in respect of financial assets classified at fair value by profit or loss are dealt with as expenditure. Transaction costs are incremental costs, directly attributable to the purchase of the financial asset, in other words costs which would not have been incurred should the asset not have been

ACCOUNTING POLICIES (CONTINUED)

purchased. Financial assets are derecognised as soon as the right to receive cash from investments expires or is transferred and when the group has substantially transferred all risks and reward of ownership.

Cash and cash equivalents are valued at fair value and changes in fair value which are recognised in the income statement.

2.11 Derivative financial instruments

Derivative instruments are used by the group in the management of business risks. They are initially recognised in the balance sheet at cost (which is the fair value on that date) and are thereafter remeasured to fair value. The method of recognising the resultant profit or loss depends on the type of item being hedged. The group allocates certain financial instruments as:

- A hedge of the exposure to changes in fair value of a recognised asset or liability or, an unrecognised firm commitment (fair value hedge); or
- A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

Changes in the fair value of derivative instruments which have been allocated, and qualify as fair value hedges, which are highly effective, are accounted for in the income statement together with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk, and is therefore effectively set off against one another. Changes in the fair value of derivative instruments which have been allocated and qualify as cash flow hedges, which are also highly effective, are accounted for in equity. The ineffective portion of a cash flow hedge is recognised immediately in the income statement. If the forward transaction results in the recognition of an asset or a liability, the profit or loss that was deferred earlier to equity, is transferred from equity and included in the initial determination of the cost of the asset or liability. Otherwise, amounts deferred to equity are transferred to the income statement and classified as revenue or expenditure during the same period as the hedged fixed commitment or forward transaction has an influence on the income statement.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting with reference to IAS 39, are immediately recognised in the income statement. If the hedging instrument lapses or is sold, or if the hedge no longer meets the criteria for hedge accounting with reference to IAS 39, any cumulative profit or loss that exists at that point in equity, is retained in equity and recognised when the forward transaction is finally recognised in the income statement. If it is expected that the forward transaction will no longer realise, the reported cumulative profit or loss is immediately transferred to the income statement.

From the inception of the transaction, the group documents the relationship between the hedging instrument and the hedged item, as well as the risk management aim and strategy for entering into the hedging transaction. As part of this process, all derivative instruments are allocated as hedges to specific assets and liabilities or to specific fixed commitments or forward transactions. The group also documents valuations, both at the outset and continuously, in order to determine whether the derivative instrument being used in hedging transactions, is indeed highly effective to set off the changes in fair value or cash flows of the hedged items.

Commodity term contracts (futures)

The group participates in various over-the-counter (OTC) future buying and selling contracts for the buying and selling of commodities. Although certain contracts are covered by the physical provision or delivery during normal business activities, OTC-contracts are regarded as a financial instrument. In terms of IAS 39, it is recorded at fair value, where the group has a long history of net finalisation (either with the other party or to participate in other off-setting contracts).

Such contracts are initially recognised in the balance sheet at contract price, and are revalued at fair value thereafter. These derivative instruments constitute an effective economic hedge within the group's risk management policy, and qualify to be recognised in accordance with the specific hedging accounting rules in terms of IAS 39. The changes in the fair value of any hedging instrument which do not qualify to be set off in accordance with IAS 39, are recognised immediately in the income statement.

Set-off

Where a legal right to set off exists for recognised financial assets and liabilities and where it is intended to settle the relevant assets and liabilities simultaneously or on a net basis, the amounts are set off. Financial instruments to which the group is a party are disclosed in note 19.

2.12 Cash and cash equivalents

Included in cash and cash equivalents, which form an integral part of cash management, are cash at hand and bank overdraft balances. Bank overdraft balances are stated as current liabilities. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash and cash equivalents as defined above, net of bank overdrafts.

2.13 Operating leases

Leases in respect of property, plant and equipment, where the lessor retains essentially all the risks and rewards attached to property rights to an asset, are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Future escalations in terms of the lease agreement are calculated and the average lease expenditure is recognised over the lease period in equal amounts, only if a fixed escalation rate has been agreed to contractually.

2.14 Impairment of assets

All categories of assets are reviewed for impairment at the time of reporting. (See notes 2 and 3).

Assets

On each reporting date the group considers whether there are any indications of impairment of an asset. If such an indication exists, the group prepares an estimate of the recoverable amount of the asset. The recoverable amount of an asset or the cash generating unit, within which it and other assets operate, is the greater of the fair value less the cost of selling or the value in use of the asset. Where the carrying amount of an asset exceeds the recoverable amount, the impairment is determined and the carrying amount written off to the recoverable amount. Where the value in use is determined, the expected future cash flow is discounted to a current value by using a pre-tax discounting rate reflecting the current market rating of the time value of money and specific risks associated with the asset. Impairment losses of continuing operations are recognised in the income statement.

If there is an indication that previously recognised impairment losses no longer exist or that they have decreased, an estimate is once again made of the recoverable amount of the asset in question and, if necessary, the impairment is written back to the recoverable amount. The write-back may not cause the carrying value to exceed the value it would have if it was not previously impaired. After such a write-back, the depreciation expense in future periods is adjusted to apportion the adjusted carrying amount of the asset, less its residual value, systematically over the remaining useful life.

Accounts receivable

An assessment is made at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence for impairment includes observable data that comes to the attention of the group in relation to the asset about the following loss events:
- Significant financial difficulty of the issuer, or
- A breach of contract, such as a default in payment, or
- Probability that the borrower will enter bankruptcy or other financial reorganisation, or
- Disappearance of an active market for that financial asset because of financial crisis, or
- Indications that there is a measurable decrease in the estimated future cash flows from the group of financial assets since the initial recognition of those assets.

The impairment is determined as the difference between the carrying amount and the recoverable amount. This is done on the basis of discounting the future cash flows to present value using a calculated-weighted average rate. This rate is the rate of the financial debtor or group of debtors contracted.

An impairment provision will be calculated if there is proof that the group will not be able to collect all amounts from the debtor, as set out in the original terms of payment. The amount of the provision is the difference between the carrying value and the recoverable amount, which is the current value of future cash flows (excluding future credit losses not yet exposed to), discounted against the financial asset's original effective rate of interest, as calculated at the recognition of the asset. Bad debts are written off in the year in which they occur or are identified.

2.15 Provisions and contingent liabilities

Provisions and other liabilities

Provisions are liabilities in respect of which the timing or amount is uncertain and can therefore be distinguished from other creditors. Provisions are only recognised if:
- A currently constructive or legal obligation exists due to a past event;
- An outflow of economic benefits is probable in order to meet the commitment; and
- A reliable estimate of the amount is made.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are disclosed in note 15.

Liabilities are current obligations arising from past events, which are expected to result in economic benefits flowing from the business, when met, and are accounted for directly after the occurrence of the event giving rise to the obligation. Liabilities form part of creditors in the balance sheet.

Contingent liabilities

Contingent liabilities are potential obligations arising from past events, the existence of which will only be confirmed upon the occurrence or non-occurrence of one or more uncertain future events beyond the full control of the business.

ACCOUNTING POLICIES (CONTINUED)

Contingent liabilities may also arise from a current obligation arising from past events but are not recognised because:
- It is improbable that an outflow of economic resources will occur; and/or
- The amount cannot be measured or estimated reliably.

Contingent liabilities are not recorded but are merely disclosed by way of a note in the financial statements. (See note 16.)

2.16 Non-operating assets held for sale and discontinued operations
A discontinued operation is a component of an entity which has been sold or classified as held-for-sale and:
- Represents a separate important business component or geographical area of activities;
- Forms part of a single co-ordinated plan to sell a separate important business segment or geographical area of activities; or
- Is a subsidiary acquired with the sole purpose of selling it.

An item is classified as held for sale if the carrying amount of such item will largely be recovered through a transaction of sale rather than through continued use. Upon discontinuance the after-tax profit or loss is shown in the income statement.

2.17 Segmental reporting
The primary format of the group for segmental reporting comprises of the following business segments: Credit Extension, Input Supply, Market Access, Sundry Operations and Corporate items.

- Intersegment transfers: Included in segmental income, segmental expenditure and segmental results are transfers among business segments. These transfers occur at arm's length but are eliminated on consolidation.
- Segmental income and expenditure: Income and expenditure directly related to segments are allocated specifically to those segments.
- Segmental assets: Included in assets are all current assets utilised by a segment, including mainly cash, amounts receivable, inventory and property, plant and equipment, all net of provisions.
- Included in segmental liabilities are all current liabilities, comprising mainly of amounts payable.

2.18 Borrowing costs
Borrowing costs are recognised as an expense when incurred.

2.19 Interest-bearing loans and borrowings
All loans and borrowings are initially recognised at the fair value of the consideration received, less directly attributable transaction costs. After recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through an amortisation process.

3. Significant accounting judgement and estimates
The preparation of the group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3.1 Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.2 Share-based payments
The group measures the cost of cash settled transactions with certain employees by reference to the fair value at the grant date using an economic forecasting model, taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognised in profit or loss.

3.3 Provision for post-retirement medical obligations
The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, mortality rates and future increases. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rate of government bonds at the time. Mortality rate is based on publicly available mortality tables. Future increases are based on expected future increases in subsidies granted.

3.4 Fair value of financial instruments
Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in

establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3.5 Impairment of debtors
A decision framework was implemented, as set out in paragraph 2.14.

3.6 Provision for slow-moving inventory
Inventory is valued at the lower of cost and net realisable values. A provision is raised against trading stock according to the age and net realisable value of inventory.

3.7 Income tax and deferred tax provisions
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

3.8 Provision for non-compliance on pre-season grain contracts
Calculations with the following key assumptions:

- Default rate on current deliveries extrapolated to the total exposure;
- A fixed recovery rate on defaults; and
- Compensating financial instruments.

CORPORATE GOVERNANCE REPORT

The Board of Directors of Senwes is committed to the best principles of effective and sound governance and views it as an essential basis to maintain a successful and thriving business on all levels. Good corporate governance and ethical behaviour are entrenched, resulting in continued stakeholder confidence. Credibility as a consequence of compliance to governance and regulatory requirements has become integral to the survival of entities in the current economic business environment.

The Board is satisfied that Senwes has made and continues to make every practical effort to conform to the best corporate practices in all material and practical aspects as contained in, inter alia, King II. The Board's intention is also to ensure compliance and application of the King III recommendations.

DIRECTORS AND BOARD COMMITTEES

The Board of Directors is responsible for the total and effective control of the group. The Board consists of 14 non-executive, independent non-executive and executive directors. The chairman is a non-executive director and is elected annually by the Board. The roles of the chairman and the managing director are separated.

During the year the following changes were made to the Board:
- The retirement of Messrs Bertus Mostert and Oupa Magashula on 21 August 2008; and
- The appointment of Messrs Nico Liebenberg and Rudolf Pretorius on 21 August 2008 as non-executive directors.

In terms the Articles of Association of the company, non-executive directors have a term of office of three years and non-executive directors are required to retire by rotation every third year. Retiring directors may be re-elected.

POWERS AND RESPONSIBILITIES

The composition of the Board allows for appropriate and efficient decision-making and ensures that no one individual has undue influence. The Board's primary responsibilities, based on an agreed assessment of levels of materiality, include giving strategic direction, identifying key risk areas and key performance indicators of the business, monitoring decisions and performance of executive management, whilst considering significant financial and non-financial matters.

The responsibilities of the Board are set out in detail in the Board Charter, which was approved by the Board and which is regularly reviewed and improved. The charter also provides for access to independent professional advice by directors at the company's cost in all matters related to the company.

The powers of the Board are conferred upon it by the company's Memorandum and Articles of Association and the Board has thus specifically reserved certain matters for itself in a revised reservation of authority document. The Board takes overall responsibility for compliance with all applicable legislative and regulatory requirements.

GOING CONCERN

The Board has considered and recorded the facts and assumptions on which it relies to conclude that the business will continue as a going concern for the financial year ahead. The key factors and assumptions on which the Board bases this conclusion have been properly recorded and inter alia include profitability of the group, capital structure, funding facilities, geographic distribution of operations, weather predictions, crop estimates, carry-over stock, markets, suppliers, clients, credit extension, litigation, data security and other social responsibility factors.

Attendance of Board meetings and committee meetings

The Board meets regularly, retains full and effective control over the group and continuously monitors the performance. Additional Board meetings are convened as circumstances may dictate.

During the year under review eight board meetings were held and most of these were fully attended. The details are as follows:

NAME OF DIRECTOR	BOARD	SPECIAL BOARD COMMITTEE	AUDIT COMMIT-TEE	RISK COMMIT-TEE	HUMAN RESOURCES COMMITTEE	STANDARDS COMMITTEE
NUMBER OF MEETINGS	8	1	3	4	4	2
NON-EXECUTIVE						
JE Grobler *(Chairman)*	8/8	1/1				2/2
JDM Minnaar *(Vice-chairman)*	8/8	1/1	3/3		4/4	2/2
JPL Alberts	7/8	1/1	3/3			
JAE Els	8/8				4/4	
AJ Kruger	8/8		3/3			
NDP Liebenberg *(elected 21/08/2008)**	7/7			3/3		
GNV Magashula *(retired 21/08/2008)**	1/1				1/1	
J Mashike	7/8	1/1		4/4		
JA Mostert *(retired 21/08/2008)**	1/1			1/1		
JA Boggenpoel	8/8	1/1	2/3	3/3		
M Pooe	6/8				4/4	
PR Pretorius *(elected 21/08/2008)**	6/7		1/2			1/1
WH van Zyl	7/8			4/4		2/2
EXECUTIVE						
JJ Dique	8/8	1/1		3/4	4/4	2/2
SH Alberts	7/8	1/1		4/4		
F Strydom	8/8	1/1		4/4		

In all instances of absence apologies were offered in advance.
(* Not member of Board or committee for a full year)

INDEPENDENCE OF BOARD MEMBERS

The Board expects all of its members to act independently. The non-executive directors demonstrate complete independence of character, judgement and action in fulfilling their duties.

A number of non-executive directors have direct and indirect interests in the company, the details of which are disclosed in the table contained on page 88. The Board is mindful of this and the potential conflict of interests that might arise as a result, however remote. A policy of disclosure of interests and exclusion from discussions in which a director has an interest, is adhered to in order to mitigate any such conflicts.

In addition the Board has adopted a code of conduct for trading in shares in the group which strictly regulates the Board and senior management's dealing in shares. Certain annual closed and open periods for trading apply and these were as follows:

DATE	STATUS	REASON
1 April 2008	Closed	Preparation of annual financial statements
26 June 2008	Open	Publication of annual results
1 October 2008	Closed	Preparation of interim financial results
3 December 2008	Open	Publication of interim results
2 March 2009	Closed	Consideration of a recommendation of a special interim dividend
12 March 2009	Open	Publication of the special interim dividend notice
1 April 2009	Closed	Preparation of annual financial statements

The Board is responsible for the total and effective control of the group

100 Senwes

The details of directors' interest in the company, as at year-end, are as follows:

	2009				2008			
	DIRECT		INDIRECT *		DIRECT		INDIRECT *	
NAME	SHARE-HOLDING	%	SHARE-HOLDING	%	SHARE-HOLDING	%	SHARE-HOLDING	%
NON-EXECUTIVE								
JPL Alberts	-	-	130 683	0,07%	-	0,00%	42 600	0,02%
JAE Els	1 345	0,00%	877 354	0,49%	1 345	0,00%	766 400	0,42%
JE Grobler	-	0,00%	3 803 382	2,10%	-	0,00%	3 012 062	1,67%
AJ Kruger	132 386	0,07%	387 492	0,21%	112 386	0,06%	324 627	0,18%
NDP Liebenberg	-	0,00%	454 506	0,25%	-	0,00%	-	0,00%
PR Pretorius	-	0,00%	1 327 580	0,73%	-	0,00%	-	0,00%
J Mashike	-	0,00%	903 027	0,50%	-	0,00%	170 899	0,10%
JDM Minnaar	-	0,00%	3 682 620	2,04%	-	0,00%	3 285 551	1,82%
WH van Zyl	500 000	0,28%	3 777 374	2,09%	500 000	0,28%	3 344 045	1,85%
EXECUTIVE								
JJ Dique	-	0,00%	25 652	0,01%	-	0,00%	23 977	0,01%
F Strydom	295 731	0,16%	224 914	0,12%	295 731	0,16%	47 955	0,03%
SH Alberts	100 926	0,06%	-	0,00%	110 926	0,06%	23 977	0,01%
RETIRED								
Subtotal of directors	1 030 388	0,57%			1 020 388	0,56%		
Other shareholders	179 758 920	99,43%			179 768 920	99,44%		
TOTAL	180 789 308	100,00%			180 789 308	100,00%		

* Indirect shares are based upon the share percentage held in Senwes, multiplied by the percentage shares held by the individual.

Certain board members also conduct business with the company on an arms' length basis as part of Senwes's normal business. *Senwes Credit* has also extended credit to certain of the non-executive directors in accordance with the company's normal business operations.

These transactions are continuously assessed and scrutinised to ensure adherence to company policies on an operational level.

Performance assessment of Board of Directors

For the first year, the Board conducted an independent formal and transparent performance evaluation of itself and its subcommittees. Directors were required to complete a questionnaire compiled by an independent consultant in conjunction with the Chairman and the Company Secretary. The assessment considered a number of aspects, which included the following:

- Strategy and knowledge of the business as well as sector;
- Attitudes and relationships;
- Execution and performance;
- Board meeting administration;
- Committee structures
- Roles and responsibilities;
- Communication;
- Governance; and
- Remuneration.

The process was not finalised by year-end but it is envisaged that this evaluation assessment will be repeated on a regular basis.

COMMITTEES

FUNCTIONS AND MANDATES

The Board has established a number of committees to facilitate efficient decision-making and to assist the Board in the execution of its duties, powers and authority. The committees function on a transparent basis and the chairmen of these committees report regularly to the Board. Each committee's authority and the discharge of its responsibilities are directed by the Board in terms of written mandates.

The Board has established a number of committees to facilitate efficient decision-making and to assist the Board in the execution of its duties, powers and authority

The Board recognises that it is ultimately accountable to the shareholders for the performance of the company and that the execution of delegated authority to board committees in no way relieves the Board from its accountability and duties.

JOHAN ALBERTS

Audit Committee

Report prepared by its chairman, Johan Alberts

Composition

The Audit Committee is comprised of five non-executive directors, two of which are independent non-executive directors, including the chairman. For individual members, refer to page 6 - 8.

Mandate and responsibilities

In terms of its mandate, this committee is required inter alia to:

- Make annual recommendations for the appointment of the external auditors and their audit fee;
- Evaluate the independence and effectiveness of the external auditors and consider any non-audit services by such auditors and whether the rendering of such services would substantially affect their independence;
- Review the financial statements of the company and its subsidiaries, both interim and annual;
- Ensure that the financial statements are prepared in accordance with appropriate accounting policies and International Financial Reporting Standards;
- Review the accounting policies and procedures adopted by Senwes and any changes thereto;
- Accept the annual audit plan;
- Review the effectiveness of management information, the annual audit, the internal audit programme and function and the internal control system;
- Ensure that the roles of internal audit and external audit are suitably defined and separated; and
- Monitor compliance with applicable legislation and regulatory aspects.

The committee performed all its duties as set out above.

The internal and external auditors and the Group Risk Manager have unlimited access to the chairman of the committee and also report to the Director: Finance and the Managing Director respectively on day to day matters.

The chairman of the committee and the external auditors attend the annual general meeting to respond to any questions related to the company's financial affairs and annual statements.

The committee is satisfied that the 2009 audit conducted by the external auditors was independent and concurs with the audit report.

JPL Alberts
Chairman: Audit Committee

DANIE MINNAAR

Human Resources Committee

Report prepared by its chairman, Danie Minnaar

Composition

The Human Resources Committee is comprised of five members, being four non-executive directors and one executive, being the Managing Director. For individual members, refer to page 6 - 8.

Mandate and responsibilities

The committee is responsible for the following:

- Approving and maintaining appropriate human resources and remuneration policies;
- Executive management succession planning;
- Monitoring the implementation of relevant labour legislation;
- Monitoring transformation policies in terms of Employment Equity and reporting to the Department of Labour;
- Making recommendations regarding non-executive and executive directors' remuneration to the Board; and
- Designing and recommending market related short and long-term incentive schemes and the monitoring of the rules of these schemes.

Senwes's approach is to implement remuneration levels that attract, retain and motivate the appropriate calibre of directors and staff.

Executive directors

The service contract of the Managing Director is for a fixed term. The Managing Director's service contract has been renewed and expires on 31 July 2011, whilst the other executive directors' contracts have also been renewed for an extended period of three years until 2011.

Remuneration of directors

The committee also recommends the level of non-executive directors' remuneration to the Board. Non-executive directors are remunerated for their membership of the Board and board appointed committees.

The remuneration level reflects the size and complexity of the company as well as the time spent dealing with the affairs of the company. Market practices and remuneration surveys are taken into account in the determination of directors' remuneration. The elements of non-executive directors' remuneration are:

- A basic fee;
- A fee as a member of a board committee; and
- Travelling and other related expenses.

For the year under review the remuneration was:

	TOTAL R	REMUNERATION R	TRAVELLING & OTHER RELATED EXPENSES R	COMMITTEES R
NON-EXECUTIVE				
JE Grobler *(Chairman)*	398 529	283 750	47 619	67 160
JDM Minnaar *(Vice-chairman)*	332 669	198 958	55 171	78 540
JPL Alberts	190 895	123 200	29 995	37 700
JA Boggenpoel	186 748	123 200	29 988	33 560
JAE Els	178 976	123 200	32 936	22 840
AJ Kruger	167 157	123 200	24 177	19 780
NDP Liebenberg *(elected 21/08/2008)*	111 161	83 300	11 081	16 780
GNV Magashula *(retired 21/08/2008)*	50 882	39 900	5 482	5 500
J Mashike	155 636	123 200	15 376	17 060
JA Mostert *(retired 21/08/2008)*	56 602	39 900	5 702	11 000
M Pooe	148 609	113 421	19 530	15 658
PR Pretorius *(elected 21/08/2008)*	106 846	86 631	8 655	11 560
WH van Zyl	194 393	123 200	21 333	49 860

	TOTAL	REMUNERA-TION AND TRAVEL	SHORT-TERM INCENTIVES	SHARE APPRECIATION SCHEME
EXECUTIVE				
JJ Dique	9 217 294	3 048 340	6 090 000	78 954
SH Alberts	5 577 048	1 884 393	2 157 216	1 535 439
F Strydom	5 897 757	2 038 054	2 314 789	1 544 914

Executive directors, with the exception of the Managing Director, are remunerated in a similar manner with additional short and long-term incentive bonuses, which are approved by the directors, based on the achievement of strict pre-determined annual targets.

The chairman of the committee attends the annual general meeting to respond to any queries related to the issues considered by the committee.

JDM Minnaar
Chairman: Human Resources Committee

Risk Committee
Report prepared by its chairman, WH van Zyl


WH VAN ZYL

Composition
The Risk Committee comprises of four non-executive directors and the three executive directors and met four times during the year. The operational executive teams and the Group Risk Manager and divisional risk managers also attend the committee meetings and participate fully in the critical risk management approach in order to ensure the ongoing sustainability of the business. For individual members, refer to page 6 - 8.

Mandate and responsibilities
The committee assists the Board with the identification, assessment, evaluation, mitigation and monitoring of actual and potential risks as they pertain to the company. These risks encompass short, medium and long-term risks.

The directors of the Board are elected on the basis of their skills and experience appropriate to the strategic direction of the company

The committee fulfils an essential function in ensuring that the Board effectively accepts accountability for risk management. It plays a strategic role in the proactive identification and management of the risks that face the group. Independent assurance is obtained on all key risk areas and related internal controls through the risk management and compliance structures established within the company.

The chairman of the committee and the internal auditors attend the annual general meeting to respond to any questions related to the company's risk management processes.

WH van Zyl
Chairman: Risk Committee

JAPIE GROBLER

Standards Committee

Report prepared by its chairman, JE Grobler

Composition

The Standards Committee consists of three non-executive directors and the Managing Director. During the year under review the committee met three times. For individual members, refer to page 6 - 8.

Mandate and responsibilities

The committee functions similarly to a nomination committee and is responsible for:

- Recommendations regarding the size, structure, composition and skills of the Board and its board committees. The committee does not have the authority to appoint directors, but is limited to making recommendations for consideration by the Board and shareholders;
- Succession planning of the Board, chairman and vice-chairman; and
- Recommending the appropriate composition of the board committees.

It also assists the chairman in his task to evaluate the performance of the Board as a whole as well as the performance of the individual board members. This process has been formalised as described above.

Nomination of Board members

The directors of the Board are elected on the basis of their skills and experience appropriate to the strategic direction of the company which is necessary to ensure its sound performance.

Procedures for the nomination of independent non-executive board members are formal and transparent. The Board has delegated this responsibility to the Standards Committee, which makes recommendations to the Board.

The chairman of the committee attends the annual general meeting to respond to any questions related to the board composition and membership.

JE Grobler
Chairman: Standards Committee

COMPANY SECRETARY

The Board is assisted by the Company Secretary in complying with its ongoing responsibilities and obligations. The Company Secretary briefs newly appointed directors and they receive an appropriate induction and "corporate governance file". This file contains the Board charter, codes of conduct, mandates of committees, reserved levels of authority and the Memorandum and Articles of the company.

A formal orientation and training programme, with current and relevant topics such as and ranging from tax awareness to consumer protection, has also been adopted and implemented for six consecutive years and board members attend these sessions at least quarterly.

All directors have unlimited access to the advice and services of the Company Secretary, executive management and company information.

The Company Secretary also monitors compliance with applicable legislation throughout the group. The structure for compliance was expanded during the year and a formal compliance policy was adopted by the compliance committee, which consists of senior management throughout the company. In this manner, assurance is being provided that regulatory compliance is afforded the necessary attention that it deserves in the highly regulated South African business environment.

ACCESS TO INFORMATION

The company complies with the Promotion of Access to Information Act 2000 and the manual in this regard is available on the company's website.

Members also have access to the shares register, minutes of members' meetings and information on bids and offers, as published on the website. Any queries regarding the company may be directed to the Company Secretary as Chief Information Officer.

EXECUTIVE COMMITTEE

COMPOSITION AND RESPONSIBILITIES

The committee is comprised of the Managing Director and the general managers of the various divisions. It is primarily responsible for the operational activities of the company and for the development of strategy and policy proposals for consideration by the Board. The committee is also responsible for implementing Board resolutions.

The committee, comprising of the executive directors, meets weekly on a strategic and operational level and monthly with senior management.

The executive management team.

Front: Gerrit van Zyl, Elmarie Joynt, Johan Dique and Joe Maswanganyi. Back, from the left: Steven Alberts, Frans du Plessis, Francois Strydom and Pieter Esterhuysen.

SUSTAINABILITY REPORT

JOE MASWANGANYI

Over the past 100 years this organisation has been established on a solid and sustainable platform. Senwes continues to build on this platform as the company embarks on the next 100 years. The organisation believes that this chosen path will ensure the growth of the business and impact positively on both current and future generations in terms of progress.

This report seeks to inform stakeholders, ranging from shareholders, communities, employees and their representatives, government and other interested parties of Senwes's impact and obligations in respect of our employees, the environment and the local communities and economies in which we operate. It highlights the synopsis of the policies, strategies, programmes and performance of the group with regard to economic, social and environmental activities and underscores some noteworthy accomplishments in most of the areas that we strategically focused on, whilst highlighting some areas underperformance, that require focused attention.

The vision of Senwes is to be the most admired agri-business in South Africa. This desire is focused on our key stakeholders and is therefore evaluated on the group's performance in respect of the expectations of these stakeholders. Senwes's goal in this regard is to create and continuously enhance the value for all key stakeholders in accordance with their needs and expectations and the sustainability journey takes cognisance of the fact that Senwes's success is inextricably linked to the success of its stakeholders.

STAKEHOLDER	TARGETED STRATEGIC OBJECTIVE
Shareholders	Sustainable high returns and value created commensurate with risk profile of the investment.
Customers	A supplier of choice who understands and satisfies customer needs in terms of products, service, quality, relationships and delivery mechanism.
Employees	Employer of choice who provides an enabling, supportive working environment, where diversity is embraced and employees are developed, engaged, recognised and rewarded accordingly.
Suppliers	Preferred partner for access to selective markets.
Community	A caring corporate citizen who contributes towards the development of the community.
Regulators and government	A law abiding, loyal and responsible corporate citizen who contributes to the growth and transformation of the agricultural sector, local, provincial and national economy.

ACHIEVEMENT HIGHLIGHTS DURING THE YEAR

FOR OUR SHAREHOLDERS

- Significantly high returns continuously delivered at levels exceeding the industry and risk profile.

FOR OUR CUSTOMERS AND SUPPLIERS

- Increased profile as preferred supplier demonstrated by market share growth across the spectrum of our integrated business portfolio.
- Maintained high levels of food safety standards in accordance with HACCP requirements.

FOR OUR EMPLOYEES

- Substantial improvement made in the working environment, in terms of our objective of creating an enabling working environment.
- Significantly improved labour relations resulting in no reported incidents of industrial action against Senwes, and therefore no labour days lost as a result.

- Extensive awareness of human rights and strengthened enforcement thereof in the workplace, with a subsequent reduction in the number of so-called human rights violation incidents.
- Increased investment in skills development and learnerships.

TOWARDS THE ENVIRONMENT AND FOR OUR COMMUNITY

- Considerable reduction in energy and water consumption being realised as a result of initiatives implemented during the year.

SUSTAINABILITY OBJECTIVES FOR 2010

The following goals are aspired to further enhance sustainability:

- To fully integrate all aspects of sustainability management into the strategic and corporate governance processes of the organisation;
- To intensify sustainability planning, execution and monitoring throughout the group;
- To strengthen the compliance structure and its alignment to the group risk management processes;
- To review the group's code of ethics and incorporate it into all performance and compliance monitoring and evaluation processes;
- To align group wide strategies and monitoring tools in respect of health and safety management; and
- To review transformational strategies and the execution thereof to ensure that the group makes progress in achieving the goals set in this regard.

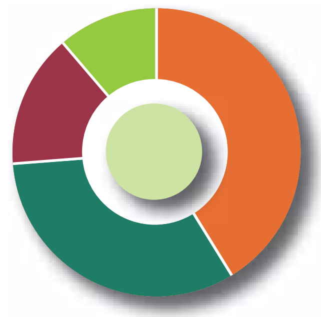
ECONOMIC IMPACT

VALUE ADDED STATEMENT

	2009 R'm	%	2008 R'm	%
VALUE CREATED/ADDED				
Revenue	**11 157**		7 640	
Investment activities (interest and dividends received)	**4**		26	
Amounts paid to suppliers of goods and services	**(10 010)**		(6 844)	
	1 151		822	
VALUE DISTRIBUTED/UTILISED				
Employees' and directors' salaries, wages and benefits	**376**	32	308	38
Salaries, wages and benefits	**291**	25	254	31
Incentive schemes	**85**	7	54	7
Authorities and taxation	**168**	15	85	10
Interest paid	**126**	11	126	15
Available to shareholders	**481**	42	303	37
Retained for expansion and growth	**368**	32	175	21
Dividends paid	**83**	6	103	13
Provision for replacement of assets	**30**	3	25	3
	1 151	100	822	100

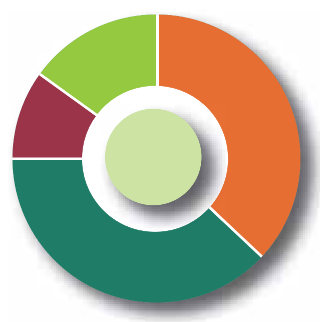
DISTRIBUTION OF WEALTH CREATED

WEALTH DISTRIBUTION 2009: R1 155 million



Shareholders 41%
Personnel 33%
Taxation 15%
External funders 11%

WEALTH DISTRIBUTION 2008: R822 million



Shareholders 37%
Personnel 38%
Taxation 10%
External funders 15%

SOCIAL IMPACT

PRODUCT RESPONSIBILITY

Senwes has 70 grain storage facilities and all are HACCP (Hazard Analysis and Critical Control Points) certified. Regular audits on these silos are now carried out on a three-year cycle. The silos are also strictly maintained to minimise contamination. PPECB (Perishable Products Export Control Board) audits were undertaken at all the silos and were certified by the Department of Agriculture as Food Business Operators.

LABOUR PRACTICES AND LABOUR RELATIONS

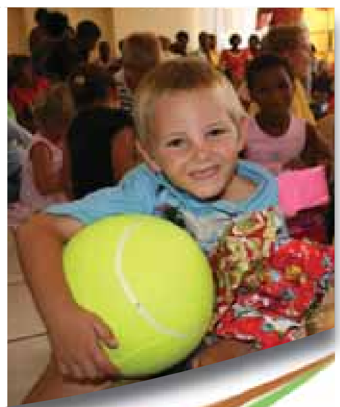
All Senwes employees are entitled to freedom of association, and are therefore free to join any duly recognised union of their choice. There are three recognised unions operating in the company, FAWU, Solidarity and NUFBWSAW. 31% of all our permanent employees are affiliated to these organisations.

No labour unrest or strikes were reported during the financial year and consequently no trading or operational days were lost due to industrial action. Collective bargaining processes were utilised effectively to ensure smooth negotiations and speedy conclusion of wage increase agreements. Constructive relations are maintained with unions and emphasis is placed on being proactive so as to eliminate risks before they arise. Senwes is one of the largest employers in the grain industry and has the lowest dispute rates within the Grain Industry Bargaining Council.

HUMAN RIGHTS

Human rights within Senwes are underpinned by our organisational values; namely integrity, accountability, innovation, business orientation, self-motivation and loyalty. Human rights are continuously monitored and violations are dealt with through the company's disciplinary processes. Only two potential incidents of abuse were reported during this financial year, and were dealt with accordingly.

Senwes has a policy of non-engagement of child labour, which is strictly enforced across the group. There were no reported incidents of child labour or sexual harassment throughout the group.



IMPACT ON EMPLOYEES

Senwes has a team of highly capable people. Our employees are undoubtedly the single most important ingredient in Senwes's success record to date and are therefore considered a key asset. Senwes displays concern regarding personnel in the following forms: Safety, health and environmental aspects; remuneration and recognition; developmental aspects and the providing of an enabling environment.

SAFETY, HEALTH AND ENVIRONMENTAL INCIDENTS (SHE)

The main purpose of an Occupational Health and Safety programme is to ensure the health and safety of workers at their work place, which could be affected by processes and production activities. The focus of this programme is the reduction of occupational exposure associated with grain processing, which are primarily noise and dust.

Audiometric examinations are carried out on employees working in noise zones on an annual basis and employees are provided with appropriate noise protection devices. Compliance monitoring has been implemented and no hearing loss incidents were reported. Furthermore, all persons working in areas where the concentration of dust was determined to be above the occupational exposure limit, are provided with proper personal dust protection tools. Lung function tests are conducted on employees to ensure that they are monitored in terms of possible exposure to dust. Senwes experienced minor deterioration in its safety performance during the year under review, with an increase in the number of lost time injuries and disabling injuries. Labour days were lost as a result thereof.

SAFETY PERFORMANCE

PERFORMANCE INDICATOR	PERFORMANCE OUTCOME 2009	PERFORMANCE OUTCOME 2008
• Lost time injuries, which lead to required time off	**36**	18
• DIFR (Disabling Injuries Frequency Rate)	**1,55%**	0,82%
• Total labour days lost	**319 days**	149 days
• Non Lost Time Injuries	**28**	21
• Training: number of employees who received formal SHE and fire prevention training (including SHE induction training for all new employees)	**163**	101

REMUNERATION AND RECOGNITION

Remuneration philosophy

Senwes's remuneration philosophy and strategy is geared towards the attraction, motivation, engagement and retention of talented and high performing staff, to achieve the group's strategic objectives. The Senwes philosophy is to encourage sustainable long-term performance that is consistently aligned with the strategic direction and objectives of the business.

Remuneration policy and structure

The group's remuneration structure consists of four key elements designed to balance short-term and long-term objectives:

Guaranteed fixed pay

Senwes's guaranteed remuneration is based on a total cost to company approach, which includes all benefits, and is reviewable on an annual basis. It is benchmarked against the relevant labour market nationally, provincially and various sectors, and takes into account collective bargaining agreements and outcomes of performance evaluation processes.

Performance based variable pay

This include performance pay structures like commission and incentive schemes based on agreed performance targets.

Short-term incentives

This is a performance based incentive scheme applicable to all employees excluding employees participating in other performance based variable schemes. The scheme is contingent on the group, relevant division and individual achieving financial and other relevant non-financial performance goals. The scheme incorporates a profit share component in the event that the group financial targets are exceeded.

Long-term incentives

The scheme is targeted at top management who provides strategic direction to the organisation to ensure accomplishment of long-term objectives and sustainable stakeholder

The Senwes philosophy is to encourage sustainable long-term performance that is consistently aligned with the strategic direction and objectives of the business

INVESTMENT IN SKILLS DEVELOPMENT

value creation. Participation in the scheme is considered annually by the Human Resources Committee upon recommendation of the Managing Director and approved by the Board.

The Human Resources Committee reviews the Senwes remuneration philosophy and structures on an annual basis. In undertaking such reviews, the committee uses the services of independent remuneration consultants as when considered necessary to do so.

Recognition for employees

Senwes stages an annual ceremony to publicly acknowledge and recognise high performing teams and individuals, through the provision of awards and cash incentives.

HUMAN RESOURCES PROVISIONING AND DEVELOPMENTAL ASPECTS

PERFORMANCE INDICATOR	PERFORMANCE OUTCOME 2009	PERFORMANCE OUTCOME 2008
• Average number of employees for the year	**2 092**	2 014
• Employee turnover	**10,7%**	11,4%
• Investment in skills development	**R3,75 m**	R3,04 m
• Skills development as a percentage of taxable payroll	**1,4%**	1,2%
• Total number of participants in skills development programmes	**1 163**	905

LEADERSHIP AND MANAGEMENT DEVELOPMENT

PROGRAMME	PARTICIPANTS 2009	PARTICIPANTS 2008
• Executive management development – specialised programmes (Harvard)	**6**	3
• Executive management development (WBS & GIBS)	**6**	2
• Advanced Management Programmes (NWU)	**1**	0
• Middle Management Programmes (NWU)	**9**	7
• Management Development Programmes (UOFS)	**1**	0
• Fundamental Management Programmes (NWU)	**4**	5

LEARNERSHIPS AND ACCREDITED PROGRAMMES

PROGRAMME	PARTICIPANTS 2009	PARTICIPANTS 2008
• National Certificate in Agri Trade Processes	**4**	9
• National Certificate in Agri Sales and Services	**4**	5
• National Certificate in Grain Handling Processes	**9**	14
• National Certificate in Grain Handling Management	**9**	10

ENABLING WORKING ENVIRONMENT

Relentless efforts to improve the working environment and to provide a superior value proposition to employees. Focus is on:

- The creation of an enabling and supportive working environment;

The Senwes Academy offers various accredited learnerships which enable employees to receive a formal, career oriented NQF qualification on a part-time basis, while they work full-time and gain experience in the field of their choice.

A total of 40 learners received certificates on NQF 2 level (agri-trading processes/grain handling processes) and NQF 4 level (agri-sales and services) through the Senwes Academy during 2009.

Here is one of the successful groups.

- Providing of challenging jobs and growth opportunities;
- Engaging and motivating employees through constant communication;
- Creating a well renowned and respected brand; and
- Providing competitive rewards.

Senwes participated in the *Deloitte's Best Company to Work For*-survey for the fourth consecutive year and achieved a rating of 18 out of 48 participants in the category for medium sized companies.

ENVIRONMENTAL IMPACT

Senwes accepts its role as a responsible steward of the environment wherever it conducts business and will at all times conduct business in a manner that is ecologically and socially sound. The following aspects are continually monitored:

PERFORMANCE INDICATOR	PERFORMANCE 2009	PERFORMANCE 2008	%
Total electricity consumption (kW/h)	**24,363,541 kW/h**	25,230,931 kW/h	- 3,44%
Total electricity consumption (kVa)	**152,079 kVa**	157,633 kVa	- 3,52%
Water consumption	**99,972 kl**	111,442 kl	- 10,29%
Waste (paper)	**53,244 kg**	27,433 kg	+ 94%
Environmental related complaints/incidents	**None**	None	None

The increased paper waste figure was due to a clean-up exercise in respect of obsolete documentation in one of the key divisions. The energy consumption reduced by 3,44% (kW/h) and 3,52% (kVa) respectively, mainly due to the implementation of energy efficient systems and utilities whilst water consumption reduced by 10,29% mainly due to the disposal of high water consuming industrial facilities as well as awareness programmes on water conservation. A new cooling system was implemented at Head Office and is expected to further reduce the consumption of electricity. There is back-up energy provision to selected strategic points of operation, including Head Office, selected silos and retail stores, as well as fuel stations to ensure continuity of service in the event of load shedding, given the problems experienced by Eskom.

EMPOWERMENT

BBBEE SCORECARD AT THE END OF APRIL 2009

PERFORMANCE INDICATOR	2009		2008	
	WEIGHTED POINTS	SENWES PERFORMANCE	WEIGHTED POINTS	SENWES PERFORMANCE
Ownership	**23**	**20,02**	23	20,02
Management control	**11**	**3,23**	11	3,48
Employment equity	**15**	**0,00**	15	2,18
Skills development	**15**	**1,86**	15	2,76
Preferential procurement	**20**	**6,97**	20	12,47
Enterprise development	**15**	**12,90**	15	7,52
Social development	**6**	**2,08**	6	2,56
Total score	**105**	**47,06**	105	50,99
Contributor level	**6**		6	

Although the total score has dropped by 3,84 points, Senwes remains a level 6 contributor. The main contributor to this decline is Preferential Procurement, which dropped by 5,5 points year-on-year. This is a result of the difference in the year-on-year procurement mix. Significant progress was made in respect of enterprise development as it increased by 5,38 points. Strategic focus for Senwes has shifted to employment equity and skills development. It remains a challenge and strategies have been adopted and are being implemented to achieve set objectives. The junior and middle management categories present the biggest challenge for transformation. This is an area in which the effect of scarce skills and "talent war" is most felt in the industry.

Senwes accepts its role as a responsible steward of the environment wherever it conducts business

COMPOSITION OF PERSONNEL CORPS

GOVERNANCE AND MANAGEMENT	2009 TOTAL BLACK	2009 BLACK FEMALE	2008 TOTAL BLACK	2008 BLACK FEMALE
• Board	21%	7%	31%	8%
• Senior management	13%	0%	19%	0%
• Middle management	13%	1%	13%	2%
• Junior management and specialist	11%	5%	10%	2%

ENTERPRISE DEVELOPMENT

Enterprise development efforts have been targeted at emerging and developing farming enterprises. 17 individual emerging farmers participated in the programme. A total of 1 534 hectares of sunflower and maize crops were planted during the 2008/9 production year. This translates to an increase of 104% year-on-year. A total of R10 million was spent on production finance and support services for emerging farmers. Agricultural technical support in the form of agronomic, soil science, agricultural science and livestock specialist knowledge was provided to the farmers. Training and exposure programmes were also conducted. Production facilities and crop insurance were provided and grain storage and purchase agreements were signed with the farmers to ensure market access. Moreover, experienced commercial farmers were secured as mentors. Emerging farmers were also sponsored to attend the 2008 Agri-Outlook conference.

A group of emerging farmers receives training at Senwes from Johan du Toit (Manager: Agricultural Services).

SECTORAL SPONSORSHIPS

During the year under review Senwes sponsored eight national congresses of organisations in the agricultural industry, twelve provincial congresses, and 170 district and local farmer associations.

NATIONAL ORGANISATIONS	PROVINCIAL ORGANISATIONS
• Agri SA • National African Farmers Union • Agri-Outlook Congress • Potatoes SA • Agricultural Business Chamber • National Chamber of Milling • Grain Handling Organisation SA • Grain SA	• Agri North West • Free State Agricultural Union • Agri Northern Cape • Agri North West Young Farmers congress • Free State Agricultural Union Young Farmers congress • National Wool Producers Association (Free State) • Red Meat Producers Organisation (North West) • Sensako • North West Women's Agricultural Union • Free State Women's Agricultural Union • Grain SA (regional meetings) • Hebron Wheat Day

BRAND RENEWAL

After thorough research and extensive consultation, which commenced in September 2007, the new Senwes brand was officially launched on 19 September 2008. The venue for the launch was Senwes Park, the provincial cricket stadium and headquarters to the North West Cricket Association.

The current market trends and the company's goals were researched to develop new branding tools to illustrate a bolder and better Senwes. The changes in the company's corporate identity include everything from logo, signage, and internal communication to advertising. The new clear-cut and bold lettered logo is a great example of sheer simplicity and inspiring symbolism.

AWARDS RECEIVED IN 2008/09

Awards received during the year that illustrate successes with involvement in specific communities were as follows:

- A gold award from Agri North West for the best agricultural input supplier and service provider in the province;
- An award from Agri Gauteng for the crucial role which Senwes plays in the development of emerging farmers in Gauteng province;
- The Best Cricket Development Project Award from North West Cricket for the role which Senwes plays through the Spinners project, in the development of cricket in rural schools in the North West and Free State;
- The North West PMR Golden Arrow 1st overall leader and achiever in agricultural (crop) sector category and the tractor and implement farming dealer's category;
- The Free State PMR Golden Arrow 1st overall award for supplier of agricultural equipment and products; and
- The Free State PMR Golden Arrow 2nd overall award for tractor and implement farming dealers category.

CORPORATE SOCIAL INVESTMENT

Senwes as a responsible corporate citizen believes in ploughing back into the community within which it operates and has had numerous effective projects. The following successful sponsorships and joint sponsorships and developmental projects are applicable:

SPORTS PROGRAMMES

Senwes Spinners Cricket Development Programme; World Cup Six a Side; Ottosdal Night Marathon; Scholarship – Spinners project; Rural Schools Athletics; Rural Schools Cricket.

BUSINESS DEVELOPMENT PROGRAMMES

Senwes Entrepreneurship Development; Senwes Young Farmers Future Focus; Science, Engineering and Technology Camp; Entrepreneurial Development and Royal Bafokeng SMME Development.

Entrepreneurial development for emerging farmers through ITO focus and Agri SETA.

COMMUNITY PROGRAMMES

Rethabile Home, Village Fund Raising Golf Day for KLOPP, Olympia Primary School and Zephyros Provincial Wind Orchestra.

Joe Maswanganyi
General Manager: Corporate Services

SHAREHOLDER MATTERS

DISTRIBUTION OF SHARES

	2009				2008			
PORTFOLIO SIZE	SHARE-HOLDERS	%	NUMBER OF SHARES	%	SHARE-HOLDERS	%	NUMBER OF SHARES	%
1 - 1000	**1 027**	**31,0**	**369 078**	**0,2**	1 079	31,0	385 653	0,2
1001 - 5000	**727**	**21,9**	**1 844 161**	**1,0**	762	21,9	1 929 785	1,1
5001 - 30 000	**1 150**	**34,7**	**16 108 254**	**8,9**	1 210	34,8	16 957 601	9,4
30 001 - 100 000	**348**	**10,5**	**16 897 005**	**9,3**	365	10,5	17 610 613	9,7
100 001 and more	**63**	**1,9**	**145 570 810**	**80,6**	66	1,8	143 905 656	79,6
TOTAL	**3 315**	**100**	**180 789 308**	**100**	3 482	100	180 789 308	100

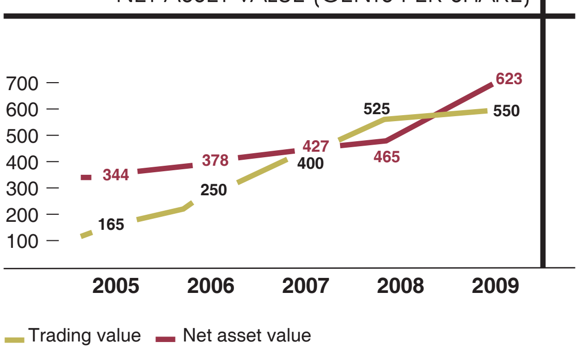
FIVE LARGEST SHAREHOLDERS

Senwesbel Limited	68 604 679	37,9%	
Royal Bafokeng Agri Investments (Pty) Ltd	31 896 503	17,6%	Bafokeng Consortium
Treacle Nominees (Pty) Ltd	27 118 718	15,0%	Bafokeng Consortium
Industrial Development Corporation of SA (Treacle)*	3 700 087	2,0%	
Gardenview Nominees (Pty) Ltd	1 711 717	0,9%	

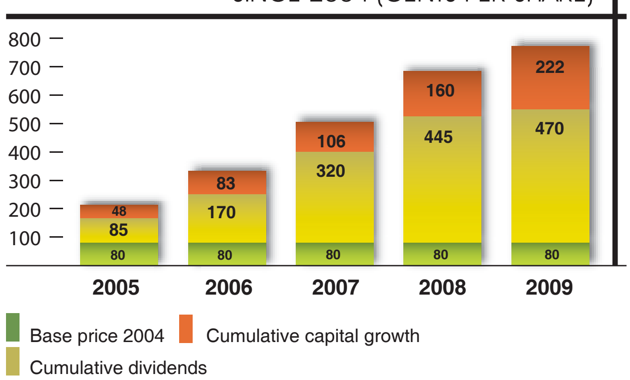
* Shares privately owned outside of the Consortium agreement.

SHARE PRICE PERFORMANCE

SHARE PRICE: TRADING VALUE VS NET ASSET VALUE (CENTS PER SHARE)



VALUE CREATION AND VALUE UNLOCKING FOR SHAREHOLDERS BY CAPITAL AND DIVIDENDS SINCE 2004 (CENTS PER SHARE)



SHAREHOLDER'S DIARY

Financial year-end	30 April 2009
Announcement of results	1 July 2009
Information road show	During July and August (dates will be communicated)
Annual General Meeting	27 August 2009
Payment of final dividends	10 September 2009

NOTICE OF ANNUAL GENERAL MEETING

SENWES LIMITED

REGISTRATION NUMBER 1997/005336/06
("THE COMPANY")

NOTICE IS HEREBY GIVEN that the thirteenth Annual General Meeting of shareholders of the company will be held in **Room A, Conference Centre, Senwes Head Office, 1 Charel de Klerk Street, Klerksdorp** on Thursday, 27 August 2009 at 11:00 to dispose of the following matters:

A. PRESENTATION OF FINANCIAL STATEMENTS
To present to the meeting the financial statements of the company for the period ended 30 April 2009, as approved by the Board of Directors.

B. ORDINARY RESOLUTION

1. To consider and approve the re-appointment of the auditors, Ernst & Young Incorporated, until the next annual general meeting.

2. To consider and approve the auditors' remuneration as set out in the financial statements (page 61).

3. To consider and approve the remuneration of the non-executive directors in terms of Article 28.5 of the Company's Articles of Association as from 1 October 2009, as contained in the explanatory notes, set out in D below.

4. To place the authorised but unissued shares of the company under the control of the Board of Directors with authority to issue and allot the shares or part thereof, as they deem fit, but subject to the provisions of section 221 of the Companies Act, 1973, ("the Act") as amended.

5. To accept the recommendation of the Board of Directors that a dividend of 30 cents per share be declared in terms of Article 38.1 of the Company's Articles of Association. (In terms of Article 38.7 of the Company's Articles of Association, the general meeting may not declare a larger dividend than the dividend recommended by the Board of Directors). (See explanatory notes and important dates hereunder in E).

6. ELECTION OF NON-EXECUTIVE DIRECTORS

To elect directors in the stead of the non-executive directors who will be retiring at the meeting in terms of the rotation provisions of the Articles of Association.

In terms of the Memorandum and Articles of Association, Messrs, JAE (Jannie) Els, AJ (Dries) Kruger, J (Jacob) Mashike and JDM (Danie) Minnaar have to retire by rotation.

All of these candidates are available for re-election for a further term of office and are, as retiring directors, automatically nominated for the existing four vacancies on the board.

The particulars of the candidates are as follows:

6.1 Resolution 6.1: Resolved that Mr. JAE Els be re-elected as non-executive director.

Abridged curriculum vitae:

Full names and surname:	Jan Adriaan Ebersohn Els (Jannie)
Address:	Bloemhof, PO Box 127, Heilbron, 9650
Date of birth and age:	21 February 1946, 63 years
Years of service:	9 years, since October 2000
Qualifications:	Agricultural diploma

Experience/previous positions:	Jannie was a director of Sentraalwes Co-operative from May 1984 until March 1998 and has been a director of Senwes Limited since October 2000. He also served on the Boards of Directors of Vetsak and Sensako. Jannie was also a member of the executive of the Free State Agricultural Union and Chairman of the Safety Committee for several years.
Current directorships and other positions:	Director of Senwes and Senwesbel Limited, Director of Vegkop Slagveld Terrein 10-2005.
Senwes Board committees:	Member of Human Resources Committee.
Additional information:	Jannie has been farming in the Heilbron district since 1967.
Contact details:	Tel no: (058) 853 0464 Cell no: 082 820 5151 E-mail: jalida@ymail.com

6.2 **Resolution 6.2:** Resolved that Mr. AJ Kruger be re-elected as non-executive director.

Abridged curriculum vitae:

Full names and surname:	Andries Jacobus Kruger (Dries)
Address:	41 President Street, PO Box 206, Kroonstad, 9500
Date of birth and age:	1 June 1951, 57 years
Years of service:	2 Years
Qualifications:	B Compt (Hons), CA(SA), Professional Appraiser
Experience/previous positions:	Registered Auditor and Accountant, who has been practising in Kroonstad since 1976. Dries specialises in farming enterprises and estate planning. Dries was a member of the City Council of Kroonstad Municipality from 1988 to 2000. During this period he served as Mayor and Chairman of the Executive Committee of the Kroonstad City Council and Trustee of the Free State Municipal Pension Fund. He was also an executive member of the National Municipal Employee Organisation.
Current directorships and other positions:	Director of Senwesbel Limited, Trustee of the Reformed Churches of SA Pension Fund, Director of Companies and Trustee of various Trusts.
Board committees:	Senwes Audit Committee.
Additional information:	Dries farms with his son on a part time basis.
Contact details:	Tel no: (056) 212 3184 Cell no: 083 443 8053 E-mail: *dries@smitkruger.co.za*

6.3 **Resolution 6.3:** Resolved that Mr. J Mashike be re-elected as non-executive director.

Abridged curriculum vitae:

Full names and surname:	Jacob Mashike
Address:	Suite 5, Gleneagles Fairway Office Park, 52 Grosvenor Road, Bryanston, 2191
Date of birth and age:	20 March 1967, 42 years
Years of service:	3 years

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Qualifications: B.Sc (Eng) Chem, MBL

Experience/previous positions: Jacob started his career in finance in 1993, when he joined the Industrial Development Corporation where he was largely involved in providing debt and equity financing. He particularly gained extensive experience in credit risk assessment, as well as the structuring of debt and equity investments. In 2000 he joined CDC Capital Partners, a UK government owned private equity firm focusing on investments in emerging markets. He left CDC Capital Partners in 2001 to pursue his own business interests.

Current directorships and other positions: Jacob served on the boards of various unlisted companies in the financial services, healthcare and service industries and joined Treacle in April 2005. Jacob also currently serves as a non-executive director on the board of Robertson & Caine (Pty) Ltd.

Senwes Board committees: Risk Committee

Contact details:
Tel no: (011) 463 7476
Cell no: 082 605 1397
E-mail: *jacob@treacle.co.za*

6.4. **Resolution 6.4**: Resolved that Mr. JDM Minnaar be re-elected as non-executive director.

Abridged curriculum vitae:

Full names and surname: Jan Daniël Marquard Minnaar (Danie)

Address: Springboklaagte, PO Box 7165, Kroonpark, 9502

Date of birth and age: 30 January 1965, 44 years

Years of service: 10 Years

Qualifications: B.Com

Experience / previous positions: As former Chairman of the Free State Agricultural Union Young Farmer Committee, Danie was involved with the introduction and promotion of grain marketing on SAFEX. He is currently a member of GSA and Free State Agriculture.

Danie has been part of the agricultural sector for many years and represents white maize producers on the Maize Trust. Danie is currently the Chairman of Senwesbel Limited.

Current directorships and other positions: Senwesbel Limited, Grain Silo Industry and Trustee of the Maize Trust.

Senwes Board committees: Member of the Audit Committee, and Standards Committee as well as Chairman of the Human Resources Committee.

Additional information: None

Contact details:
Tel no: (056) 212 4007
Cell no: 082 411 9979
E-mail: *danie@compuking.co.za*

IMPORTANT INFORMATION:

No person, other than the director retiring at the meeting, may be elected as director, unless such person has been previously nominated in terms of article 30.7 of the Articles of Association. Nominations of persons who are eligible to serve as directors in terms of the Companies Act and the Articles of Association of the Company, can be made on the prescribed form, which is available from the Company Secretary.

Completed nomination forms must be handed in at the registered office of the Company (for attention: The Company Secretary) at least 30 days before the date of the meeting.

C. SPECIAL RESOLUTION

1. *GENERAL AUTHORISATION FOR THE REPURCHASE OF SHARES*

"Special resolution no. 1
THAT the company be authorised, by way of general authorisation as meant in articles 85(2) and 85(3) of the Companies Act, 1973 as amended ("the Act"), to –

- **repurchase issued shares in the share capital of the company;**
- **purchase shares in the company's holding company (if any); and**
- **allow the purchase of shares in the company by a subsidiary of the company,**

as and when deemed necessary, and on such terms and conditions and in such amounts as the directors of the company may determine from time to time, but subject to the Articles of Association of the company and provisions of the Act."

The reason for and effect of special resolution no. 1 are to provide a renewable general authorisation to the company to repurchase issued shares of the company, to allow the purchase of shares in the company by a subsidiary of the company and to allow the company to purchase shares in a holding company of the company.

D. EXPLANATORY NOTES REGARDING ORDINARY RESOLUTIONS:

ORDINARY RESOLUTION 3: DIRECTORS' REMUNERATION PAYABLE TO NON-EXECUTIVE DIRECTORS

Members are requested to consider and approve the proposed remuneration payable to non–executive directors with effect from **1 October 2009**, as set out below. The proposed annual remuneration entails an increase of 8% for the Chairman and Vice-chairman and 10% for the other directors respectively, on the previous year's remuneration.

In accordance with the provisions of article 28.5 of the Articles of Association, directors are entitled to such remuneration as the company may determine from time to time in general meeting. The details of the remuneration paid in 2008 are available in the financial statements.

The remuneration is being recommended by the board of directors for approval by members after comprehensive market research and recommendation by the Human Resources Committee of the board:

CATEGORY	PROPOSED REMUNERATION 2009
	R
Chairman (per annum)	312 660
Vice-chairman (per annum)	219 240
Directors (per annum)	138 270
Board Committees (per meeting attended)	10 000
Special projects	2 600
Chairman (per meeting attended):	
Audit Committee	15 000
Other board committees	12 000
Travelling costs (prevailing AA tariff, based on the value of a vehicle with a purchase price of R400 000 and with an engine capacity of 2501 to 3000cc and 45 000 km or more travelled per annum)	Approximately R4,40 per km
Travelling and accommodation	Actual expenses

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

E. ORDINARY RESOLUTION 5: PROPOSED FINAL DIVIDEND

Members are requested to approve the recommendation of a final dividend of 30c per share.

Important dates for members of ordinary shares

	DATE 2009
Confirmation of dividend	Thursday, 27 August
Record date of dividend	Thursday, 27 August at 8:00
Payment date of dividend	Thursday, 10 September

IMPORTANT GENERAL NOTES:

- All members are entitled to attend the meeting and to vote thereat. The shares register of the company as at Tuesday, 25 August will, for the purpose of the meeting, determine who the eligible members are.
- A member who is unable to attend the meeting, may appoint a proxy to represent him/her at the meeting and to speak and vote on his/her behalf.
- A proxy need not be a member of the company.
- **A proxy form is included herewith. Members may also elect to submit proxy forms electronically.**
- Members who prefer to be represented and to vote by means of a proxy –

  i) may complete a hard copy proxy form in terms of the instructions on the reverse of the document and return it to the Company Secretary at the registered office of the company at 1 Charel de Klerk Street, Klerksdorp, 2571 or by means of a fax or by mail, for attention of the Company Secretary **on or before Tuesday, 25 August 2009 at 11:00**. Postal address: PO Box 31, Klerksdorp, 2570. Fax numbers (018) 464 2228 or 086 680 3124.

  OR

  ii) May also submit proxies electronically via the Internet. For this purpose the following website should be accessed: ***www.senwes.co.za/agm***. The notes regarding the completion of proxies contained on the reverse of the proxy form hereby included, apply mutatis mutandis to electronic proxies.
- Nomination forms for the election of directors will be available and can be obtained from the Company Secretary as from 31 July 2009.

By order of the Board of Directors of the company

EM Joynt (Ms.)
Company Secretary

Tel no. (018) 464 7104

26 June 2009
Klerksdorp

ANNUAL GENERAL MEETING: 27 AUGUST 2009

PROXY

SENWES LIMITED (REG NO. 1997/005336/06)
(*"THE COMPANY"*)

I/We (block letters) ____
(name of shareholder)

Shareholders and/or Senwes client no: ____________________ Tel and/or Cell no: ____________________

of ____
(address)

being a member/members of the company, do hereby appoint:

____
(name of proxy)

of ____
(address)

or ____ failing him
(name of proxy)

of ____
(address)

or failing him, the chairman of the meeting as my/our proxy to represent me/us at the Annual General Meeting of the Company to be held on 27 August 2009, or any adjournment thereof, to vote as follows on my behalf:

		IN FAVOUR OF	AGAINST	ABSTAIN
1.	Ordinary resolution no. 1 (appointment auditors)			
2.	Ordinary resolution no. 2 (auditors' remuneration)			
3.	Ordinary resolution no. 3 (directors' remuneration)			
4.	Ordinary resolution no. 4 (unissued shares under control of the Board)			
5.	Ordinary resolution no. 5 (approval of proposed dividend)			
6.1	Ordinary resolution no. 6.1 (re-election of JAE Els)			
6.2	Ordinary resolution no. 6.2 (re-election of AJ Kruger)			
6.3	Ordinary resolution no. 6.3 (re-election of J Mashike)			
6.4	Ordinary resolution no. 6.4 (re-election of JDM Minnaar)			
7.	Special resolution no. 1 (general buyback of shares)			

(Indicate instruction to proxy by way of a cross in the space provided above)

Unless instructed otherwise, my/our proxy may vote at will. This proxy will also serve as ballot during the meeting.

SIGNED at ____________________ on this __________ day of ____________________ 2009.

____
Assisted by *(where applicable)*

____
Signature

If proxy is signed on behalf of a legal entity, indicate capacity, e.g. Director, Member of CC, Trustee of a Trust

ANNUAL GENERAL MEETING: 27 AUGUST 2009 (CONTINUED)

NOTES:

1. A member is entitled to insert the names of two alternative proxies of the member's choice in the applicable space on the reverse hereof, with or without deleting "the chairman of the meeting", but each such deletion must be initialled by the member. The person whose name appears first on the form of proxy and who is present at the general meeting, shall be entitled to act as proxy to the exclusion of those whose names follow. Should no name of any proxy be inserted in the blank spaces, it shall be deemed that the chairman of the meeting shall be authorised to act on behalf of the member.

2. To the extent that no voting instruction is indicated by the member in the applicable space(s), it shall be deemed that the proxy, which may also be the Chairman, may act as he deems fit.

3. Any modification or addition to the form of proxy must be initialled by the signatory(ies).

4. Documentary evidence establishing the authority of the person signing this form of proxy in representative capacity, may be required.

5. A minor must be assisted by his/her parents and/or guardian, unless the relevant documents establishing his/her capacity are produced or have been registered with the company.

6. The voting power of estates appearing on the voting list may only be exercised by the relevant executor/liquidator/curator on behalf of the estate, provided that proof of appointment by the Master of the High Court is submitted. Should voting take place by means of a proxy, the above-mentioned proof must accompany the proxy.

7. In the case of joint holders of shares:

7.1 any one of the joint holders may sign the form of proxy; and

7.2 the vote of the senior joint holder (for this purpose seniority will be determined by the order in which the names of the joint members appear in the company's members register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the other joint holder(s).

8. The completion and lodging of this form of proxy shall not preclude the relevant member from attending the general meeting and speaking and voting in person thereat, to the exclusion of any proxy appointed in terms hereof.

9. **Forms of proxy must be lodged with or posted to the Company Secretary of the company, Ms. EM Joynt, at the registered office of the company at 1 Charel de Klerk Street, Klerksdorp, 2571 (PO Box 31, Klerksdorp, 2570) to reach her by no later than 11:00 on Tuesday, 25 August 2009. Proxy forms can also be faxed to the Company Secretary (018) 464 2228 or 086 680 3124 by no later than the above date.**

CORPORATE INFORMATION

SENWES LTD
Reg no: 1997/005336/06

POSTAL ADDRESS
PO Box 31, KLERKSDORP, 2570

REGISTERED OFFICE
1 Charel de Klerk Street,
KLERKSDORP, 2571
Telephone: (018) 464-7800
Telefax: (018) 464-2228

AUDITORS
Ernst & Young Incorporated
PO Box 2322
JOHANNESBURG
2000

SHARE TRADING DESK
Attention: The Company Secretary
Senwes Ltd
PO Box 31
KLERKSDORP, 2570
Telephone: (018) 464-7105

TRANSFER SECRETARY
Attention: The Company Secretary
Senwes Ltd
PO Box 31
KLERKSDORP, 2570
Telephone: (018) 464-7121

FUNDING PARTNERS
ABSA Bank Ltd (ABSA)
Standard Bank Ltd (SBSA)
Wesbank

WEBSITE:
Electronic version at
www.senwes.com

TOLL-FREE NUMBER:
080 941 4011

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