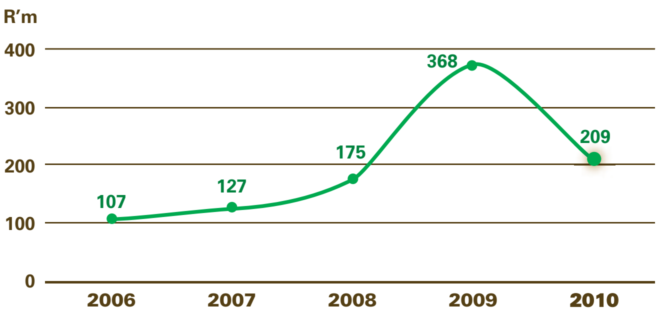
Annual Report 2010

Senwes

FINANCIAL PERFORMANCE

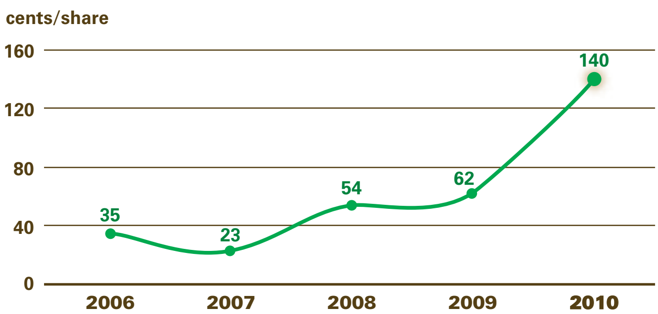
NET PROFIT AFTER TAX



- Second highest profit in the history of Senwes
- Five-year annual compound growth of 15,2%

2010 R'm	2009 R'm	MOVEMENT
209	368	(43,2%)

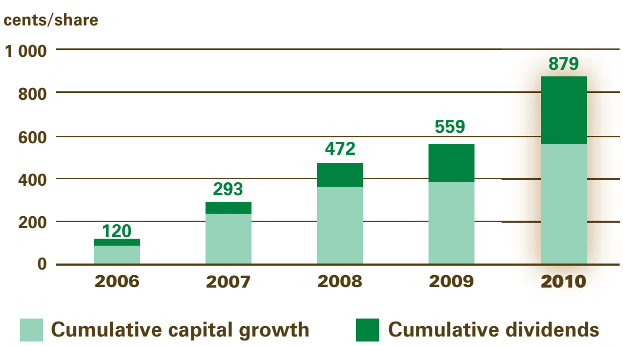
TOTAL DIVIDEND



- 140 c per share total dividend
- 25% dividend yield
- Five-year average compound growth of 24,1%

2010 c/share	2009 c/share	MOVEMENT
140	62	125,8%

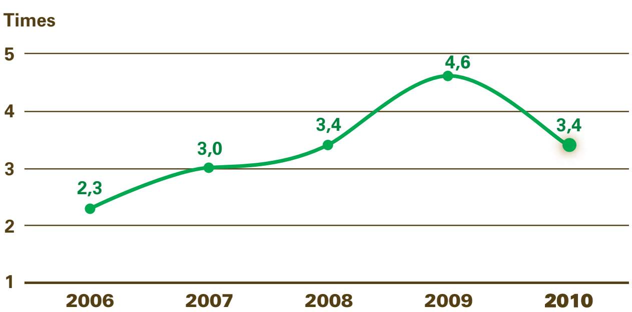
TOTAL SHAREHOLDER RETURN ON THE 2006 OPENING PRICE



- Total shareholder return of 58,2%
- R8,79/share or R1,589 billion wealth created over the past five years

2010 %	2009 %	MOVEMENT
58%	17%	42%

ASSET VELOCITY



- R9 billion turnover with average assets of R2,65 billion
- Asset velocity improved on average with 10,1% over the past five years

2010 Times	2009 Times	TIMES
3,4	4,6	(1,20)

PROFILE

Senwes is an agricultural business that focuses on the provision of production inputs primarily to grain producers, as well as market access 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, Northern and Western Cape.

The group also undertakes international trade in the SADC region as well as certain parts of East Africa.

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

VISION

To be the most admired agribusiness in South Africa.

PROFILE

Senwes

BUSINESS OVERVIEW

STRATEGY AND CORE VALUES

OUR STRATEGY

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

The strategic goal is to capture, maintain and grow market share, to be a significant player in the grain value chain as a brand of choice and to continuously create value for all our stakeholders.

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

Senwes's strategic objective is to enhance the overall service to selected markets by:

- Leveraging our integrated business model;
- Expanding into new markets, including Sub-Saharan Africa, with a focused separate infrastructure and business model; as well as
- Developing relationships with strategic input suppliers, customers and relevant stakeholders to effectively execute all areas of the business.

Senwes views its employees as key to sustainable strategic success and in that regard focus is placed on the development of an enabling work environment and the provision of leadership that will attract, engage, develop and retain talented employees who live the company's core values, thereby improving the group's market position and achievement of growth objectives.

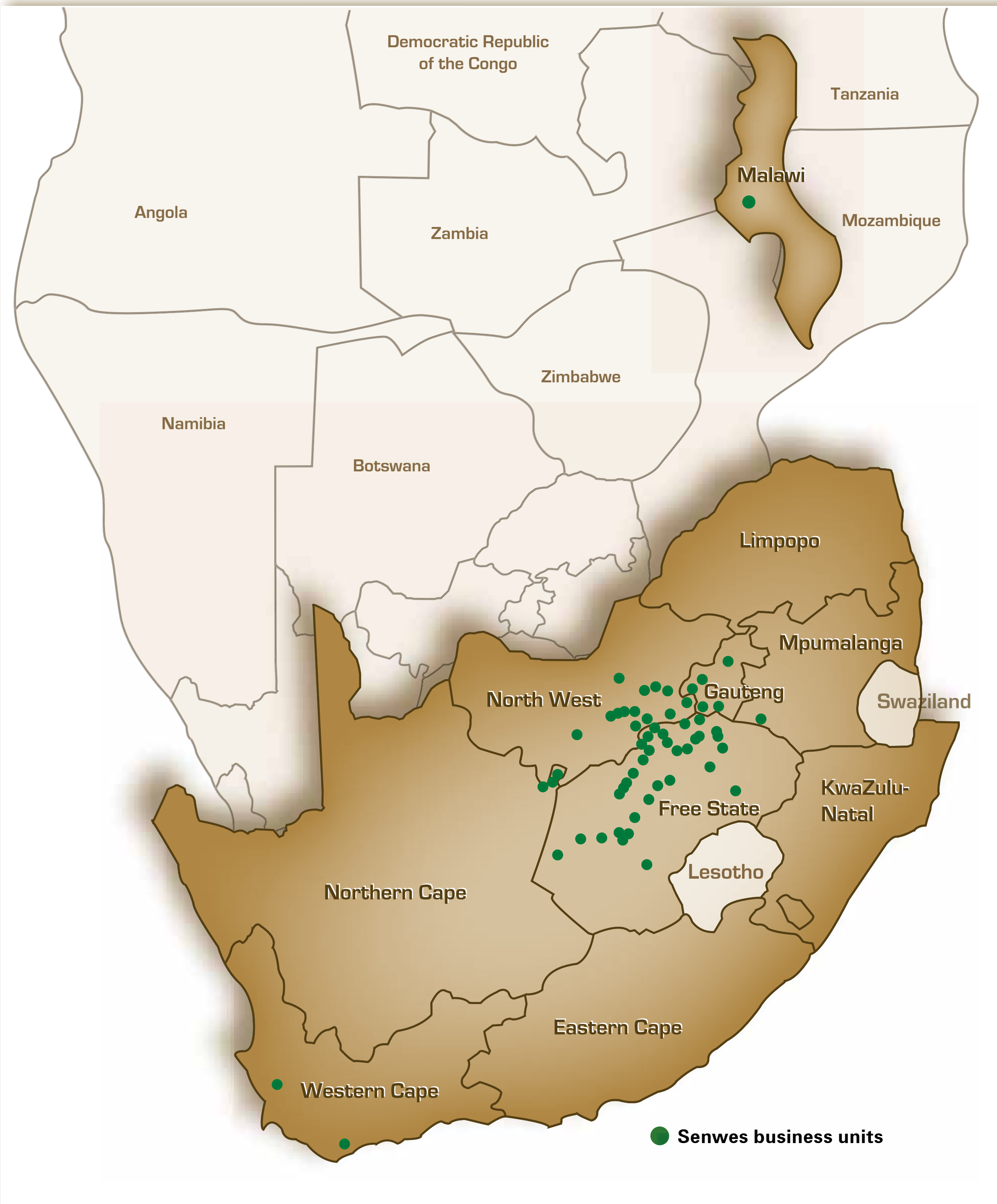
OUR CORE VALUES

- Integrity
- Accountability
- Innovation
- Business orientation
- Self-motivation
- Loyalty

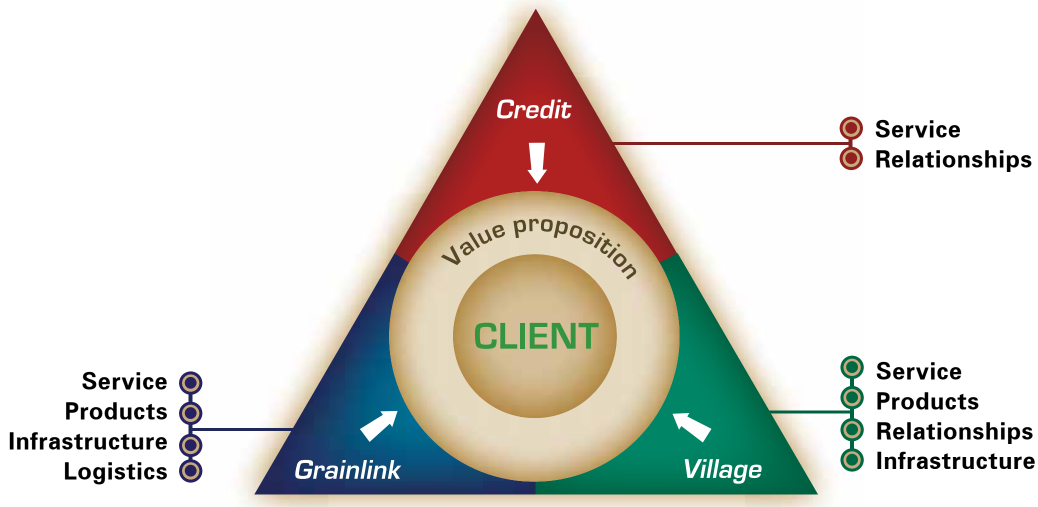
OPERATIONS OVERVIEW

	Credit Extension *Credit*	Input Supply *Village*	Market Access *Grainlink*	Sundry operations
FOCUS	AGRICULTURALLY FOCUSED SERVICES			VALUE ADDED SERVICES
NATURE OF BUSINESS	• Financing of all agriculturally oriented inputs • Financing of fixed and movable assets for farming purposes • Financing of marketed grain by means of various financing products	• Supply of production inputs and requisites to the agricultural producer • Supply of mechanisation and maintenance services to the agricultural producer with regard to agricultural equipment • Supply of a variety of hardware and convenience products to the agricultural producer and general public	• 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, the processing thereof into various wine products and the marketing thereof **Seed processing** • Processing of various seed products **Insurance services** • Provision of various purpose-built insurance products to producers, 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 structures to service the producer in respect of production inputs and mechanisation requisites	• Logistics, handling, storage, hedging and marketing – 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 tailor-made financing products, thereby enabling the producer and the grain off-taker to optimise their business to the benefit of all stakeholders	• To fulfil the role of preferred supplier of production inputs and mechanisation 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 business in various areas by means of value added services
GEOGRAPHICAL FOOTPRINT	• Free State • North West • Gauteng • Northern Cape • Western Cape **Rest of Africa:** • Zimbabwe	• Free State • North West • Gauteng • Northern Cape	**South Africa:** • Free State • North West • Gauteng • Western Cape • Northern Cape **Rest of Africa:** • Malawi	• Free State • North West • Gauteng • Northern Cape
BUSINESS UNITS	• Centralised producer and grain financing function at Head Office	• 27 retail stores • 12 mechanisation workshops • 4 filling stations • 5 convenience stores	• 68 grain silo complexes • 4 grain transit points • 24 grain procurement offices • 2 trading offices • 1 brokerage service	• 13 insurance service outlets • Hartswater Wine Cellar • Seed processing plant

GEOGRAPHICAL PRESENCE



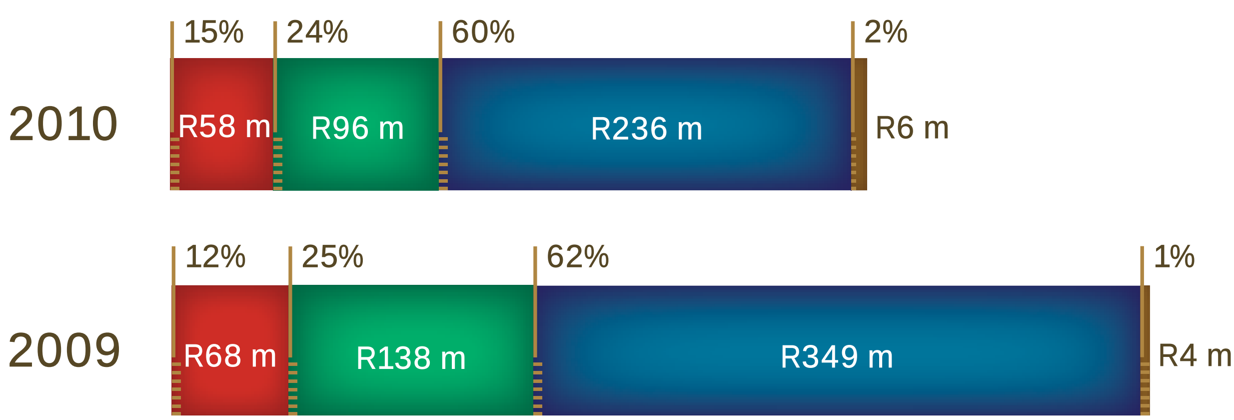
SUSTAINED VALUE CREATION



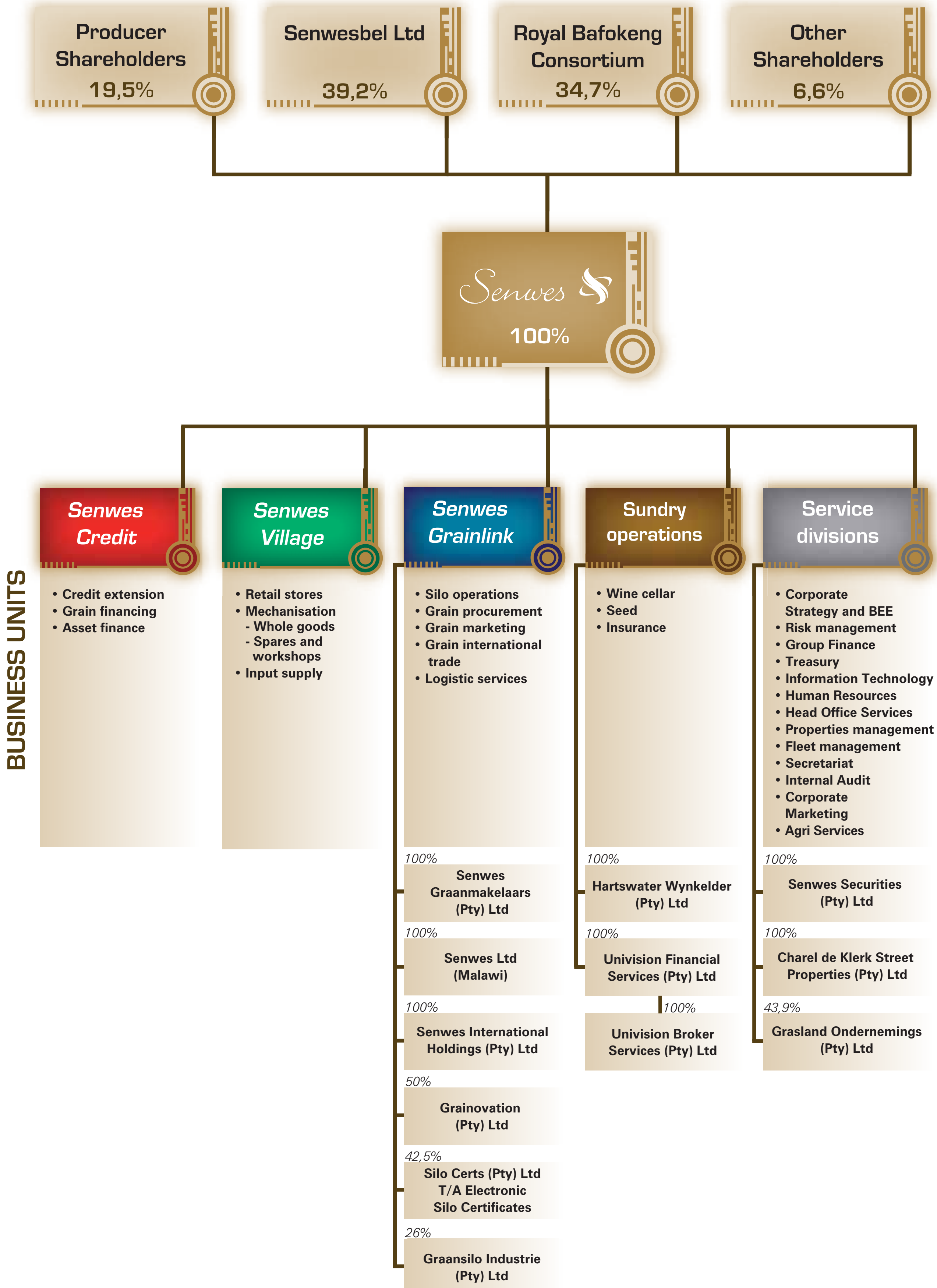
FINANCIAL PERFORMANCE

	Credit Extension – Credit			Input Supply – Village			Market Access – Grainlink			Sundry operations		
	2010 R'm	2009 R'm	↑↓	2010 R'm	2009 R'm	↑↓	2010 R'm	2009 R'm	↑↓	2010 R'm	2009 R'm	↑↓
Revenue	**139**	161	(14%)	**1 943**	2 208	(12%)	**6 895**	8 723	(21%)	**54**	48	13%
Profit before tax	**58**	68	(15%)	**96**	138	(30%)	**236**	349	(32%)	**6**	4	50%
Net assets	**660**	752	(12%)	**115**	111	4%	**283**	249	14%	**(4)**	(3)	(33%)

CONTRIBUTION TO PROFIT BEFORE TAX



GROUP STRUCTURE



CHAIRMAN'S REPORT

Japie Grobler

The intention to list Senwes on the Johannesburg Stock Exchange (JSE) is a prominent milestone in the journey of this 101 year old enterprise. Listing is in prospect for the second half of 2010 or early in 2011, given the specific conditions which have to be complied with.

These actions are in line with the value unlocking strategy for shareholders proposed since 2005, and specifically in 2008, with listing as the last step on this route. Senwes has managed to address the relevant aspects since the commencement of the value unlocking process to ensure the correct structuring of the organisation, underpinned by a sustainable business model. Attention has also been afforded to a black empowerment transaction and further compliance with corporate governance, as well as the cultivation of a big match temperament on all levels.

Shareholders should now be rewarded for their patience in building an exceptional trade name. Active trading of shares after the good performance of Senwes will result in further beneficiation of the share value.

AGRICULTURAL ENVIRONMENT

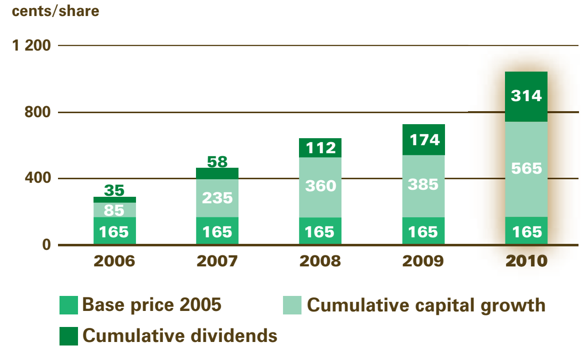
The current crop intake has increased grain stock surpluses in South Africa to uncomfortably high levels. This situation is creating sustainability issues for the agricultural industry since grain producers are unable to recover input and production costs at the current commodity prices.

It remains a challenge for the agricultural industry to further increase government's involvement with agriculture and production as a result. South Africa is finding it increasingly difficult to compete with international subsidised markets as a result of the liberal view regarding price protection. This puts especially the local wheat industry under structural challenges. Logistical pressure due to shortcomings in the railway and harbour system, which are hampering exports, is weakening South Africa's ability to earn foreign currency and is resulting in lost job opportunities for the country. A dispensation which is making it impossible for producers to be sustainable is also preventing the successful establishment of new entrants to commercial agriculture. All these aspects require urgent alignment with government policies.

SHAREHOLDER VALUE

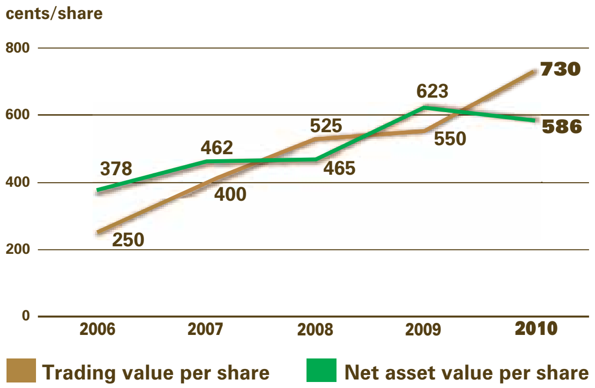
The Senwes share price increased by 32,7% during the year under review and, together with a total dividend yield of 25,5%, a shareholder return of 58,2% was delivered. This growth is exceptional and reflects the momentum gained over the past five years.

VALUE CREATION AND UNLOCKING FOR SHAREHOLDERS THROUGH CAPITAL GROWTH AND DIVIDENDS



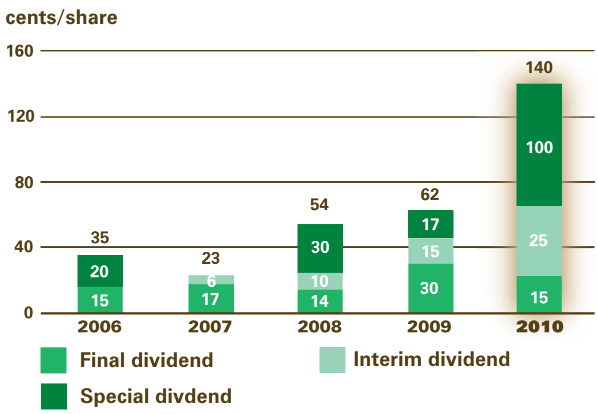
The company demonstrated its ability to create proven value for its shareholders and to successfully unlock such value. It is further emphasised by the fact that the share traded at a 25% premium above net asset value at year-end, compared to the 12% discount in 2009.

SHARE PRICE: TRADING VALUE VS NET ASSET VALUE



Exceptional dividends were paid during the year, namely a special dividend of R1,00 per share and an interim dividend of 25 cents per share. A final dividend of 15 cents per share is proposed. The unlocking of value by means of a special dividend was possible after the record profit in 2009, followed up by good balance sheet management in 2010, which created the platform for a quantum unlocking of value.

DIVIDENDS



CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

All structures conducive to proper corporate governance are in place and are functioning effectively. The risk management process is managed in an interactive manner and forms part of the core-input in respect of the formulation of strategy. The IT system has also been adjusted in such a manner as to optimise business execution.

Almost every business in the food sector has been affected by the Competition Commission – and Senwes is no exception. However, as Chairman I am comfortable that compliance with the legislation of our country is underwritten by the Board at all times.

The Board of Directors was subjected to an evaluation exercise once again and has decided to be guided by the requirements of the King III report as far as possible in respect of its composition and the composition of its committees, with a view to the pending listing. This means that the board composition will be revisited once again with a view to a possible further increase in the number of independent directors.

One of the social responsibility projects in which Senwes and the Northwest Cricket Association are involved, is the Spinners development project which runs over three year terms. The 2009/2010 financial year was the second year of the second three year term. It confirms Senwes's intention to be involved with the development of sports talent on junior level on a sustainable basis.

THE WAY FORWARD

Senwes is continuously evaluating and planning the way forward. Alternative and new marketing channels are being investigated, while continuous focus is being placed on the core business.

A strategic project has been launched in co-operation with independent management consultants to anticipate future markets and to optimally position Senwes. African markets are being accessed with grain in the meantime and the value proposition of the trade business is being rolled out geographically. The efficiency of personnel is being improved continuously by means of management development and other training opportunities.

Market requirements which arise are being addressed in an effective and innovative manner. A new grain storage tariff system announced recently, is for instance crea-ting opportunities for all owners and storers of grain and is being supported by new grain transit points, farm-loading actions and temporary storage structures.

The Managing Director, Johan Dique, and the Financial Director, Steven Alberts, resigned. The Board would like to convey its appreciation to and acknowledge both persons for service periods of 9 years and 15 years respectively. We are grateful that, due to the depth in the company, it will be able to continue where previous employees left.

ACKNOWLEDGEMENT

This wonderful agricultural business has been established and developed to the point of being a sustainable and relevant role player, due to seasoned loyalty and commitment. I would therefore like to acknowledge my co-directors, management and every member of staff for their unique contributions towards making Senwes "the" agricultural business of value.

In humbleness and dependence upon the blessings of our Heavenly Father, we are grateful for a fundamentally sound enterprise on the eve of a potential listing.

Japie Grobler
CHAIRMAN

BOARD OF DIRECTORS

1. JAPIE GROBLER (58)
Chairman
Board member since April 1997

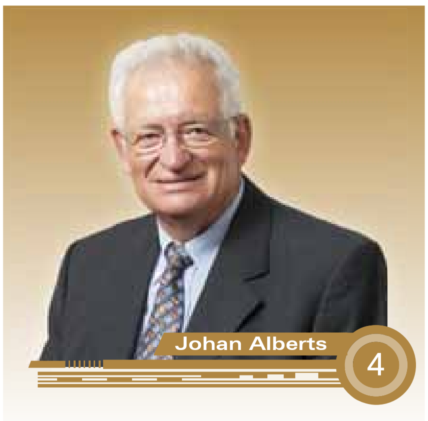
B.Juris, LLB
Ex officio access to all Board Committees. Chairman of the Nomination Committee

2. FRANCOIS STRYDOM (50)
Acting Managing Director
Appointed in 2001

BScAgric(Hons) (Veterinary Science). Director of various companies in the Senwes Group and other related businesses

3. DANIE MINNAAR (45)
Vice Chairman
Board member since September 1999

B.Com
Chairman of the Remuneration Committee. Member of the Audit Committee and the Nomination Committee



4. JOHAN ALBERTS (67)
Board member since January 2001
Independent non-executive director

SSAF, B.Com (Econ), CTA, CA(SA)
Chairman of the Audit Committee

5. JESMANE BOGGENPOEL (37)
Board member since April 2008
Independent non-executive director

BComm, BAcc, CA(SA)
Independent Consultant
Member of the Audit Committee and the Risk Committee

6. JAMES BOTHA (40)
Board member since October 2009
Independent non-executive director

BLC.LLB and Dip (Tax)
Senior Legal Advisor: NWU
Member of the Remuneration Committee

7. JANNIE ELS (64)
Board member since October 2000

Agricultural Diploma
Member of the Risk Committee

The Board of Senwes is committed to the best principles of effective corporate governance and strives towards the highest standards of ethics and integrity

8. DRIES KRUGER (58)
Board member since October 2007

B Compt (Hons), CA(SA), Professional Assessor. Member of the Audit Committee and the Remuneration Committee

9. NICO LIEBENBERG (40)
Board member since August 2008

B.Comm (Hons)
Member of the Remuneration Committee

10. JACOB MASHIKE (43)
Board member since February 2006

B.Sc (Eng) Chem, MBL
Director of Treacle Private Equity (Pty) Ltd; Member of the Remuneration Committee

11. MPUELENG POOE (50)*
Board member since March 2007

BProc
Public Affairs Executive for Royal Bafokeng Holdings
Member of the Risk Committee and the Nomination Committee

*** LUCAS NDALA (35)**
Alternative director for Mr M. Pooe
Board member since 2006

B.Com, PGDM and B.Com (Hons), CA(SA)
Manager Strategic Investments of Royal Bafokeng Finance

12. WH VAN ZYL (68)
Board member since October 2002

Chairman of the Risk Committee and member of the Nomination Committee

13. ELMARIE JOYNT (40)
Group Company Secretary
Appointed in 2002

BCom(Law), LLB, FCIS, FCIBM
Attorney and Notary of the High Court

OPERATIONAL AND FINANCIAL REPORT

Similar to other years, the past financial year has been a unique challenge. After the exceptional year experienced by the agricultural sector in 2009, the year ended on 30 April 2010 was in many respects a more difficult year, in which the pursuit of sustainable growth of results, dominated the scene.

The deferred effect of the global economic downturn on the sector and low grain prices due to record summer grain production are some of the less favourable aspects which characterised the past year.

During the year under review the cost of inputs returned to normal levels, which resulted in relative deflation compared to the prices of 2009. Spending levels of clients normalised after extraordinary spending in respect of mechanisation products as a result of the high yields and concomitant high prices of 2009. This enabled producers to expand on and replace capital goods.

Above normal rainfall during the second part of the rainy season was in contrast with the predicted El Niño-year. Purchases from Senwes Village realised later than normal as a result, and decreased grain prices since December 2009 resulted in increased downward pressure on mechanisation sales.

Senwes still managed to create further value for all stakeholders and to maintain performance ratios which compare well with those of the agricultural industry. Although the 2010 net profit of R209 million is lower than last year, it is in line with the growth trends set in 2007 and is in itself a satisfactory result, which is creating a profit platform for the planned listing on the Johannesburg Stock Exchange (JSE).

The comprehensive investigation into listing, which was finalised during the year, indicated that Senwes complies with the requirements for a successful listing, namely critical mass, growth in profitability, market share, client loyalty, corporate governance and internal control systems. The Board has therefore decided to list on the JSE. The reasons for the decisions are based on three principles, namely value unlocking for shareholders, readiness and the ability to generate capital by means of issues and lastly the motivation for further improvement of own performance by the company and all its stakeholders from the basis of this listed platform.

The conditions which have to be met before listing can take place, concur with the requirements of the JSE, which are extensive and which require a lot of preparation. The second aspect to be considered is the extremely volatile global economic conditions, which require prudence in respect of a decision regarding the time of listing. Continuous feedback by means of media announcements will be given to shareholders to keep them abreast of the situation.

AN EXCELLENT FINANCIAL PERFORMANCE

Five-year perspective

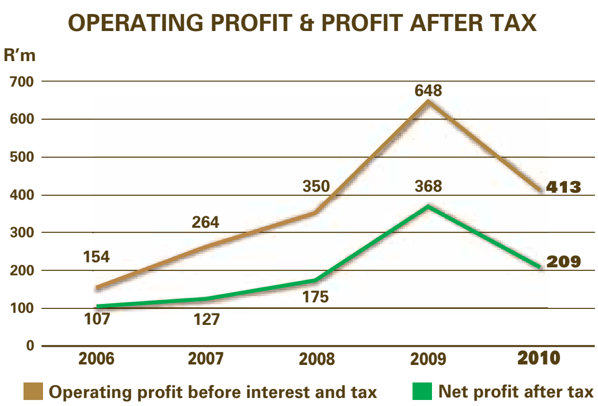
The company's five-year average compound growth in net profit from continuing operations amounted to 15,2%. With an average inflation of 7,9%, an average real growth of 7,3% is indicated (see Table 1).

Senwes succeeded in delivering a five-year average growth in net profit before interest of 13,2% whilst the total asset base grew by 8,4% on average over the same period. Growth in assets was mainly financed by the re-investment of own capital (equity reflected a five-year average growth of 11,2%).

TABLE 1: EXCERPT FROM THE FINANCIAL RESULTS

	AVERAGE COMPOUND GROWTH %	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
Turnover	16,3%	9 039	11 157	7 640	5 578	3 979
*EBITDA	12,1%	455	682	400	290	187
•EBIT	13,2%	417	652	376	266	159
Profit from operating activities	14,5%	413	648	350	264	154
Net profit after tax	15,2%	209	368	175	127	107
Total assets	8,4%	2 796	2 503	2 375	2 122	1 643
Equity	11,2%	1 059	1 126	843	773	683
Interest-bearing finance	8,1%	1 202	717	802	771	606

*Profit before interest, tax, depreciation and amortisation
•Profit before interest and tax



Balance sheet management and cash flow

The group was successful in managing its capital requirements within acceptable industry norms. Good business practices established over time ensured the maintenance of good balance sheet management, amidst challenging agricultural conditions and particularly against the background of the challenges of the year under review (see Table 2).

The balance sheet reflected moderate growth of 11,7% compared to a 19,0% decrease in turnover. The asset velocity ratio of 3,4 still indicates productive and effective application of assets. The high turnover for 2009, which can partially be contributed to inflationary conditions, did not flow over to 2010 to the same extent. In addition commodity prices decreased by 25% on average which affected the turnover of the Grain division to the same extent.

Effective balance sheet management is evident once again in the 32,5% decrease in respect of financing costs. The interest cover ratio of the group emphasises the exceptional management of funding amidst the difficult economic conditions. Decreased interest rates also contributed towards the positive ratio.

The growth in grain inventory was effectively funded by short term commodity finance. The cash generated from activities together with the exceptional cash profits in 2009, allowed for a quantum unlocking by means of dividends of R280 million.

The dividend payment included the final 2009 dividend of 30 cents per share, the interim dividend of 25 cents per share and more specifically the special dividend of 100 cents per share (see Table 3).

TABLE 2: ASSET VELOCITY

	2010 R'm	2009 R'm	CHANGE
Turnover	9 039	11 157	(19,0%)
Total assets	2 796	2 503	11,7%
Total average assets	2 650	2 439	8,6%
Asset velocity (on average assets)	3,4 times	4,6 times	(1,2 times)

TABLE 3: CASH FLOW

	2010 R'm	2009 R'm
Cash profit	**329**	474
Change in operating capital	**52**	(386)
Net investment activities cash flow	**(46)**	(55)
Dividends paid	**(280)**	(83)
Net cash flow before financing activities	**55**	(50)

OPERATIONAL REVIEW

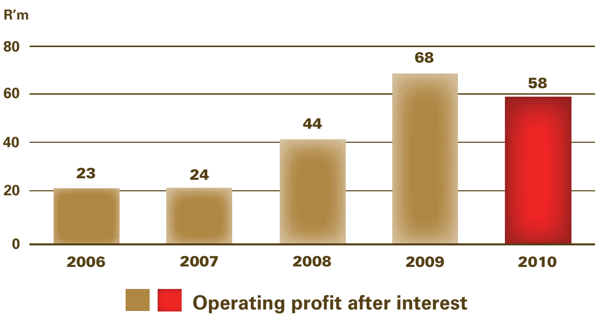
Senwes Credit (credit extension)

Senwes Credit

Despite the threat of El Niño conditions, good production conditions prevailed throughout the planting season. Supported by input costs which returned to normal levels, these conditions encouraged producers to plant. However, maize prices started to decline sharply in early January 2010 due to the large American crop and high planting levels in South Africa.

Growth in respect of production credit extended was achieved compared to the previous year, despite the strong deflationary conditions in respect of input costs. This resulted in a significant growth of market share, which is reflected by an operating profit after interest of R58 million – just short of the best ever.

CREDIT EXTENSION – SENWES CREDIT



The debtor book of Senwes Credit is sound and arrear debt is on acceptable levels. The arrear debt situation of 6% of the debtor book as at 30 April 2010 compares well with the 5% as at the previous year-end. Despite higher carry-over debt levels in August 2009, the book normalised by year-end and new record levels of credit were extended, with good margins and security.

The profitability of producers will come under pressure due to the low grain prices, which poses a challenge for the coming season, particularly as far as planting decisions are concerned. This phase could potentially hamper the financial ability of a large number of producers to undertake production and to service production debt.

Senwes Village (retail and mechanisation network)

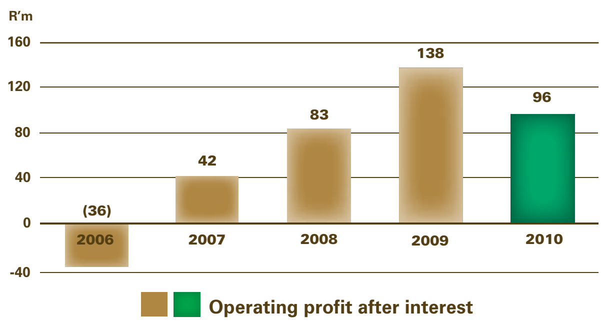
Senwes Village

After the good results of the previous year, the agricultural sector was initially not affected by the local economic crisis in 2008/2009. However, the lag-effect on the main stream economy was discounted by agriculture during the year under review, which reflected in the high level of conservatism in the buying patterns of the client base.

Despite extensive planting levels, producers' hesitance to spend money was reflected in the buying patterns. Decreased commodity prices impacted negatively on both input and mechanisation activities. Mechanisation sales were initially lower than budget due to pressure on grain prices, a predicted below normal rainfall year and late rain in certain parts of the Senwes area of operation.

The lower demand for general consumer goods and particularly mechanisation whole goods, weighed down production input sales at Senwes Village. The impact of deflation on the industry was significant and, in addition to the loss of gross profit, also resulted in stock being written off. However, despite the above, this division managed to deliver the second best result ever with a R96 million operating profit after financing costs.

INPUT SUPPLY – SENWES VILLAGE



Market information indicates a potential decrease in planting levels for the coming year. Sales of farming requisites and production inputs will, as a result, experience pressure to the same extent. Mechanisation activities could also slow down should the expected decrease in hectares planted realise – particularly against the background of the cash flow pressure experienced by producers at present and a more stringent credit policy expected to be implemented by financiers.

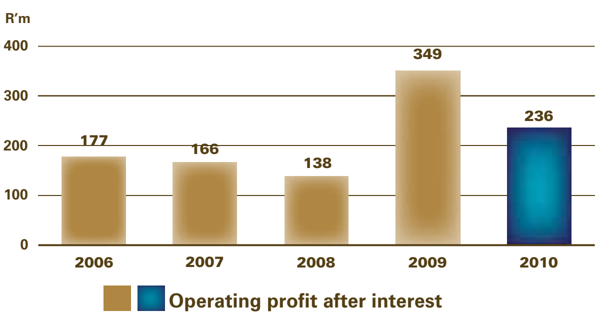
Growth and expansion remain a strategic priority for Senwes Village. Emphasis will still be placed on the upgrading of retail outlets and the improvement of the shopping experience for customers. The objective of the establishment of the value proposition of Senwes Village is to make the addition of value to existing products and services a unique experience.

Senwes Grainlink
(grain storage and market access)

Sharp focus on the local producer community, national markets, regional markets and international markets enables Senwes Grainlink to be a major grain market role player with a sound base in South Africa. Good progress has been made this year to significantly increase participation in each of the above target markets, thereby ensuring service expansion.

An excellent year was experienced on the local front, characterised by a large crop intake and excellent grain stock management. As a result the division delivered a profit of R236 million.

MARKET ACCESS – SENWES GRAINLINK



Higher stock levels due to grain being held back by producers ensure better utilisation of storage capacity, which in turn results in higher silo income. In addition Grainlink is enjoying the advantages of higher stock levels, which means that market opportunities can be utilised, although this is being countered moderately by low margins due to the high offer in the market.

Logistics also play a key role in the effective execution of the strategy of Senwes Grainlink. In order to optimise activities, a joint venture by the name of Grainovation was established in partnership with the Imperial Group. Grainovation was in its development phase during the past year and will be in full operation by 2010/2011.

Various changes have been made to the handling and storage tariff structures for the coming season. Alternative handling and storage structures have also been erected in order to improve Senwes Grainlink's service to its clients and to be more competitive.

Senwes Grainlink is still in the process of expanding its national footprint. The expansions are demand driven and relate to the growth in milldoor business. An additional grain procurement office was established at Bronkhorstspruit during the reporting year to service the demand from the northern part of Mpumalanga. Further expansions are anticipated for the coming year.

On the international front grain markets are still under pressure due to the economic decline. The recovery of grain markets is also linked to general economic recovery, as is the case with other markets, which could take some time. The volatile markets in African countries, where political interference and quantitative control measures are causing disruption, linked to the limited ability of the client to obtain currency to pay for imports, presented limited opportunities this year. Exports via Grainlink International did therefore not materialise as desired and this business unit should perform better over the next few years.

The year under review was an establishment year for Grainlink International in that infrastructure for future activities and growth was established. The footprint of Senwes Grainlink was enlarged by the establishment of the Senwes Malawi project. Malawi was identified as the first country of entry to Africa due to its focus on agriculture. The country is centrally situated in a region where Senwes Grainlink would like to operate – which offers exciting trading possibilities. The establishment of procurement and storage capacity will be considered and the establishment of similar operations in Africa is in process.

Sundry operations

The group's sundry operations comprise insurance services and wine production. The Univision group established its trade mark in the rural areas and the growth prospects from this basis are good. Although relatively small in the Senwes context, satisfactory results were delivered. Both operations can be regarded as cash sound and are regarded as good investments.

Corporate services and group services

All support services within Senwes are operated at a high level of professionalism and efficiency and render a critical support service to the success of the group. It offers the necessary innovation and capacity to not only identify growth opportunities, but also to give form to the effective rolling-out and implementation of strategy without material investment in operating costs.

These services comprise of group finance and treasury, information technology, internal audit, corporate marketing, corporate finance, agricultural services, human resources as well as secretariat and legal services, strategic planning, property portfolio and risk management.

THE FUTURE

As a role player in the South African agriculture, Senwes continues to be optimistic about the sector and has confidence in the ability of agricultural businesses in South Africa. The high grain stock levels are regarded as short term in nature and have to be dealt with. Summer grain production in South Africa will play a decisive role in food security over the long term, whilst still being profitable on primary producer level.

A focused strategy in respect of core business is being followed, although Senwes is still investigating growth opportunities, whether in other geographic areas or suitable opportunities with the necessary diversification possibilities in order to ensure long term sustainable growth and profitability.

ACKNOWLEDGEMENT

Senwes took leave from the Managing Director and Financial Director at the end of the financial year. Both individuals made a significant contribution and the importance thereof is reflected in the history of this organisation.

Although a company continues despite the loss of key individuals, performance is dependent upon people such as Johan Dique and Steven Alberts. We honour them for their contributions over years and wish them every success for the future. Senwes invested in leadership structures over the past four years and the dividends are particularly visible after the departure of the two top officials. However, the gap which was created in Executive Management was filled immediately in order to maintain control over the company.

My sincere thanks to all personnel for their continued positive attitude and the level of ownership which they accept in order to make a success of Senwes. My colleagues in Executive Management – without whom the momentum would not have been maintained – are also worthy of praise.

I would also like to convey my sincere gratitude to the Board, which offers us the opportunity of making a material contribution to the prosperity of the company and all its stakeholders.

May God hold His hand over Senwes and all its stakeholders.

Francois Strydom
ACTING MANAGING DIRECTOR

MANAGEMENT TEAM PER DIVISION

Senwes Credit

1. Senior Credit Risk Manager and Corporate Credit
2. Manager: Business Development
3. General Manager: Credit
4. Financial Manager: Credit
5. Senior Credit Manager

Senwes Village

1. Manager: Mechanisation
2. Manager: General Trade
3. General Manager: Village
4. Manager: Finance and Administration

Senwes Grainlink

1. Manager: Grainlink International
2. Assistant General Manager: Marketing
3. General Manager: Grainlink
4. Assistant General Manager: Finance and Administration
5. Assistant General Manager: Silo Industry

MANAGEMENT TEAM PER DIVISION (CONTINUED)

1 Elmarie Joynt 2 Corné Kruger 3 Dirk Opperman 4 Martin van Zyl

Group services

1. Company Secretary
2. Acting Chief Financial Officer
3. Group Internal Auditor
4. Manager: Information Technology

1 Johan Grobler 2 Henco de Jager 3 Joe Maswanganyi 4 Johan du Toit 5 Sizwe Magagula

Corporate services

1. Assistant General Manager: Corporate Marketing
2. Assistant General Manager: Human Resources
3. General Manager: Corporate Services
4. Manager: Agricultural Services
5. Assistant General Manager: Talent and Leadership Development

1 Deon Truter 2 Dawie Barnard

Sundry operations

1. Manager: Hartswater Wine Cellar
2. Manager: Univision Financial Services

CORPORATE GOVERNANCE REPORT

COMMITMENT TO CORPORATE GOVERNANCE

The Board of Senwes is committed to the best principles of effective corporate governance and strives towards the highest standards of ethics and integrity.

The Board supports the Code of Corporate Best Principles and Practices and is of the opinion that Senwes makes all possible and practical attempts to comply with all best corporate practices in respect of all material and practical aspects as contained in, inter alia, King II. Senwes subscribes to the recommendations of the newly published King Report on Corporate Governance (King III) as far as practically possible and has already taken appropriate steps to ensure compliance therewith in essence for the 2011 year-end.

THE BOARD OF DIRECTORS

The Board is currently composed of 12 members, the majority of which are non-executive directors. Three directors are independent. As the company strives towards compliance with the King III recommendations, the board resolved to increase the number of independent directors and a recruitment process has commenced. The Board is responsible for the total and effective control of the Group.

The Chairman is a non-executive director who is elected annually by the Board. The roles of the Chairman and Managing Director are separated.

During the year under review:

- Mr Rudolf Pretorius left the board in October 2009;
- Mr James Botha was appointed as non-executive director on 15 October 2009,
- Mr SH Alberts, the Financial Director, resigned at the end of April 2010; and
- the Managing Director, Mr Johan Dique, resigned on 20 April 2010, effective from 31 May 2010.

In terms of the Memorandum and Articles of Association of the Company, the terms of office of non-executive directors are three years, after which they are required to retire by means of rotation every three years. Retiring directors are eligible for re-election.

POWERS AND RESPONSIBILITIES

The composition of the Board makes provision for appropriate and effective decision-making, which ensures that no individual can exercise undue influence. The activities of the Board are controlled by the provisions of the Memorandum and Articles of Association and the Board Charter.

The primary responsibilities and powers of the Board are as follows:

- The approval of strategy and budgets in order to ensure the implementation of the strategy;
- The appointment of the Managing Director and the monitoring of the performance of executive directors;
- The custodian of the values and ethic principles of the Company;
- Effective control over the Group;
- Continuous communication with all stakeholders;
- Identification of key risk areas; as well as
- The consideration of important financial and non-financial aspects, such as corporate and social responsibilities and transformation.

The responsibilities and functioning of the Board are contained in the Board Charter. The Charter also makes provision for directors to obtain professional advice in respect of all aspects which relate to the company, at the company's cost.

The authority of the board is contained in the Memorandum and Articles of Association and certain specific powers have been reserved for the Board as per the "Reservation of Authority".

COMPLIANCE WITH LEGISLATION

The Board takes overall responsibility for compliance with all appropriate legislation and regulatory requirements.

The board ensures that legislative compliance receives continuous attention and a comprehensive compliance structure has been established which, together with the Company Secretary, the Compliance Officer and the operational divisions, focuses on compliance. Compliance is reported to the Board Risk Committee, the Compliance Committee and Management as part of the established risk management process.

During the year under review specific attention was afforded to compliance with the Competition Act in particular and a compliance programme was accepted. Processes and procedures were verified against the program and training was done on board and senior management level. Further training of operational personnel is being done to ensure awareness of this legislation throughout the company.

GOING CONCERN

The Board considered and recorded the facts and assumptions on which the determination as to whether the business would continue as a going concern for the new financial year, were based. The most important factors and assumptions on which the Board based its conclusion, were properly recorded and include, inter alia, the profitability of the group, capital structure, adequate funding facilities, geographic distribution, weather prospects, crop prospects, carry-over stock, markets, suppliers, clients, credit extension, litigation, legislative compliance, data security, IT, business continuity and other social responsibility factors.

Attendance of Board and committee meetings:

The Board meets regularly and held nine board meetings during the year under review, most of which were fully attended. Particulars in this regard are as follows (see table):

Independence of the Directors:

The Board expects independent conduct from all its members. The non-executive directors display independence of character, judgement and action in the execution of their duties.

A number of non-executive directors have direct and indirect interests in the Company, the details of which are indicated in the table on the next page. The Board is mindful of this, as well as the potential conflict of interests which may arise. A policy of regular disclosure of interests and exclusion of discussions where a director may have an interest is followed in order to avoid any such conflicts.

The register of interests in contracts and other directorships of directors are available for inspection. During the year under review, Ms JA Boggenpoel declared her interest as non-executive director of the Land Bank, one of Senwes's financiers.

NAME OF DIRECTOR	BOARD	AUDIT COMMITTEE	RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
NO. OF MEETINGS	9	3	4	3	2
Non-executive					
JE Grobler (Chairman)	9/9				2/2
JDM Minnaar (Vice-Chairman)	9/9	3/3		3/3	2/2
JPL Alberts	8/9	3/3			
JA Boggenpoel	8/9	3/3	4/4		
JBH Botha (new 15/10/2009)	4/4			1/1	
JAE Els*	9/9		2/2	1/1	
AJ Kruger*	9/9	3/3		1/2	
NDP Liebenberg*	9/9		4/4	2/2	
J Mashike *	8/9		1/2	2/2	
M Pooe*	6/9		1/2	1/1	
PR Pretorius (left 12/10/2009)*	3/4	1/2			1/1
WH van Zyl	8/9		4/4		2/2
Executive**					
JJ Dique (resigned 31/05/2010)	9/9		2/2		1/1
SH Alberts (resigned 30/04/2010)	9/9		2/2		
F Strydom	9/9		2/2		

In all instances of absence apologies were offered in advance.
(*Not a member of board or committee for a full year)
(** Since 27 August 2009, all board committees are composed of non-executive board members only)

Particulars of directors' interests in the company as at year-end:

NAME	2010 DIRECT SHARE-HOLDING	2010 DIRECT %	2010 INDIRECT* SHARE-HOLDING	2010 INDIRECT* %	2009 DIRECT SHARE-HOLDING	2009 DIRECT %	2009 INDIRECT* SHARE-HOLDING	2009 INDIRECT* %
Non-executive								
JPL Alberts	**-**	**-**	**168 415**	**0,09%**	-	-	130 683	0,07%
JAE Els	**1 345**	**-**	**1 056 271**	**0,58%**	1 345	-	877 354	0,49%
JE Grobler	**-**	**-**	**5 013 606**	**2,77%**	-	-	3 803 382	2,10%
AJ Kruger	**132 386**	**0,07%**	**456 390**	**0,25%**	132 386	0,07%	387 492	0,21%
NDP Liebenberg	**-**	**-**	**585 282**	**0,32%**	-	-	454 506	0,25%
J Mashike	**-**	**-**	**903 027**	**0,50%**	-	-	903 027	0,50%
JDM Minnaar	**-**	**-**	**4 916 369**	**2,72%**	-	-	3 682 618	2,04%
WH van Zyl	**500 000**	**0,28%**	**4 868 005**	**2,69%**	500 000	0,28%	3 777 374	2,09%
Executive								
JJ Dique (resigned 31/05/2010)	**-**	**-**	**33 058**	**0,02%**	-	-	25 652	0,01%
F Strydom	**295 731**	**0,16%**	**378 535**	**0,21%**	295 731	0,16%	224 914	0,12%
SH Alberts (resigned 30/04/2010)	**100 926**	**0,06%**	**70 094**	**0,04%**	100 926	0,06%	-	-
Directors subtotal	**1 030 388**	**0,57%**	**18 449 053**	**10,20%**	1 030 388	0,57%	14 267 004	7,89%
Non-directors	**179 758 920**	**99,43%**			179 758 920	99,43%		
TOTAL	**180 789 308**	**100,00%**			180 789 308	100,00%		

* Indirect interest is based on the percentage of the shareholding of the entity in Senwes multiplied by the percentage of the interest held by the individual.

The Board also has a code of conduct relating to the trading of shares in the Group, which strictly regulates the trading of shares by board members and senior management. Certain annual closed and open periods for trading apply and these were as follows (see table below):

Certain board members also conduct business with the company on an arm's length basis as part of Senwes's normal business activities. Senwes Credit has also provided credit to certain of the non-executive directors in terms of the company's normal business operations. Such transactions are evaluated on a continuous basis in order to ensure that the Company's policies are adhered to on operational level.

Performance evaluation of the Board:
The Board has, since 2009, completed an independent formal and transparent performance evaluation of itself, the Chairman and its subcommittees. Various

Trading periods:

DATE	STATUS	REASON
1 April 2009	Closed	Preparation of annual financial report
2 July 2009	Open	Publication of the annual results
1 October 2009	Closed	Preparation of the interim financial results
4 December 2009	Closed	Consideration and recommendation of a special interim dividend
9 December 2009	Closed	Other
1 April 2010	Closed	Preparation of annual financial report

aspects were dealt with during the process and a regular repetition of the evaluation process, as determined by the Board, is envisaged.

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 in a transparent manner and report to the Board on a regular basis. Each committee's authority and the discharge of its responsibilities are directed by the Board in terms of specific, written mandates.

The Board recognises that it is ultimately accountable to the shareholders for the performance of the business and the use of delegated authority to Board Committees in no way alleviates the board of its accountability and duties.

AUDIT COMMITTEE

Report prepared by the Chairman, Johan Alberts

Composition:

The Audit Committee is comprised of four non-executive directors, two of which are independent non-executive directors, including the Chairman. The executive directors and senior management dealing with the financial affairs of the company, also attend the meetings. Three committee meetings were held during the year.

Mandate and responsibilities:

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

- Make recommendations for the appointment of the external auditors and their fees;
- 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;
- Evaluate the effectiveness of management information, the annual audit, the internal audit programme and function and the internal system of controls;
- Ensure that the roles of internal audit and external audit are suitably defined and separated;
- Monitor compliance with applicable legislation and regulatory aspects.

The committee performed all its duties as set out above.

The internal and external auditors have unlimited access to the Chairman of the Committee and also report to the Financial Director 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 2010 audit conducted by the external auditors was independent and concurs with the audit report.

JPL Alberts
CHAIRMAN: AUDIT COMMITTEE

REMUNERATION COMMITTEE

Report prepared by the Chairman, Danie Minnaar

Composition:

The Remuneration Committee is comprised of five non-executive directors. The Managing Director, General Manager: Corporate Services and the Assistant General Manager: Human Resources attend all meetings. The Executive Management however, is excused from the meeting during discussion of their remuneration. The Committee meets at least three times a year.

Directors' remuneration for the year under review:

	TOTAL R	REMUNERATION R	TRAVELLING & EXPENSES R	COMMITTEES R
Non-executive:				
JE Grobler (Chairman)	432 273	303 010	35 643	93 620
JDM Minnaar (Vice-Chairman)	354 501	212 473	71 868	70 160
JPL Alberts	197 517	133 033	23 584	40 900
JA Boggenpoel	222 058	133 033	31 686	57 340
JBH Botha (new 15/10/2009)	76 560	74 808	1 752	-
JAE Els	194 346	133 033	45 533	15 780
AJ Kruger	193 706	133 033	24 894	35 780
NDP Liebenberg	192 073	133 033	11 701	47 340
J Mashike	173 737	133 033	19 144	21 560
M Pooe*	173 737	133 033	19 144	21 560
PR Pretorius (left 9/10/2009)	66 330	54 972	5 573	5 780
WH van Zyl	207 610	133 033	17 056	57 521

* Estimated amount, not yet invoiced

	TOTAL R	REMUNERATION AND TRAVELLING R	SHORT TERM INCENTIVE SCHEME R	SHARE APPRECIATION SCHEME* R
Executive:				
JJ Dique (resigned 31/05/2010)	13 417 736	5 273 478	4 650 000	3 494 258
SH Alberts (resigned 30/04/2010)	3 182 818	3 182 818	-	-
F Strydom	5 946 284	2 220 961	1 059 862	2 665 461

* Represents the increase for the year and not the total value of the scheme

Mandate:
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;
- 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 set remuneration levels that attract, retain and motivate the appropriate calibre of directors and staff.

Danie Minnaar

Executive directors:
The service contracts of the executive directors are generally for a fixed term. The Managing Director resigned on 20 April 2010, effective as from 31 May

2010, and the Financial Director resigned on 30 April 2010. Mr Francois Strydom, Director Operations, will act as Managing Director and Mr Corne Kruger, Assistant General Manager: Finance as Chief Financial Officer until new appointments have been made, following an appropriate recruitment processes.

Remuneration of directors:
The Committee also makes recommendations to the Board regarding the level of non-executive directors' remuneration. Non-executive directors are remunerated for their membership of the board and board appointed committees.

The remuneration levels reflect 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;
- Travelling and actual expenses.

The remuneration of the directors for the year under review is indicated in the table on the previous page.

Executive directors, with the exception of the Managing Director, are remunerated similarly with additional short and long term incentive bonuses, based on the achievement of strict pre-determined annual targets considered and approved by the Board.

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: REMUNERATION COMMITTEE

RISK COMMITTEE

Report prepared by the Chairman of the Committee, WH van Zyl

Composition:
The Risk Committee comprises of five non-executive directors. Four meetings were held during the year. The executive directors and personnel on operational level, as well as the divisional risk managers also attend the committee meetings and participate fully in the critical risk management approach in order to ensure the continued sustainability of the business.

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 Committee fulfils an essential function by ensuring that the Board effectively takes accountability for risk management. It plays a strategic role in the identification and management of action plans to proactively address the risks that face the group. Independent assurance is obtained in respect of all key risk areas and related internal controls have been established within the company by the Risk Manager and compliance structures.

The Chairman of the Committee and the internal auditors attend the Annual General Meetings to respond to any questions related to the company's risk management processes.

WH van Zyl
CHAIRMAN: RISK COMMITTEE

NOMINATION COMMITTEE

Report prepared by the Chairman, JE Grobler

Composition:
The Nomination Committee currently comprises of three non-executive directors. The Committee met twice during the year under review.

Mandate and responsibilities:
The Committee is responsible for:

- Making 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, vice-chairman and company secretary;
- Recommendations regarding the appropriate composition of board committees.

It also assists the Chairman in its task to evaluate the performance of the Board as a whole as well as the performance of the individual board members.

Nomination of directors:
Directors are elected on the basis of their skills and experience appropriate to the strategic direction of the company and which are necessary to secure its sound performance.

Procedures for the nomination of independent and executive board members are formal and transparent. The Board has delegated this responsibility to the Nomination 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: NOMINATION 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 are provided with an appropriate induction and a "governance file". This file contains the board charter, code of conduct, mandates of committees, reserved levels of authority and the Memorandum and Articles of Association of the Company.

A formal orientation and training programme, with current and relevant topics such as and ranging from King III to Competition legislation requirements, has also been presented for seven 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 oversees compliance with applicable legislation throughout the Group. The appropriate structures have been established in this regard, as explained above under compliance with legislation.

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 share 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.

EM Joynt
COMPANY SECRETARY

EXECUTIVE COMMITTEE

Composition and responsibilities:
The Committee is comprised of Executive Directors, the operational heads of the various divisions as well as the company secretary. 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 the implementation of Board resolutions.

The Committee meets monthly on strategic and operational level.

SUSTAINABILITY REPORT

OVERVIEW

This sustainability report aims to present a balanced, transparent and reasonable account of the group's sustainability performance for the year. The approach of the report is based on the principle of integrated sustainability reporting and focuses on the three main pillars of economic, social and environmental sustainability.

This report has not been subjected to an external assurance process, and is therefore a management account of sustainability performance and challenges for the year under review.

INTEGRATED SUSTAINABILITY SUMMARY

Senwes subscribes to the view that economic, social and environmental aspects of sustainable development are not only interlinked but also interdependent. In order for a business to continue performing financially, it has to care for those social and environmental imperatives which provide an enabling environment for it to conduct business in. Such imperatives must be protected and enhanced in order to assure such an enabling environment for future business performance. It is emphasised to the same extent that, unless the company delivers exceptional results, it will not be able to protect and enhance its social and natural environment.

Senwes is progressively working towards full compliance with King III and other sustainability reporting guidelines, and in this regard provides an integrated sustainability summary of the group's performance in the three key elements of economic, social and environmental performance.

SUSTAINABILITY INDICATORS

ECONOMIC INDICATORS

Financial highlights

		2010	2009	% CHANGE
Revenue from continuing operations	R'm	**9,039**	11,157	(19,0%)
Operating profit	R'm	**413**	648	(36,3%)
Profit for the year	R'm	**209**	368	(43,2%)
Cash profit	R'm	**329**	474	(30,6%)
Operating profit margin	%	**4,6**	5,8	(1,2%)
Return on opening equity	%	**18,6**	43,6	(25,0%)
Total shareholder interest	R'm	**1,059**	1,126	(6,0%)
Own capital ratio	%	**38**	45	(7,0%)
Interest cover	Times	**5,4**	5,4	-
Total dividend per share	c/share	**140**	62	125,8%
Total shareholder return	%	**58,2**	16,6	41,6%

Total revenue decreased by 19,0%. This is mainly due to decreased grain prices and lower sales volumes of the input supply segment. As a result of lower revenue, operating profit, profit for the year and cash profit decreased by 36,3%, 43,2% and 30,4% respectively. Return on equity, although down by 25,0%, remains at a very competitive rate of 18,6%. The own capital ratio decreased marginally by 7 basis points to 38,0%, with interest cover unchanged at 5.4 times. A total dividend of 140 cents /share (2009: 62 cents/share) contributed largely to the excellent total shareholder return of 58,2%.

Value added

	2010 R'm	2009 R'm	% CHANGE
Value created	**845**	1,064	(20,6%)
Value distributed			
Employees	**381**	374	1,9%
Authorities	**132**	166	(20,5%)
Financiers	**85**	126	(32,5%)
Shareholders	**247**	398	(37,9%)
	845	1 064	

Total wealth created amounts to R845 million. The manner in which the wealth was distributed indicates a larger distribution to shareholders from dividends, with a decrease in retained earnings surplus/(deficit). Shareholders received a total of 29,2% compared to 37,4% in 2009. Amounts distributed to authorities remained unchanged at 15,6%.

SOCIAL INDICATORS

Safety

		2010	2009	% CHANGE
Corporate man-hours worked	Number'm	**4,9**	4,6	4,8%
Section 24 disabling injuries	Number	**6**	7	(14,3%)
Disabling injuries (DI)	Number	**45**	34	32,4%
Man-days lost due to injuries	Number	**335**	366	(8,5%)
Disabling Incidence Frequency Rate (DIFR)	Rate	**2,09**	1,77	0,3
Non-disabling injuries (NDI)	Number	**31**	34	(8,8%)
SHEQ training	Number	**471**	174	170,7%

The results for the year reflect a deterioration in respect of safety performance. However, this is mainly due to prior weaknesses in respect of safety measurement and ineffective management. Priority attention is being afforded to health and safety management, aligned with compliance and risk management processes.

Employment

		2010	2009	% CHANGE
Average number of employees for the year	Number	**2 000**	2 092	(4,4%)
Employee turnover	%	**9,7**	10,7	(1,0%)
Direct investment in skills development	R'm	**4,7**	3,8	23,7%
Total skills development cost	R'm	**8,1**	6,5	24,6%
Skills development as % of taxable payroll	%	**1,4**	1,4	-
Number of participants in skills development	Number	**1 127**	1 163	(3,1%)
Leadership development participants	Number	**32**	26	23,1%

There has been a noticeable improvement in most of the employee engagement issues. The investment in skills development increased significantly by 24,6%. The level of personnel retention has increased and personnel turnover decreased by 1% compared to the previous year.

Employee productivity

		2010	2009	% CHANGE
Revenue per employee *	R'm	**4,5**	5,3	(15,1%)
Operating profit per employee	R'000	**201**	310	(35,2%)

** Average number of employees*

Employee productivity reflects a decline. This is due to lower revenues and resultant lower levels of profitability. Management actions to ensure high levels of productivity are continuing.

Socio-economic development

		2010	2009	% CHANGE
Sponsorships	R'000	**936**	694	34,9%
Corporate Social Investments	R'm	**1,6**	1,0	62,3%
Production credit and capital finance	R'm	**24,3**	7,8	212,6%
Hectares planted	Hectares	**2 080**	1 661	25,2%
Tonnes produced	Tonnes	**6 214**	3 834	62,1%
Livestock	Number	**1 977**	1 545	28,0%
Total number of developing farmers supported	Number	**146**	75	94,7%

There has been a significant increase in the amount invested in socio-economic development, particularly in respect of enterprise development. This resulted in 2 080 hectares having been planted and helped to ensure that land transferred in terms of land reform remain productive and that an increasing number of emerging farmers could be integrated into the agri-economic mainstream.

ENVIRONMENTAL INDICATORS

		2010	2009	% CHANGE
Water consumption	k/l	**76 248**	99 972	(23,7%)
Electricity consumption	kw/h'000	**21 755**	24 364	(10,7%)
Paper utilisation (waste paper measured)	kg	**24,940**	53,224	(53,1%)
Official trips with employee vehicles	km'm	**3,8**	3,7	3,8%
Official trips with company vehicles	km'm	**6,3**	5,9	7,7%
Fuel consumption of company owned vehicles	Litre'000	**830**	772	7,5%

Remarkable results were achieved in the reduction of both water and electricity consumption. This resulted from the implementation of efficient cooling and heating systems. However, an increase in kilometres travelled resulted in a potential increase in carbon emissions. The effect thereof was mitigated by the replacement of older fleet vehicles with new vehicles using unleaded fuel.

STAKEHOLDER RELATIONS

Senwes's philosophy in respect of the management of stakeholder relationships is based on the principles of transparency and mutuality. The Group provides relevant and reliable information to all stakeholders on an ongoing basis.

In line with its stakeholder engagement framework the Group seeks to empower its stakeholders to make informed decisions in their interaction with the group. This is achieved by providing them with real-time information through a variety of communication media and regular feedback on how the group has progressed in meeting stakeholder needs and expectations. Actions such as the above enable the group to accomplish its stakeholder related strategic objectives.

Stakeholder engagement takes place on a formal and informal basis and happens on Group as well as decentralised business operations levels. In these interactions the Group seeks to obtain feedback from stakeholders, which is then taken into account in strategy formulation processes, corporate governance processes, customer relations and service, employee engagement, community relations, government and regulatory relations, as well as supply chain relations.

The following table reflects the group's key stakeholders, their primary needs and expectations as well as the Group's strategic objectives for each stakeholder group.

STAKEHOLDER	NEEDS AND EXPECTATIONS	STRATEGIC OBJECTIVE
Shareholders	Sustainable value creation and distribution, reasonable returns commensurate with risk, effective corporate governance, responsible, ethical and sustainable management.	To deliver sustainable high returns and value created commensurate with risk.
Customers	Reliable, effective and friendly supply of products and services, at a fair and reasonable price, and delivered in an ethical manner.	To be a supplier of choice who understands and satisfies customer needs in terms of products, service, quality, relationships and delivery mechanism.
Employees	Sustainable job opportunities, an enabling work environment, growth and development opportunities, fair and equitable treatment and rewards commensurate with value add, market trends and line of sight.	To be an employer of choice which provides an enabling, supportive working environment, where diversity is embraced and employees are developed, engaged, recognised and rewarded accordingly.
Suppliers and Financiers	Provision of an effective and efficient supply channel to the market, which is mutually beneficial and recognises and respects the rights, interests and responsibilities of all parties.	To be a preferred partner for access to selected markets.
Community	Responsible corporate behaviour and operations that take care of the environment and which contribute towards social care, food security and socio-economic development.	To be a caring corporate citizen who contributes towards the development of the community.
Regulators and Government	Ethical and legally compliant behaviour as well as contributions to national initiatives targeted at socio-economic development and transformation of the country.	To be a law abiding, loyal and responsible corporate citizen who contributes towards the growth and transformation of the agricultural sector, local, provincial and national economy.

PERFORMANCE HIGHLIGHTS DURING THE YEAR

Economic

- Senwes managed to deliver the second highest profit in company history and managed to create a solid profit platform for envisaged listing. This was achieved during a year with unique challenges, following an exceptional financial year in 2009.
- Shareholder return is at the forefront of the financial performance, with shareholders attaining a 58,2% return on their investment.
- Net profit was R209 million, compared to the R368 million of the previous year.
- Return on capital remained competitive at 18,6%, compared to 43,6% in 2009.

Social

- Centenary celebrations with organised events involving all our major stakeholders.
- Securing the naming rights "Senwes Park" for the North West Cricket Stadium.
- The establishment of the graduate development programme.
- Increased investment in skills development.
- Increase in the number of learnerships and the number of participants in learnership programmes.
- The introduction and implementation of a new performance management system as well as a personal development system, aimed at improving synergy between personal and corporate performance.
- The expansion of the Senwes Spinners (cricket development) programme into more rural schools, and the qualitative improvement of the programme to incorporate life skills, as well as coaching and umpiring skills for teachers.
- Improvement in health and safety management and substantial increase in the number of people trained in health and safety issues.
- Increased investment in enterprise development initiatives.

Environment

Natural resources

- There has been a considerable reduction in energy and water consumption as a result of initiatives implemented during the year.

CHALLENGES DURING THE YEAR

Economy

- 2010 was in many respects a more difficult year than 2009 and proved to be very challenging in ensuring sustainable growth in results.
- The year was characterised by, amongst others, a negative economic impact on the agricultural section in particular, such as the deferred effect of the global economic downturn and low grain prices due to record summer grain production.

Social

Health and Safety

- The organisation experienced an increase in disabling injuries and the resultant deterioration of the DIFR (Disabling Injuries Frequency Rate).
- The reduction of the level of disabling injuries in our operations will be one of the focus areas in the 2010/2011 financial year.

Broad Based Black Economic Empowerment

- Although significant progress has been made in respect of preferential procurement and enterprise development, the Group's performance in respect of internal human resources transformation elements of management control, employment equity and skills development, has not been satisfactory. Targets are, however, pursued and are expected to be met in future.

Competition Commission Cases

Refer to note 17 in the Financial Statements.

Environment

- Effective management of fuel spillage at our filling stations to reduce incidences and impact on the environment.

SUSTAINABILITY OBJECTIVES FOR 2010/11

In our endeavour to promote sustainability, the following initiatives are planned for 2011:

- Improvement of sustainability management, monitoring, accounting and reporting to comply with GRI (Global Reporting Initiative) and JSE (Johannesburg Stock Exchange) reporting requirements and guidelines.
- The implementation of King III recommendations, with a view to ensure full compliance by the end of the 2010/11 financial year.
- Review transformation strategies and intensify the implementation of employment equity, skills development and socio-economic development initiatives, to ensure the achievement of broad based black economic empowerment objectives and compliance with transformation legislation.
- Enhance the effective co-ordination of all safety, health and environmental efforts within the group.
- Enhance the integration of sustainability of the Group's strategic, operational and corporate governance processes.

ECONOMIC IMPACT

- Total wealth created amounts to R845 million.
- The way in which the wealth was distributed reflects an increase for shareholders from dividends with a decrease in retained earnings surplus/(deficit).

Shareholders received a total of 29,2% compared to 37,4% in 2009. Amounts distributed to authorities remained unchanged at 15,6%. The percentage retained in the company is negative due to the exceptional dividend payment.

SOCIAL IMPACT

Product Responsibility

- 61 of Grainlink's 68 silos have undergone HACCP (Hazard Analysis Critical Control Point) audits by PPECB (Perishable Products Export Control Board) and were certified as being compliant.
- All silos are strictly maintained to minimise contamination as far as possible. Water at 35 silos making use of boreholes was analysed and water purifiers were installed where the water quality was not within acceptable levels.

VALUE ADDED STATEMENT

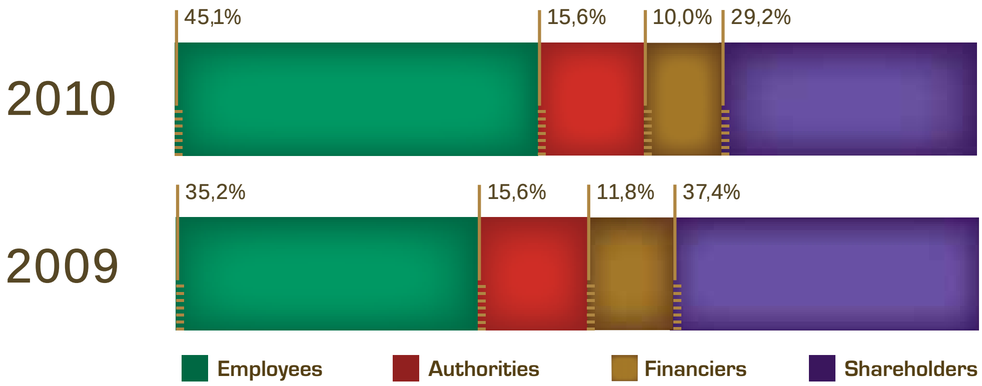
for the year ended 30 April 2010

	NOTES	GROUP 2010 R'm	2010 %	GROUP 2009 R'm	2009 %
Revenue		**9 039**		11 157	
Paid to suppliers for goods and services		**(8 196)**		(10 097)	
Value added		**843**		1 060	
Investment activities		**2**		4	
WEALTH CREATED		**845**		1 064	
Distributed as follows:					
Employees		**381**	45,1%	374	35,2%
Salaries, wages and other benefits	1	**338**	40,0%	289	27,2%
Incentive scheme		**43**	5,1%	85	8,0%
Authorities	2	**132**	15,6%	166	15,6%
Financiers: finance costs		**85**	10,1%	126	11,8%
Shareholders		**247**	29,2%	398	37,4%
Dividends and distribution to ordinary shareholders		**280**	33,1%	83	7,8%
Dividends and distribution to minority shareholders		**-**	0,0%	3	0,3%
Provision for replacement of assets		**38**	4,5%	30	2,8%
Retained surplus/(deficit)	3	**(71)**	(8,4%)	282	26,5%
WEALTH DISTRIBUTED		**845**	100,0%	1 064	100,0%

Notes:

1. Employee contributions of R2 million (2009 – R2 million) with regards to central insurance funds are not included in this figure as the amount is accounted for under amounts paid to authorities (Note 2).

	2010	2009
2. Central and local government:		
SA normal taxation – current year	**93**	149
Increase in deferred taxation	**2**	1
Secondary taxation on companies	**28**	8
Skills development levy net of refunds	**2**	2
Rates and taxes paid to local authorities	**5**	4
Central insurance funds	**2**	2
	132	166
3. Retained surplus comprises:		
Group profit after taxation	**209**	368
Dividends and distribution: All shareholders	**(280)**	(86)
Retained surplus/(deficit)	**(71)**	282



Labour Practices and labour relations

- Senwes employees enjoy a constitutional right to freedom of association and can therefore join any duly recognised union of their choice.
- Three recognised unions operate within Senwes, namely FAWU, Solidarity and NUFBWSAW. 29,3% of all our permanent employees are affiliated to these unions.
- No labour unrest or strikes were reported during the financial year and consequently no trading days were lost due to industrial action.
- Collective bargaining processes were utilised effectively to ensure smooth negotiations and speedy conclusions of wage increase agreements.
- Constructive relationships are maintained with unions and emphasis is placed on being proactive so as to eliminate risks before they arise. Over and above the formal collective bargaining process, informal meetings are held with the unions to deal with issues of mutual interest and concerns that arise from time to time.
- The Department of Labour carried out inspections at several Senwes sites in the North West and the Free State provinces and these sites were found to be compliant in all respects.

Human Rights

- Human rights within Senwes are underpinned by the Group's organisational values: integrity, accountability, innovation, business orientation, self motivation and loyalty. Human rights are continuously monitored and violations are dealt with by means of the company's disciplinary processes. No incidents of abuse or sexual harassment were reported during the financial year.
- Senwes has a policy of non-engagement of child labour, which is strictly enforced across the group. No incidents of child labour were reported during the financial year.

Occupational health and safety

The main objective of an Occupational Health and Safety programme is to protect the health and safety of workers throughout the Group's operations. The focus of this program is the reduction of occupational exposures associated with grain processing, which are primarily noise and dust, as well as loading related injuries in the retail business. Audiological and lung function examinations are carried out on employees working in noise and/or dust zones on an annual basis. Where appropriate, employees are provided with noise protective devices and/ or dust masks.

Achievements during the year:

- Compliance monitoring has been implemented – no hearing loss incidents were reported during the financial year.
- Finalisation of appointments at all levels in terms of occupational health and safety legislation.
- Provision of health and safety training at all management levels, as well as compliance training of all supervisor appointees.

Safety Performance

PERFORMANCE INDICATORS	CUMULATIVE MAY 09 - APRIL 10	CUMULATIVE MAY 08 - APRIL 09	VARIANCE
Corporate man-hours worked	**4 870 900**	4 645 646	4,8%
Section 24 Disabling Injuries	**6**	7	(14,3%)
Disabling Injuries (DI)	**45**	34	32,4%
Man-days lost due to injuries	**335**	366	(8,5%)
Disabling Incidence Frequency Rate (DIFR)	**2,09**	1,77	0,3%
Non-disabling Injuries (NDI)	**31**	34	(8,8%)
SHEQ Training	**471**	174	170,7%

- Development and implementation of SHEQ and Railway policies.
- Development and implementation of health and safety contractual agreements.
- Development and implementation of an integrated health and environmental management system.
- Rolling-out of risk assessment and subsequent recommended corrective actions to relevant areas of operation such as silos, stores and filling stations.
- The direct investment in skills development reflects a 23,7% increase with a similar increase in indirect costs, which resulted in a 24,6% increase in total costs. The total skills development costs amount to R8,1 million.
- The number of learnership participants increased by 80,8%.
- The employee turnover figures are decreasing on a year-on-year basis.

Human Resources provisioning and developmental aspects

EMPLOYMENT	2010	2009	VARIANCE
Average number of employees for the year (N)	**2 000**	2 092	(4.4%)
Employee turnover (%)	**9,7%**	10,7%	(1,0%)
Direct investment in skills development (R'm)	**4,7**	3,8	23,7%
Total skills development costs (R'm)	**8,1**	6,5	24,6%
Skills development as a % of taxable payroll (%)	**1,4%**	1,4%	-
Number of participants in skills development (N)	**1 127**	1 163	(3,1%)
Learnership participants and apprenticeships (N)	**47**	26	80,8%

Senwes Graduate Development Programme

- A graduate development programme has been implemented. The objective of the programme is to provide graduates from diverse fields of study with the technical experience that will enable them to have an effective transition into the corporate world, and to develop a pool for the future skills requirements of the group.
- 14 graduates were appointed to the programme.
- Since mentorship is a key component in any developmental programme, Senwes has appointed mentors for each graduate.
- Senwes has partnered with the University of Stellenbosch to ensure the best training and development for the graduates.

Leadership and Management Development

Leadership is crucial for the sustainability of any business. Senwes focuses on the development of leadership and management across all levels of the organisation in order to improve capacity for effective management of the current business, as well as building new skills with a view to ensuring future capacity required for long-term strategic direction and objectives of the organisation.

PROGRAMME	PARTICIPANTS 2010	PARTICIPANTS 2009
Executive Development – Specialised Programs (Harvard)	**2**	3
Executive Development (WBS & GIBS)	**5**	6
Advanced Management Programme (NWU)	**1**	1
Middle Management Programmes (NWU)	**10**	9
Management Development Programme (UOFS)	**1**	1
Fundamental Management Programme (NWU)	**4**	4

- Seven persons participated in executive management programmes run jointly by local and overseas business schools, with a view to providing them with executive management skills as well as exposure to global business development and management practices.
- 16 participants completed management programmes with local business schools.

Learnerships and Accredited Programmes

Learnerships with the emphasis on hands-on practical training are the bedrock for skills development in the organisation.

- A total of five learnerships were offered during the year, focusing on both the input supply and market access pillars of our business.
- 32 participants were enrolled in the learnerships.

PROGRAMME	PARTICIPANTS 2010	PARTICIPANTS 2009
National Certificate in Agri Trade Processes	**4**	4
National Certificate in Agri Sales and Services	**3**	4
National Certificate in Grain Handling Processes	**9**	9
National Certificate in Grain Handling Management	**8**	9
FETC (Further Education and Training Certificate) – new programme	**8**	-

Enabling Work Environment

Efforts continue to improve the work environment and to provide a superior value proposition to employees. Focus is placed on:

- creation of an enabling and supportive work environment;
- provision of challenging job and growth opportunities;

- motivation and engagement of employees through constant communication;
- creation of a well renowned and respected brand;
- provision of competitive rewards; and
- Senwes participated in the Deloitte & Touche's *Best Company to Work For* survey for the fifth consecutive year and achieved a rating of 21 out of 38 participants in the category medium sized companies. The previous rating was 18 out of 48 medium sized companies.

Transformation and Empowerment

- Sufficient progress has been made in the areas of ownership, preferential procurement and enterprise development. Certain challenges and a resultant lack of progress have been experienced with regard to management control, employment equity and skills development.
- Senwes was subjected to an employment equity audit by the Labour Department. The outcome thereof was negative, given the slow progress made in the pursuit of the company's employment equity targets.
- Various strategies are being implemented to ensure achievement of the set targets and that by 2014 the company will have achieved its overall targets, at least in line with the BBBEE code of good practice and AgriBEE targets.

Employment Equity

GOVERNANCE AND MANAGEMENT	2010		2009	
	TOTAL BLACK	BLACK FEMALE	TOTAL BLACK	BLACK FEMALE
Board	**21%**	**7%**	21%	7%
Senior management	**13%**	**0%**	13%	0%
Middle management	**13%**	**3%**	13%	1%
Junior management and specialists	**12%**	**3%**	11%	5%

The 2010 and 2009 figures are almost static; total black females on middle management level have increased by 2%, while the junior management and specialist levels have decreased by 2%, The junior and middle ma-nagement categories presented the biggest challenge for transformation for the company. However, management is confident that the strategies which are in place will bring about the desired transformation.

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 philosophy encourages sustainable long-term performance that is consistently aligned with the strategic direction and objectives of the business, and aligned with the interests of the shareholders. The remuneration philosophy and structures are reviewed by the Remuneration Committee on an annual basis. In undertaking such reviews, the committee uses the services of independent remuneration consultants as and when considered necessary to do so.

Remuneration Policy and Structure

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

- **Guaranteed remuneration**
  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 markets nationally, provincially and across various sectors, and takes into account collective bargaining agreements and outcomes of performance evaluation processes.

- **Performance based variable remuneration**
  These include performance based remuneration

BBBEE Scorecard as at 30 April 2010

PERFORMANCE INDICATOR	2010		2009	
	WEIGHTED POINTS	SENWES PERFORMANCE	WEIGHTED POINTS	SENWES PERFORMANCE
Equity ownership	**23,00***	**20,02**	23,00*	20,02
Management control	**11,00***	**2,70**	11,00*	3,23
Employment equity	**18,00***	**0,00**	18,00*	0,00
Skills development	**15,00**	**1,53**	15,00	1,86
Preferential procurement	**20,00**	**11,04**	20,00	6,97
Enterprise development	**15,00**	**15,00**	15,00	12,90
Socio-economic development	**5,00**	**2,65**	5,00	2,08
Total score	**107***	**52,94***	107*	47,06*
Contributor level	**6**		6	

* Denotes added bonus points

structures such as commission and other incentives based on agreed performance targets. These incentives are normally payable on a monthly basis, depending on the level of performance.

- **Short term incentives**
  This is a performance based incentive scheme applicable to all employees; excluding employees participating in other performance based variable remuneration schemes. The scheme is dependent on the Group, the relevant division and the individual achieving financial and other relevant non-financial performance targets, based on the balanced scorecard. The scheme incorporates a profit share component in the event that the Group's financial targets are exceeded.

- **Long term incentives**
  The scheme is designed for top management, who provides strategic direction to the organisation, thereby ensuring accomplishment of long term objectives and sustainable stakeholder value creation.

  The scheme is in the form of phantom shares that are allocated to each participant and have a vesting period of three years.

  Participation in the scheme is considered annually by the Remuneration Committee upon recommendations made by the Managing Director, and is approved by the Board.

  18 executives participated in the long term incentive scheme during this financial year.

Employee Recognition

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

Enterprise Development

Enterprise development aims to develop a mutually beneficial long term business relationship with new farmers entering the agricultural sector. This is based on mutual respect, integrity, willingness and commitment, by providing farmers who have the potential to be viable and sustainable with the technical as well as financial support.

ENTERPRISE DEVELOPMENT	2010	2009	% VARIANCE
Production credit and financing (R'm)	**24,3**	7,8	212,6%
Hectares planted	**2 080**	1 661	25,2%
Tonnes	**6 214**	3 834	62,1%
Livestock	**1 977**	1 545	28,0%
Total number of developing farmers supported	**146**	75	94,7%

- A total of R24,3 million production credit and capital finance was extended during the year, compared to R7,8 million the previous year, which indicates a 212,6% increase.
- Eight grain and 20 livestock developing farmers were provided with comprehensive advice and planning support as well as access to credit.
- Support includes resource planning, enterprise and mechanisation planning, budgets and financial feasibility assessments, the appointment of a mentor and information transfer through various interventions e.g. farmer days and demonstrations.

Corporate Social Investment

Senwes, as a responsible corporate citizen, believes in reinvestment in the community in which it operates. Various successful projects have been launched. Consequently Senwes's corporate social investment initiatives are targeted at rural areas.

Our focus areas are the following:
- Education;
- Entrepreneurship and job creation;
- Sports, arts and culture; and
- Health and welfare.

Corporate social investments are based on the following criteria:

- **Focus** – Investing in innovative, social initiatives that create both social and business value;
- **Leverage** – Design initiatives that leverage the company's unique assets and resources, as well as other external resources including community social equity;
- **Sustainability** – Strong ownership and commitment from key stakeholders, particularly the community, to ensure long term sustainability;
- **Impact** – Initiatives that will have a broader, wider and long term impact; and
- **Visibility** – High visibility of the initiative to key stakeholders.

SOCIAL INVESTMENT ELEMENTS	2010	2009	% VARIANCE
Sponsorships (R'000)	**936**	694	34,9%
Corporate social investments (R'000)	**1 555**	958	62,0%

The following successful sponsorship and joint sponsorship and developmental projects were undertaken:
- Senwes Spinners Cricket – development of cricket in ten identified farm schools;

- Ottosdal Night Marathon – sponsor development athletes for major marathons;
- Scholarship: Spinners project (cricket development) – the best two farm learners in the cricket development programme receive a scholarship to attend a high school in Klerksdorp;
- Rural Schools Athletics – athletes from 12 rural schools in the Free State compete annually;
- Rural Schools Soccer – soccer development in 8 primary schools in Bothaville, in partnership with Dreamfields;
- Senwes Entrepreneurship Development – entrepreneur competition for primary and high schools in the Senwes area of operation;
- Senwes Young Farmer Future Focus – a conference for young farmers from the Free State and North West provinces where experts in various fields address them;
- Science, Engineering and Technology Camp – camp over 7 days for 100 learners from all the provinces of the country run by the SNSET (Stuart Nthathi Science, Engineering & Technology Institute);
- Entrepreneurial development for emerging farmers through ITO Focus and Agri SETA; and
- Senwes sponsored 7 national conferences, 11 provincial congresses and 170 district and local farmer associations.

ENVIRONMENTAL IMPACT

Senwes accepts its role as responsible steward of the environment wherever it conducts business and will at all times operate its business in a manner that is ecologically and socially sound.

The following aspects are monitored on a continuous basis:

ENVIRONMENTAL FACTOR	2010	2009	% VARIANCE
Water consumption (K/l)	**76 248**	99 972	(23,7%)
Electricity consumption (kW/h – '000)	**21 755**	24 364	(10,7%)
Paper utilisation (Waste paper – Kg)	**24 940**	53 224	(53,1%)
Travelling by employee vehicles (Km's – '000)	**3 840**	3 700	3,8%
Travelling by company vehicles (Km's – '000)	**6 312**	5 859	7,7%
Fuel consumption of company owned vehicles (Litres – '000)	**830**	772	7,5%

- Efficient utilisation of electricity, coupled with the air conditioning system installed at head office, resulted in a 10,7% reduction of electricity.
- Back-up energy systems at selected business units ensure continuity of service in events such as load shedding or power failures.
- Water consumption decreased by 23,7%.
- Waste paper decreased significantly by 53,1% and can be attributed to the systems and processes introduced to minimise paper usage; more and more employees are moving towards e-filing as well as printing on both sides of the page.
- Fuel and oil spillages were recorded in some areas of operation. The spillages have resulted in soil and water contamination. The extent of the damage has not been quantified as yet. Effective rehabilitation systems and processes will be implemented in the new financial year.

SELF-MOTIVATION

BUSINESS ORIENTATION

Senwes

LOYALTY

INNOVATION

INTEGRITY

ACCOUNTABILITY

FIVE-YEAR REVIEW

SENWES GROUP FIVE YEAR REVIEW

	2010 R'm	2009 R'm	2008 R'm	2007 R'm	2006 R'm
STATEMENT OF FINANCIAL POSITION					
Assets					
Non-current assets	508	433	377	331	254
Current assets	2 288	2 070	1 998	1 777	1 386
Non-current assets held for sale	-	-	-	14	3
Total assets	2 796	2 503	2 375	2 122	1 643
Equity and liabilities					
Capital and reserves	1 059	1 126	841	771	683
Minority interest	-	-	2	2	-
Total equity	1 059	1 126	843	773	683
Non-current liabilities	436	432	79	106	89
Current liabilities	1 301	945	1 453	1 243	870
Liabilities associated with non-current assets – held for sale	-	-	-	-	1
Total equity and liabilities	2 796	2 503	2 375	2 122	1 643
Interest-bearing liabilities	1 196	717	802	771	606
INCOME STATEMENT					
Revenue					
Credit Extension – *Senwes Credit*	139	161	120	80	78
Input Supply – *Senwes Village*	1 943	2 208	1 573	1 155	821
Market Access – *Senwes Grainlink*	6 895	8 723	5 902	4 273	2 662
Sundry operations	54	48	39	40	31
Normal operating activities	9 031	11 140	7 634	5 548	3 592
Other non-apportionable	8	17	6	6	30
Continuing operations	9 039	11 157	7 640	5 554	3 622
Discontinued operations held for sale	-	-	-	24	426
Inter-segmental sales	-	-	-	-	(69)
Total income for the year	9 039	11 157	7 640	5 578	3 979
Profit/(loss)					
Credit Extension – *Senwes Credit*	58	68	44	24	23
Input Supply – *Senwes Village*	96	138	83	42	(36)
Market Access – *Senwes Grainlink*	236	349	138	166	177
Sundry operations	6	4	3	2	4
Normal operating activities	396	559	268	234	168
Corporate and non-apportionable costs	(66)	(37)	(44)	(53)	(76)
Investment income	2	4	26	2	5
Continuing operations	332	526	250	183	97
Discontinued operations held for sale	-	-	-	(1)	28
Profit before tax	332	526	250	182	125
Tax	(123)	(158)	(75)	(55)	(18)
Profit for the year	209	368	175	127	107
Minority interest	-	1	2	2	-
Finance charges included in results	(85)	(126)	(126)	(83)	(62)
CASH FLOW STATEMENT					
Net cash flow from operating activities					
Cash profit	329	474	218	202	169
Dividends paid	(280)	(83)	(103)	(24)	(29)
Movement in operating capital	52	(386)	(316)	59	(199)
Net cash flow from operating activities	101	5	(201)	237	(59)
Net cash generated/(invested) through investment activities	(46)	(55)	-	(21)	56
Net cash generated/(invested) through financing activities	-	-	-	-	11
Net increase/(decrease) in cash and cash equivalents	55	(50)	(201)	216	8

SENWES GROUP FIVE YEAR REVIEW (CONTINUED)

	DEFINITION	5 YEAR COMPOUND ANNUAL GROWTH	2010	2009	2008	2007	2006
FINANCIAL GROWTH (percentage)							
Total assets		8,4	**11,7**	5,4	11,9	29,2	(11,9)
Total shareholder interest		11,2	**(6,0)**	33,6	9,1	13,2	9,8
Interest-bearing liabilities		8,0	**66,8**	(10,6)	4,0	27,2	(25,6)
Total revenue from continuing operations		18,7	**(19,0)**	46,0	37,6	53,3	(5,5)
Profit before tax from continuing operations		18,9	**(36,9)**	110,4	36,6	88,7	(30,7)
Headline earnings per share		16,1	**(39,9)**	123,4	29,4	13,3	7,1
Net asset value per share		11,2	**(6,0)**	33,9	9,1	12,9	9,8
Closing market price per share		34,6	**32,7**	4,8	31,3	60,0	51,5
Total dividends for the year		24,1	**125,8**	14,8	134,8	(34,3)	(26,3)
PERFORMANCE OF ORDINARY SHARES							
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
Cents per share							
Earnings	1	#15,2	**115,6**	203,0	95,7	69,1	59,2
Headline earnings	2	#16,1	**114,4**	190,3	85,2	65,8	58,1
Net asset value	3	11,2	**585,8**	622,8	465,2	426,5	377,8
Closing market price	4	34,6	**730,0**	550,0	525,0	400,0	250,0
Total dividends for the year	5	24,1	**140,0**	62,0	54,0	23,0	35,0
Final dividend declared			**15,0**	30,0	14,0	17,0	15,0
Interim dividend paid			**25,0**	15,0	10,0	6,0	-
Special dividend paid			**100,0**	17,0	30,0	-	20,0
Percentage							
Price book ratio	6		**124,6**	88,3	112,9	93,8	66,2
Dividend yield, including special dividends	7		**25,5**	11,8	13,5	9,2	21,2
Dividend yield, excluding special dividends	8		**7,3**	8,6	6,0	9,2	9,1
Times							
Price earnings ratio	9		**6,3**	2,7	5,5	5,8	4,2
Dividend cover, including special dividends	10		**0,8**	3,3	1,8	3,0	1,7
Dividend cover, excluding special dividends	11		**2,9**	4,5	4,0	3,0	3,9
SHAREHOLDER RETURN (%)							
Return on equity	12		**18,6**	43,6	22,4	18,3	17,2
Return on average equity	13		**19,1**	37,3	21,5	17,2	16,4
Total shareholder return (dividends & capital growth)	14		**58,2**	16,6	44,8	69,2	72,7
PRODUCTIVITY							
Asset velocity (times)	15		**3,4**	4,6	3,4	3,0	2,3
Revenue/equity (times)	16		**8,5**	9,9	9,1	7,2	5,8
Number of employees	17		**2 277**	2 167	2 087	1 933	2 118
Operating profit per employee (R'000)	18		**181**	299	168	137	73
Return on total assets	19		**14,9**	26,0	15,8	12,6	9,7
Operating profit as % of income	20		**4,6**	5,8	4,6	4,8	4,3
Effective tax rate	21		**37**	30	30	31	15
SOLVENCY AND LIQUIDITY							
Equity as % of net assets	22		**47**	61	51	50	53
Equity as % of total assets	23		**38**	45	35	36	42
Gearing ratio %	24		**109**	64	91	69	86
Non-interest-bearing liabilities as % of equity	25		**51**	59	87	75	52
Cash profit	26		**329**	474	218	202	169
Interest cover (times)	27		**5,4**	5,4	3,2	3,5	3,0
Current ratio	28		**1,8**	2,2	1,4	1,4	1,6
Quick asset ratio	29		**1,1**	1,5	0,9	0,9	0,9

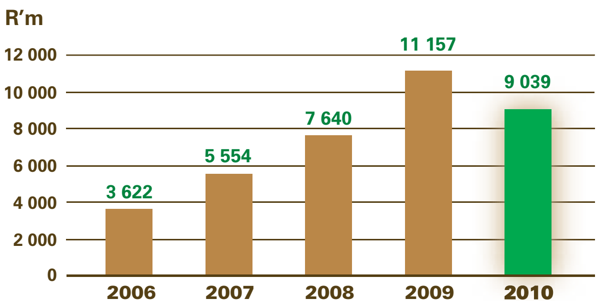
* *Senwes dissolved its Personnel Share Trust in the 2005/06 financial year. In terms of IFRS this figure has to be adjusted from 2004 against equity as if the Trust was previously consolidated.*

\# *Earnings in the base year (2005) were adjusted to reflect earnings from continuing operations.*

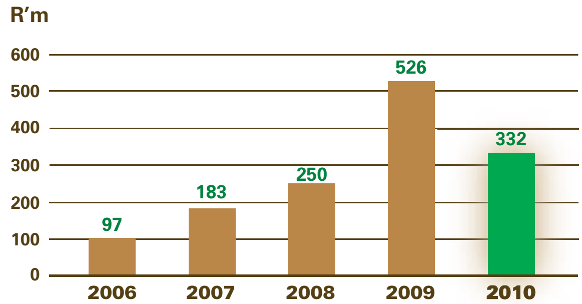
FINANCIAL AND OPERATING RATIOS

INCOME STATEMENT

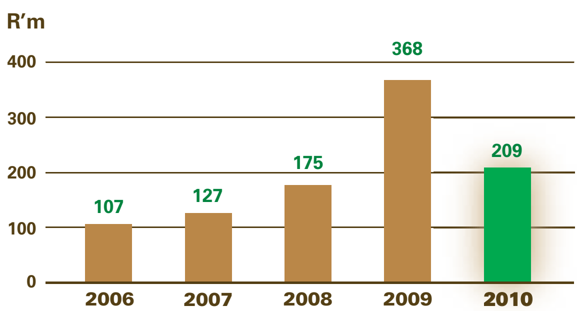
REVENUE FROM CONTINUING OPERATIONS



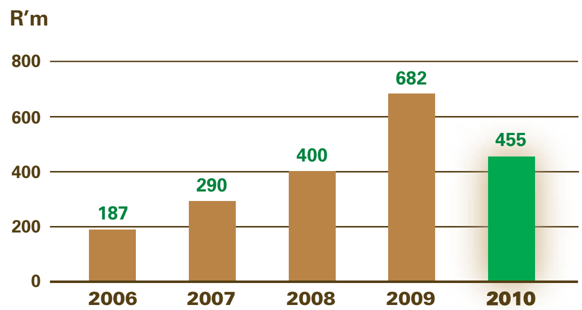
PROFIT FROM CONTINUING OPERATIONS



PROFIT AFTER TAX

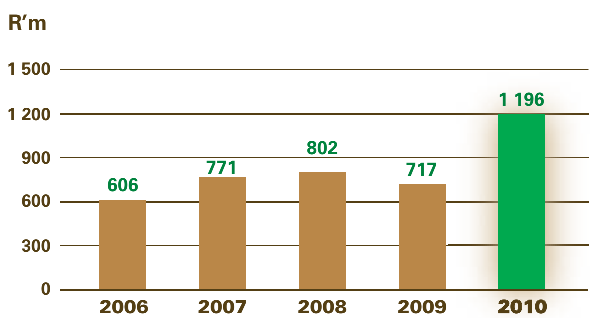


EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)

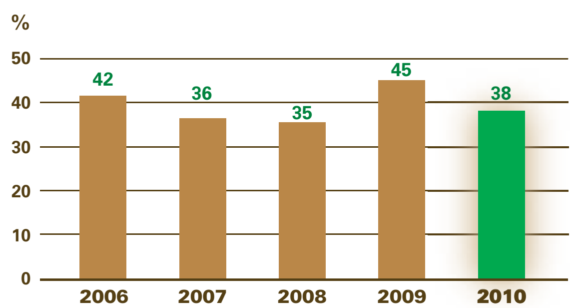


BALANCE SHEET

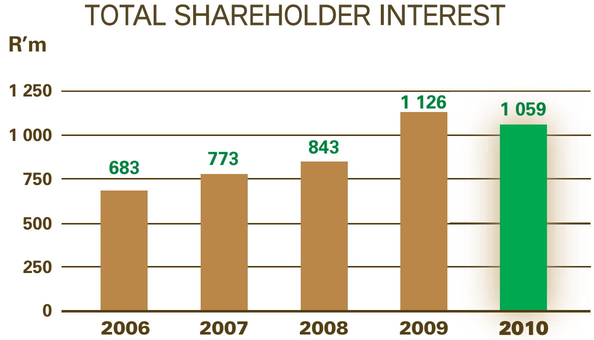
INTEREST-BEARING DEBT



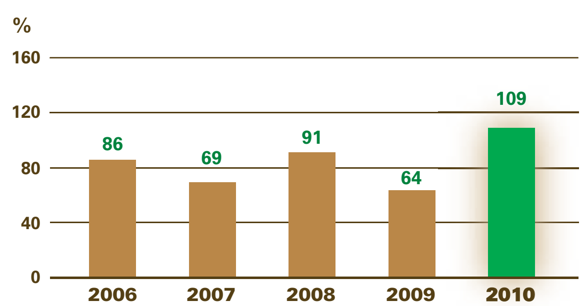
OWN CAPITAL RATIO



TOTAL SHAREHOLDER INTEREST



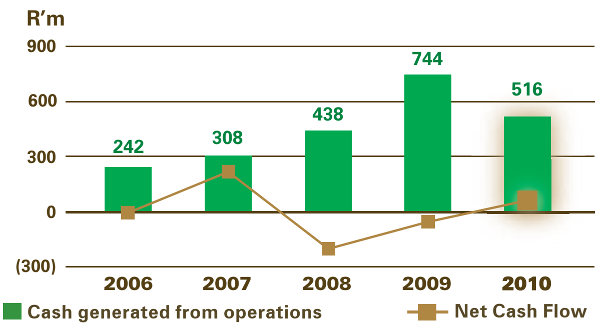
GEARING RATIO



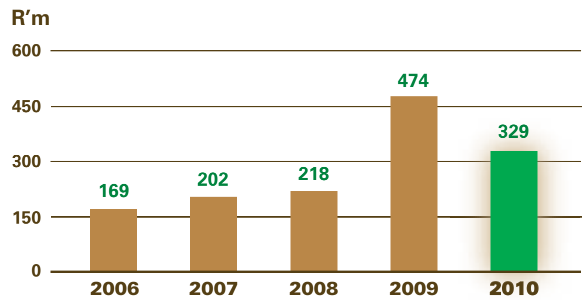
FINANCIAL AND OPERATING RATIOS

CASH FLOW STATEMENT

CASH GENERATED FROM OPERATIONS VS NET CASH FLOW

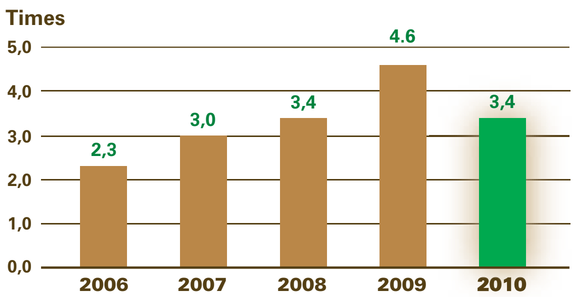


CASH PROFIT

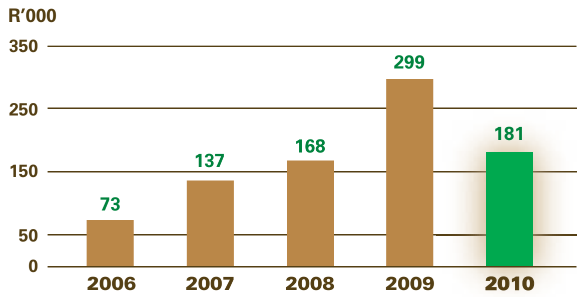


EFFICIENCY AND PRODUCTIVITY

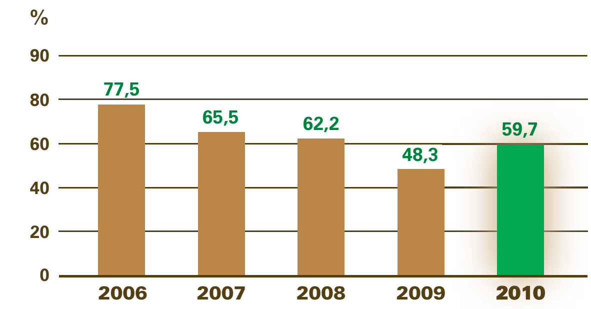
ASSET VELOCITY



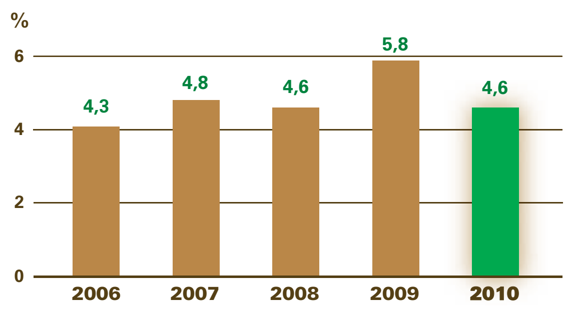
OPERATING PROFIT PER EMPLOYEE



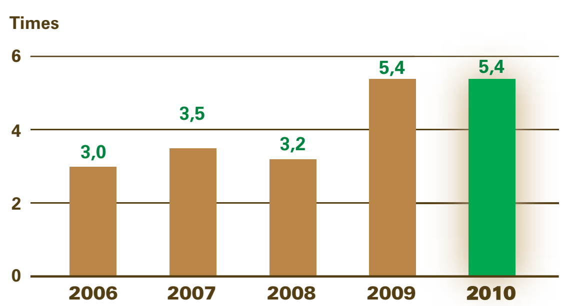
DISTRIBUTION, SALES AND ADMINISTRATIVE EXPENSES AS % OF GROSS PROFIT



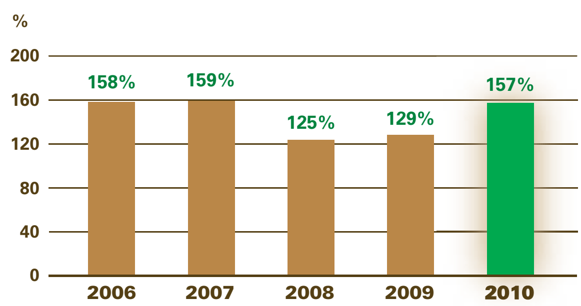
OPERATING PROFIT MARGIN



INTEREST COVER



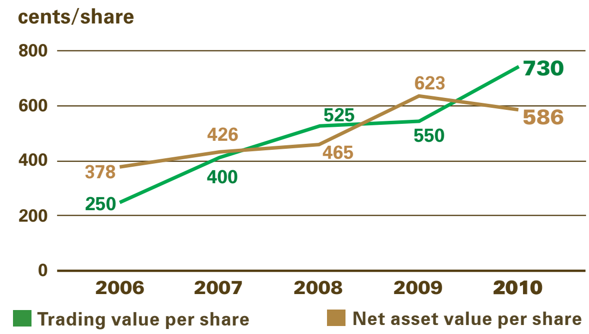
QUALITY OF EARNINGS: CASH PROFIT VS ACCOUNTING PROFIT



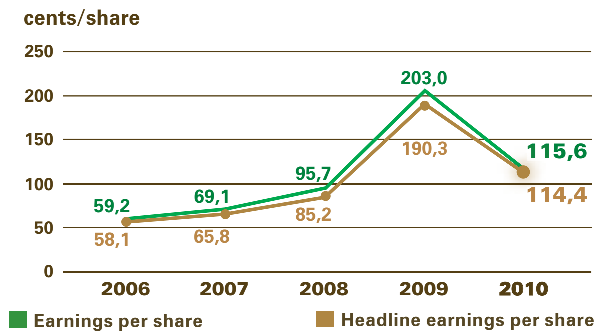
(CONTINUED)

SHAREHOLDERS

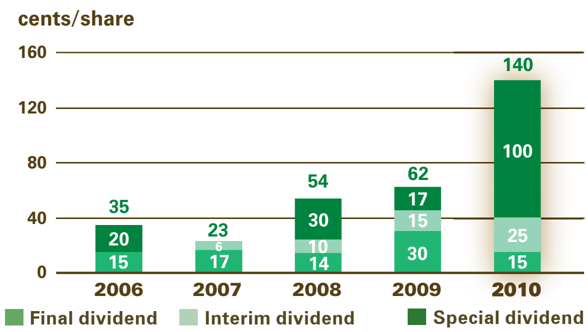
SHARE PRICE: TRADING VALUE VS NET ASSET VALUE



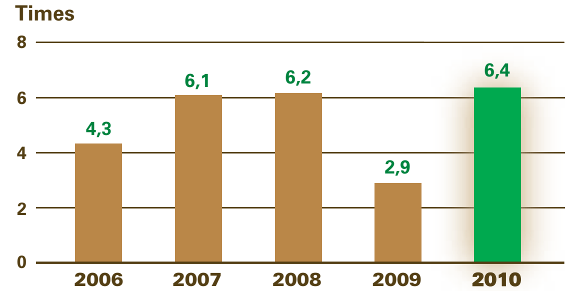
EARNINGS PER SHARE



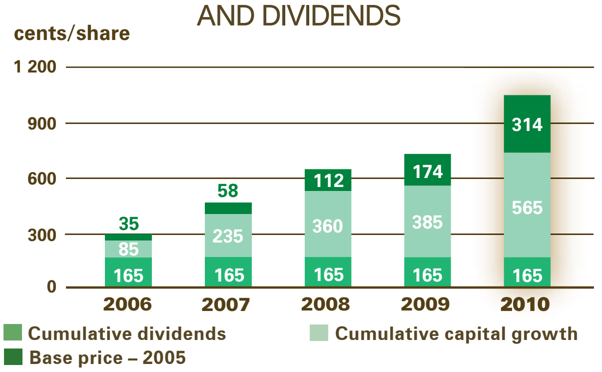
DIVIDENDS



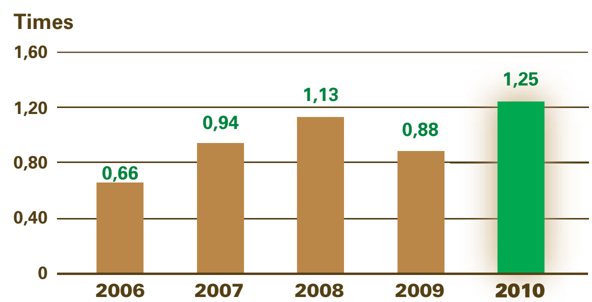
PRICE EARNINGS RATIO CALCULATED ON HEADLINE EARNINGS



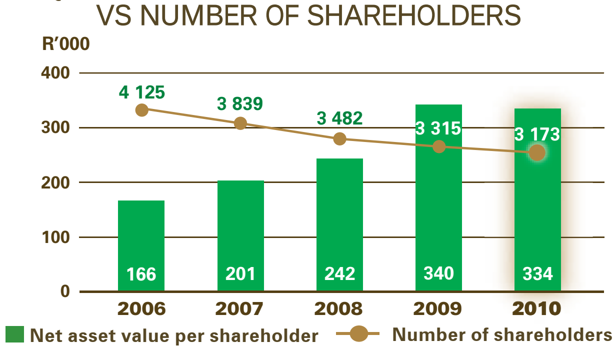
VALUE CREATION AND UNLOCKING FOR SHAREHOLDERS THROUGH CAPITAL GROWTH AND DIVIDENDS



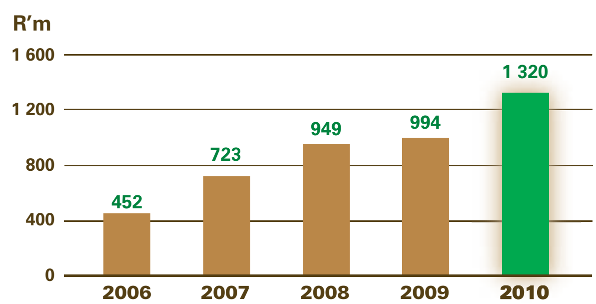
PRICE BOOK RATIO



EQUITY ATTRIBUTABLE TO SHAREHOLDERS VS NUMBER OF SHAREHOLDERS



MARKET CAPITALISATION – CLOSING PRICE



DEFINITIONS

1. Earnings per share
   Earnings attributable to shareholders divided by the weighted average number of shares in issue during the year.

2. Headline earnings per share
   Headline earnings (refer note 21), divided by the weighted average number of shares in issue during the year.

3. Net asset value per share
   Capital and reserves, divided by the number of shares in issue at year-end.

4. Closing market price
   Trading price derived from the last share trading transaction of the financial year.

5. Total dividends for the year
   Total of normal (interm and final) and special dividends for the year.

6. Price book ratio
   Closing market price per share divided by the net asset value per share at year-end.

7. Dividend yield, including special dividends
   Total dividend per share divided by the opening market price per share.

8. Dividend yield, excluding special dividends
   Total dividend per share, excluding special dividends, divided by opening market price per share.

9. Price earnings ratio
   Closing market price per share divided by the earnings per share.

10. Dividend cover, including special dividends
    Earnings per share divided by total dividend per share.

11. Dividend cover, excluding special dividends
    Earnings per share divided by total dividend per share, excluding special dividends.

12. Return on equity
    Profit after tax divided by the opening balance of capital and reserves.

13. Return on average equity
    Profit after tax divided by average capital and reserves.

14. Total shareholder return
    Total dividend yield (definition 7) plus growth in market share price.

15. Asset velocity
    Revenue divided by total average assets.

16. Revenue/Equity
    Revenue divided by total closing equity.

17. Number of employees
Number of employees (total of permanent and temporary) at year-end.

18. Operating profit per employee
Profit before taxation from continuing operations, adjusted with finance cost, investment income and share of profit from associates (operating profit), divided by the total number of employees at year-end.

19. Return on total assets
Profit before tax and finance cost from continuing operations (EBIT) as % of total assets less assets of discontinued operations – held for sale.

20. Operating profit as % of revenue
Operating profit as percentage of revenue from continuing operations.

21. Effective tax rate
Tax expense as per the financial statements as a % of profit before tax.

22. Equity as a % of net assets
Total equity expressed as a % of total assets less non-interest-bearing debt.

23. Equity as % of total assets
Total equity expressed as a % of total assets.

24. Gearing ratio
Interest-bearing debt, reduced by cash, divided by total equity.

25. Non-interest-bearing liabilities as % of equity
Non-interest-bearing liabilities and provisions divided by total equity.

26. Cash profit
Profit for the year, adjusted with non-cash flow items (refer note 23), and taking into account actual tax paid, finance costs paid and other operating income.

27. Interest cover
Profit before tax, adjusted with depreciation (refer note 2) and finance costs (EBITDA), divided by finance costs.

28. Current ratio
Current assets divided by current liabilities.

29. Quick asset ratio
Current assets less inventory divided by current liabilities.

BUSINESS ORIENTATION

SELF-MOTIVATION

INNOVATION

ACCOUNTABILITY

LOYALTY

INTEGRITY

Senwes

FINANCIAL RESULTS

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 48 to 97 have been prepared in accordance with *International Financial Reporting Standards* (IFRS). The directors also prepared all other information included in this annual report and are responsible for both the accuracy and the consistency of the financial statements.

The directors are 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, and 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 2010, set out on page 48 to 97, were approved by the Board.

JE Grobler CHAIRMAN	F Stydom ACTING MANAGING DIRECTOR	CF Kruger ACTING CHIEF FINANCIAL OFFICER

29 June 2010
Klerksdorp

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

29 June 2010
Klerksdorp

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SENWES LIMITED
We have audited the group annual financial statements and annual financial statements of Senwes Limited. These statements comprise the consolidated and separate statements of financial position as at 30 April 2010, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 48 to 97.

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.

AUDITORS' RESPONSIBILITY
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing 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 policies 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, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Senwes Limited as at 30 April 2010, 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* (IFRS) and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young
REGISTERED AUDITOR

13 July 2010
Johannesburg

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, 5 and 6 to the financial statements.

4. RESULTS
The net profit after tax of the group for the year under review amounted to R209 million (2009 – R368 million).

The summarised results are as follows:

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Revenue	9 039	11 157	8 993	11 111
Operating profit	413	648	406	641
Profit after tax	209	368	200	368

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

The summarised statement of financial position is as follows:

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Total assets	2 796	2 503	2 780	2 497
Total interest-bearing debt	1 196	717	1 205	725

The increase in total assets is the result of the higher investment in financing debtors and grain inventory. A review of the results for the year is contained in the operational and financial report on page 12.

5. DIVIDENDS
The Board proposed that a final dividend of 15 cents per share (2009 – 30 cents per share) be declared. An interim dividend of 25 cents per share (2009 – 15 cents per share) and a special dividend of 100 cents per share (2009 – 17 cents per share) were paid during the year. All shareholders registered as such in the share register on 26 August 2010 will receive dividends, which will be paid on approximately 9 September 2010, subject to confirmation of the recommended dividend by shareholders at the annual general meeting.

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

Name	Retirement by rotation
JE Grobler	2010
NDP Liebenberg*	2010
JA Boggenpoel*	2010
M Pooe	2010

The confirmation of the appointment of Mr JBH Botha as independent non-executive director will be tabled at the 2010 annual general meeting.

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

Name	Retirement by rotation
JPL Alberts	2011
JBH Botha	2012
JAE Els	2011
AJ Kruger	2011
J Mashike	2011
JDM Minnaar	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 appointment is confirmed by shareholders at the annual general meeting. After confirmation these directors are also subject to retirement by rotation. Currently the independent directors are Ms. JA Boggenpoel, Messrs. JPL Alberts and JBH Botha.

7. STATUTORY APPOINTMENTS AND REGISTERED ADDRESS

7.1 Company Secretary
EM Joynt

7.2 Public Officer
CF Kruger (CIPRO appointment in process)

7.3 Registered address
1 Charel de Klerk Street, Klerksdorp

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

9. BUY-BACK OF SHARES
No shares were bought back (2009 – Nil).

10. SUBSEQUENT EVENTS AFTER BALANCE SHEET DATE
Treacle, one of the minority shareholders in Senwes and party to the Royal Bafokeng Consortium, served an application upon Senwes (as second respondent) in terms of which certain share acquisitions done by Senwes's majority shareholder, Senwesbel are challenged. Should the court find in favour of Treacle, Senwes could be ordered to adjust its share register. Senwes is opposing the application.

11. SPECIAL RESOLUTIONS
No special resolutions were passed at the previous annual general meeting.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 April 2010

	Notes	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
ASSETS					
Non-current assets					
Property, plant and equipment	2	231	222	213	204
Investment in subsidiaries	3.2	-	-	20	20
Investment in associates	6	7	1 *	1	1 *
Other financial assets	4.1.1	4	4 *	4	4 *
Term debtors	7	227	140	227	140
Deferred tax asset	15.2	39	66	39	66
		508	433	504	435
Current assets					
Inventory	8	835	619	829	615
Trade and other receivables	9	1 316	1 289	1 315	1 285
Agency grain debtors	10	97	162	97	162
Cash and short-term deposits	4.1.2	40	-	35	-
		2 288	2 070	2 276	2 062
TOTAL ASSETS		2 796	2 503	2 780	2 497
EQUITY AND LIABILITIES					
Equity					
Issued capital	11	1	1	1	1
Share premium	12.1	67	67	67	67
Non-distributable reserve	12.2	-	66	-	66
Other reserves	12.3	2	2	2	2
Retained earnings		989	990	968	982
Total equity		1 059	1 126	1 038	1 118
Non-current liabilities					
Interest-bearing loans	4.2.3	350	350	350	350
Other long term employee liabilities	13.2	7	7	7	7
Post-retirement liabilities	13.3	79	75	79	75
		436	432	436	432
Current liabilities					
Trade and other payables	14	376	448	369	440
Interest-bearing loans	4.2.2	773	335	773	335
Other financial liabilities	4.2.1	79	33	92	43
Tax payable	15.3	7	20	6	20
Other short-term employee benefits	13.1	46	87	46	87
Provisions	16	20	22	20	22
		1 301	945	1 306	947
Total liabilities		1 737	1 377	1 742	1 379
TOTAL EQUITY AND LIABILITIES		2 796	2 503	2 780	2 497

*Amounts reclassified in order to ensure disclosure relating to comparative figures.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2010

	Notes	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Services rendered		566	777	540	751
Interest income	18.3	141	161	141	161
Income from operating activities		8 332	10 219	8 312	10 199
Revenue		9 039	11 157	8 993	11 111
Cost of sales		(8 014)	(9 904)	(8 000)	(9 892)
Gross profit		1 025	1 253	993	1 219
Distribution, sales and administrative expenses		(612)	(605)	(588)	(578)
Operating profit	18	413	648	405	641
Finance costs	18.2	(85)	(126)	(85)	(127)
Other operating income	19	2	4	2	8
Share of profit from associates	6.2	2	-	-	-
Profit before tax		332	526	322	522
Taxation	15.1	(123)	(158)	(122)	(154)
Profit for the year		209	368	200	368
Other comprehensive income for the year		-	1	-	1
Fair value adjustments available for sale financial assets		-	1	-	1
Total after tax comprehensive income for the year		209	369	200	369
Attributable to:					
Shareholders		209	367		
Minority interests		-	1		
		209	368		
Total comprehensive income attributable to:					
Shareholders		209	368		
Minority interests		-	1		
		209	369		
Earnings per share (cents)	21.1.4	115,6	203,0		
Headline earnings per share (cents)	21.1.4	114,4	190,3		

Dividends for the year:

	Notes	2010	2009
Dividends per share paid during the year (cents)	21.2	155	46
Final dividend previous year		30	14
Interim dividend		25	15
Special dividend		100	17
Final dividend per share proposed (cents)		15	30

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2010

	Notes	ISSUED SHARE CAPITAL R'm (Note 11)	SHARE PREMIUM R'm (Note 12.1)	NON-DISTRIBUTABLE RESERVE R'm (Note 12.2)	RETAINED EARNINGS R'm	OTHER RESERVES R'm (Note 12.3)	TOTAL ORDINARY SHAREHOLDERS R'm	MINORITY INTEREST R'm	TOTAL EQUITY R'm
GROUP									
Balance at 30 April 2008		1	67	67	705	1	841	2	843
Total comprehensive income		-	-	-	367	1	368	1	369
Profit for the year		-	-	-	367	-	367	1	368
Other comprehensive income		-	-	-	-	1	1	-	1
Dividends paid	21.2	-	-	-	(83)	-	(83)	(3)	(86)
Transfer of reserve		-	-	(1)	1	-	-	-	-
Balance at 30 April 2009		1	67	66	990	2	1 126	-	1 126
Total comprehensive income		-	-	-	209	-	209	-	209
Profit for the year		-	-	-	209	-	209	-	209
Other comprehensive income		-	-	-	-	-	-	-	-
Dividends paid	21.2	-	-	-	(280)	-	(280)	-	(280)
Transfer of Reserve		-	-	(66)	66	-	-	-	-
Associate equity profit from previous years	6.2	-	-	-	4	-	4	-	4
Balance at 30 April 2010		1	67	-	989	2	1 059	-	1 059
COMPANY									
Balance at 30 April 2008		1	67	67	696	1	832	-	832
Total comprehensive income		-	-	-	368	1	369	-	369
Profit for the year		-	-	-	368	-	368	-	368
Other comprehensive income		-	-	-	-	1	1	-	1
Dividends paid	21.2	-	-	-	(83)	-	(83)	-	(83)
Transfer of reserve		-	-	(1)	1	-	-	-	-
Balance at 30 April 2009		1	67	66	982	2	1 118	-	1 118
Total comprehensive income		-	-	-	200	-	200	-	200
Profit for the year		-	-	-	200	-	200	-	200
Other comprehensive income		-	-	-	-	-	-	-	-
Dividends paid	21.2	-	-	-	(280)	-	(280)	-	(280)
Transfer of reserve		-	-	(66)	66	-	-	-	-
Balance at 30 April 2010		1	67	-	968	2	1 038	-	1 038

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2010

	Notes	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Cash from operating activities	23	516	744	509	772
Other operating income	19	2	4	2	8
Finance costs paid	18.2	(79)	(126)	(79)	(127)
Tax paid	25	(110)	(148)	(108)	(144)
Cash profit		329	474	324	509
Dividends paid	26	(280)	(83)	(280)	(83)
Change in operating capital	24	52	(386)	58	(418)
Net cash flow from operating activities		101	5	102	8
Net cash flow from investment activities		(46)	(55)	(46)	(58)
Purchase of property, plant and equipment	27	(48)	(63)	(48)	(63)
Proceeds from disposal of property, plant and equipment	28	3	3	3	3
(Decrease)/increase in current interest-bearing loans	30	(1)	5	(1)	2
Net cash flow before financing activities		55	(50)	56	(50)
Net cash flow from financing activities		-	-	-	-
Net increase/(decrease) in cash and cash equivalents		55	(50)	56	(50)
Cash and cash equivalents – beginning of the period	29	(15)	35	(21)	29
Cash and cash equivalents - end of the period	29	40	(15)	35	(21)

NOTES TO THE FINANCIAL STATEMENTS

1. OPERATING SEGMENT INFORMATION

1.1 SEGMENTAL REVENUE AND RESULTS

	GROUP Segmental revenue		GROUP Segmental profit	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Credit Extension (*Senwes Credit*)	139	161	58	68
Input Supply (*Senwes Village*)	1 943	2 208	96	138
Market Access (*Senwes Grainlink*)	6 895	8 723	236	349
Sundry operations	54	48	6	4
Normal operational activities	9 031	11 140	396	559
Income/Corporate costs	8	17	(66)	(37)
Other operating income	-	-	2	4
Total revenue	9 039	11 157		
Profit before tax			332	526
Taxation			(123)	(158)
Profit after tax			209	368
Minority interest			-	(1)
Profit attributable to the shareholders			209	367

1.2 NET SEGMENT ASSETS

	GROUP Assets		GROUP Liabilities		GROUP Net	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Credit Extension (*Senwes Credit*)	1 398	1 245	(738)	(493)	660	752
Input Supply (*Senwes Village*)	473	488	(358)	(377)	115	111
Market Access (*Senwes Grainlink*)	729	550	(446)	(301)	283	249
Sundry operations	3	6	(7)	(9)	(4)	(3)
Total operations	2 603	2 289	(1 549)	(1 180)	1 054	1 109
Corporate	147	141	(105)	(119)	42	22
Investment in associate	7	7	(4)	(3)	3	4
Deferred tax	39	66	-	-	39	66
Provision for post-retirement liabilities	-	-	(79)	(75)	(79)	(75)
Total	2 796	2 503	(1 737)	(1 377)	1 059	1 126

1.3 SEGMENT RECONCILING ITEMS

	GROUP Capital expenditure		GROUP Depreciation		GROUP Non-cash transactions	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Credit Extension (*Senwes Credit*)	-	-	-	-	10	6
Input Supply (*Senwes Village*)	9	14	5	2	(4)	26
Market Access (*Senwes Grainlink*)	20	28	17	16	15	15
Sundry operations	1	-	1	-	2	(1)
Corporate	18	21	15	12	51	30
Total	48	63	38	30	74	76

1.4 An analysis of the segment for management reporting purposes:

Credit Extension (*Senwes Credit*)	Credit extension to agricultural producers and grain buyers. This also includes a joint venture with Wesbank which extends term credit.
Input Supply (*Senwes Village*)	Sales at the retail outlets, direct sales of farming inputs and sales of mechanisation goods and parts.
Market Access (*Senwes Grainlink*)	Income received for the handling and storage of agricultural produce. Commission earned on grain marketing. Income received from the sale of own grain.
Sundry operations	Income received from the processing of grapes and seed. Commission received on premiums for broker services rendered 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. Income tax is managed on a group basis and is not allocated to operating segments. Services rendered between related parties as reflected in operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2. PROPERTY, PLANT AND EQUIPMENT

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Cost price	609	569	582	542
Land	2	2	2	2
Buildings and improvements	221	207	201	187
Plant and equipment	340	318	334	312
Vehicles	46	42	45	41
Accumulated depreciation and impairments	(378)	(347)	(369)	(338)
Land	-	-	-	-
Buildings and improvements	(104)	(96)	(102)	(94)
Plant and equipment	(246)	(225)	(240)	(219)
Vehicles	(28)	(26)	(27)	(25)
Total carrying value	231	222	213	204

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 4.2.2, 4.2.3.
2.3 The capital commitments of the group are set out in note 17.2.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RECONCILIATION OF MOVEMENTS ON PROPERTY, PLANT AND EQUIPMENT 2010

	Carrying amount at beginning of period R'm	Purchases R'm	Disposals R'm	Depreciation and impairments R'm	Carrying amount at end of period R'm
GROUP – 2010					
Land	2	-	-	-	2
Buildings and improvements	111	14	-	(8)	117
Plant and equipment	93	26	-	(24)	95
Vehicles	16	8	(1)	(6)	17
Total carrying value	222	48	(1)	(38)	231
COMPANY – 2010					
Land	2	-	-	-	2
Buildings and improvements	93	14	-	(8)	99
Plant and equipment	93	26	-	(24)	95
Vehicles	16	8	(1)	(6)	17
Total carrying value	204	48	(1)	(38)	213

RECONCILIATION OF MOVEMENTS ON PROPERTY, PLANT AND EQUIPMENT 2009

	Carrying amount at beginning of period R'm	Purchases R'm	Disposals R'm	Depreciation and impairments 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
Total 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
Total carrying value	172	63	(1)	(30)	204

3. INVESTMENT IN COMPANIES

3.1 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTEREST

Business combinations in 2010

Grainovation (Pty) Ltd

On 14 January 2010, the group registered Grainovation (Pty) Ltd. The shareholders are as follows: 50% Senwes Ltd and 50% Imperial Ltd. Grainovation is responsible for the transportation of commodities. Logistical services were rendered by other contractors for the biggest portion of the 2010 financial year.

Senwes International Holdings (Pty) Ltd
On 11 March 2010, the group registered and incorporated Senwes International Holdings (Pty) Ltd. The company's main business is to invest in other companies, outside South Africa. No investment was made in other companies during the financial year under review.

Business Combination 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 the procurement of grain and the management of storage facilities for grain. Activities are not sufficiently material for reporting purposes.

3.2 SHARES HELD IN SUBSIDIARIES

COMPANY – 2010

	Total shares in issue	% interest	Shares R'm	Shares 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	-	-	-
Senwes Graanmakelaars (Pty) Ltd	100	100	-	-	-
Univision Financial Services (Pty) Ltd	100	100	-	-	-
Senwes International Holdings (Pty) Ltd	100	100	-	-	-
Senwes Limited (Private company) (Malawi)	100 000	100	-	-	-
Total carrying value			25	(5)	20

COMPANY – 2009

	Total shares in issue	% interest	Shares R'm	Shares 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	-	-	-
Senwes Graanmakelaars (Pty) Ltd	100	100	-	-	-
Univision Financial Services (Pty) Ltd	100	100	-	-	-
Total carrying value			25	(5)	20

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.3 LOANS FROM SUBSIDIARIES: SHORT TERM LOANS

	COMPANY	
	2010 R'm	2009 R'm
Charel de Klerk Street Properties (Pty) Ltd	(3)	(3)
Senwes Graanmakelaars (Pty) Ltd	(1)	-
Univision Broker Services (Pty) Ltd	(7)	(4)
Univision Financial Services (Pty) Ltd	(6)	(3)
Total carrying value	(17)	(10)

- Unless specifically indicated otherwise in note 4.2.1, the short term loans are unsecured, bear interest at varying rates with an applicable rate of 7,76% at year-end (2009 – 10,5%) and have no fixed repayment terms.

3.4 RESULTS OF SUBSIDIARIES AFTER TAX (100%)

	COMPANY	
	2010 R'm	2009 R'm
Hartswater Wynkelder (Pty) Ltd	1	1
Univision Financial Services (Pty) Ltd	3	2
Senwes Graanmakelaars (Pty) Ltd	-	3

3.5 NATURE OF BUSINESS AND DIRECTORS' VALUATION #:

		COMPANY	
		2010 R'm	2009 R'm
Charel de Klerk Street Properties (Pty) Ltd	- Property company	20	20
Hartswater Wynkelder (Pty) Ltd	- Wine cellar	8	7
Univision Financial Services (Pty) Ltd	- Insurance broker and administrative services	8	5
Senwes Graanmakelaars (Pty) Ltd	- Option writing – financial instruments	-	-

- 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	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Financial assets available-for-sale:				
Public companies	4	4	4	4
Total non-current financial assets	4	4	4	4

Financial assets available for sale: Unlisted/listed public and other companies

Available-for-sale financial assets comprise of investments with no maturity date or coupon rate, namely Suidwes Belleggings Ltd, Suidwes Beherend Ltd and JSE Ltd. The fair value of the public shares on the active market was used for valuation purposes.

	GROUP		COMPANY	
	Directors' valuation		Directors' valuation	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Financial assets available for sale:				
Public companies	4	3	4	3

Investments and loans in private companies

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

4.1.2 Cash and short term deposits

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Cash and short term deposits	40	-	35	-

Cash bears interest at prime linked rates on a daily basis and Senwes aims to have a zero balance by sweeping amounts to and from the short term facilities.

4.2 FINANCIAL LIABILITIES

4.2.1 Other current financial liabilities

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Interest-bearing loans from related parties				
Senwesbel Ltd	69	13	69	13
Univision Broker Services (Pty) Ltd	4	4	7	4
Univision Financial Services (Pty) Ltd	-	-	6	3
Interest-bearing facility				
Bank overdraft	-	15	-	20
Non-interest-bearing loans from related parties				
Senwes Graanmakelaars (Pty) Ltd	-	-	1	-
Silo Certs (Pty) Ltd	-	1	-	-
Charel de Klerk Street Properties (Pty) Ltd	-	-	3	3
Derivative financial instruments				
Fair value hedges interest rate swap	6	-	6	-
Total carrying value	79	33	92	43

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- The loan of Senwesbel Ltd is unsecured and bears interest at a prime-linked rate. There are no fixed terms of repayment.
- Univision's loan is unsecured and bears interest at a prime-linked rate. There are no fixed terms of repayment.
- The overdraft facility bears daily interest at a prime-linked rate while Senwes aims to have a zero balance by sweeping amounts to and from the short term facilities.
- Non-interest-bearing loans are unsecured, bear no interest and have no fixed repayment terms.
- Loan to Silo Certs (Pty) Ltd is unsecured, interest free and there is no fixed terms of repayment. The total loan is subordinated to the claims of other creditors.
- As at 11 November 2009, the group entered into an interest rate swap agreement with a nominal value of R250 million (2009 - Nil) at a fixed rate of 8,15%. A variable rate equal to the 3 month Jibar rate apllies to the group.The swap is being used to hedge the interest cost over the long term at an acceptable level. The long term effect is reported in the income statement.

4.2.2 Interest-bearing loans

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Interest-bearing short term loans	446	335	446	335
Commodity finance	327	-	327	-
Total carrying value	773	335	773	335

Interest-bearing short term loans

As continuing security for Senwes's short term facilities with Absa Bank Ltd, all rights and interest to producer 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, capitalised on a monthly basis. The next renewal will be on 28 February 2011.

Commodity finance

The carrying value of the financing is in accordance with the fair value of the underlying commodities. Commodities which are pledged as security are reflected in note 8.4. Interest on the commodity finance is linked to the prime rate and is capitalised monthly. Any downward price movement of more than 10% of the original transaction value will be repaid.

4.2.3 Interest-bearing long term loans

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Interest-bearing loans	350	350	350	350

The Absa 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 remains payable. The loan was settled in full on 3 May 2010.

A new facility to replace the above was negotiated with Land Bank, effective from 3 May 2010. The long term loan is repayable as a balloon payment on 30 April 2015 and bears interest at a prime-linked rate. Interest is paid on a monthly basis, therefore only the capital amount will be repayable.

5. INVESTMENT IN JOINT VENTURES

5.1 SILO CERTS (PTY) LTD

	GROUP	
	2010	2009
Interest in Silo Certs (Pty) Ltd	42,50%	42,50%

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

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 2010. The latter was used in compiling the group statements.

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	
	2010 R'm	2009 R'm
Assets*	-	-
Liabilities*	-	-
Non-current liabilities*	-	-

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

	GROUP	
	2010 R'm	2009 R'm
Revenue	1	1
Net profit/(loss)*	-	-

* The amounts are not material and rounds off to less than R1 million.

5.2 INVESTMENT IN SILO CERTS (PTY) LTD

	COMPANY	
	2010 R'm	2009 R'm
Shares	2	2
Provision for write-off of shares	(2)	(2)
Loan	3	3
Provision for write-off of loan	(3)	(3)
Total carrying value	-	-

6. INVESTMENT IN ASSOCIATES

		GROUP		COMPANY	
	Notes	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Grainovation (Pty) Ltd*	6.1	-	-	-	-
Grasland Ondernemings (Pty) Ltd	6.2	7	1	1	1
		7	1	1	1

* The activities of Grainovations (Pty) Ltd are for a period of 2 months of the financial year only. The results for this period were not material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6.1 GRAINOVATION (PTY) LTD

The group has a 50% interest in Grainovation (Pty) Ltd, which is involved in the transportation of grain commodities. No transport was done by Grainovation for the 2010 financial year and sub-contractors were responsible for this aspect. The year-end is the same as the Senwes group year-end.

The following table illustrates the summarised financial information of the group's interest in Grainovation (Pty) Ltd:

Shares in the associated statement of financial position:	2010 R'm
Current assets	-
Non-current assets	1
Current liabilities	-
Non-current liabilities	(1)
Equity	-
Revenue and profit of the associate are as follows:	
Revenue	13
Net profit*	-

* The amount is not material and rounds off to less than R1 million.

6.2 GRASLAND ONDERNEMINGS (PTY) LTD

The group has a 43,9% interest in Grasland Ondernemings (Pty) Ltd. The company's main business objective is the mining and distribution of agricultural lime. The year-end is 31 December 2010.

The following table illustrates the summarised financial information of the group's investment in Grasland Ondernemings (Pty) Ltd:

Shares in the statement of financial position of the associate:	2010 R'm
Current assets	5
Non-current assets	5
Current liabilities	(2)
Non-current liabilities	(1)
Equity	7
Revenue and profit of the associate are as follows:	
Revenue	11
Net profit	2
Carrying value of the investment	7

7. TERM DEBTORS

Represents debtors for items sold in terms of an instalment sales agreement (note 7.2) and mortgage loans (note 7.1) extended over varying terms of up to 120 months. The underlying asset serves as security for the agreement. Interest rates are market-related and can be variable or fixed depending on the specific agreement.

	Notes	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Gross investment in instalment sales agreements and mortgage loans		405	281	405	281
Less: Unearned finance income		(126)	(103)	(126)	(103)
Carrying amount		279	178	279	178
Less: Short-term portion		(52)	(38)	(52)	(38)
Net carrying value	7.1, 7.2	227	140	227	140

7.1 MORTGAGE LOANS

	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Within one year	51	36	51	36
More than one year and within five years	139	77	139	77
More than five years	87	62	87	62
Carrying amount	277	175	277	175
Less: Short-term portion	(51)	(36)	(51)	(36)
Total carrying value	226	139	226	139

7.1.1 Terms and conditions

Mortgage loans are repayable over 2 to 10 years, secured by mainly first bonds over property. The interest rate is market-related, depending on the specific agreement

7.1.2 Fair value

The Board is of opinion that the carrying amount of the mortgage loan is also the fair value of the financial asset.

7.2 INSTALMENT SALES AGREEMENTS

	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Within one year	1	2	1	2
More than one year and within five years	1	1	1	1
Carrying amount	2	3	2	3
Less: short-term portion	(1)	(2)	(1)	(2)
Total carrying value	1	1	1	1

7.2.1 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) by Wesbank.

7.2.2 Fair Value

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVENTORIES

	Notes	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Raw materials and work in progress		4	3	-	-
Merchandise	8.1, 8.3	393	454	392	454
Consumables		2	2	1	1
Grain commodities	8.5	436	160	436	160
Total carrying value	8.2, 8.4	835	619	829	615

8.1 Included is floor plan inventory of R47,2 million (2009 – R78,5 million), which is subject to encumbrance in terms of an agreement with the relevant manufacturers of farming equipment.

8.2 Inventory is valued as follows:

	GROUP 2010 R'm	GROUP 2009 R'm	Valuation method
Inventory and merchandise	202	286	Weighted average cost price
Mechanisation whole goods	192	169	Unit cost
Grain commodities	436	160	Initual contract price and fair value thereafter
Other inventory	5	4	First in, first out (FIFO)
Total carrying value	835	619	

8.3 Included under merchandise of the company and group is a provision for slow-moving and obsolete inventory of R13,6 million (2009 – R 13 million).

8.4 Grain inventory of the company and the group has been pledged as security for loans granted by financiers to the value of R301 million (2009 – Nul million).

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

8.6 The amount written down in respect of investments in inventory was recognised against cost of sale and amounts to R2,6 million (2009 – R1,6 million).

9. TRADE AND OTHER RECEIVABLES

	Notes	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Trade debtors		1 079	1 130	1 078	1 125
Production accounts	9.1	936	1 004	936	1 004
Current accounts	9.2	143	125	142	120
Cash advances on grain commodities	9.3	-	1	-	1
Term debtors – short-term portion	7.1, 7.2	52	38	52	38
Sundry debtors	9.4	230	169	230	170
Less: Provision for impairment	9.5	(45)	(48)	(45)	(48)
Total carrying value	9.6, 9.7	1 316	1 289	1 315	1 285

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

9.2 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 determined by the National Credit Act

9.3 Cash advance payments on grain commodities represent credit extended 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 regulated by the National Credit Act. Open positions of grain cash advance debtors bear no interest.

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

9.5 The provision of R45 million (2009 – R48 million) was made in respect of trade and other receivables as at 30 April 2010, which is composed as follows:

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Specific impairment	(23)	(22)	(23)	(22)
Balance at the beginning of the year	(22)	(38)	(22)	(38)
Provision for the year	(3)	(1)	(3)	(1)
Utilised during the year	2	17	2	17
Portfolio impairment	(22)	(26)	(22)	(26)
Balance at the beginning of the year	(26)	(22)	(26)	(22)
Write-back/(provision) for the year	4	(4)	4	(4)
Total provision for impairment	(45)	(48)	(45)	(48)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.6 The debtor analysis is summarised as follows:

	GROUP 2010			GROUP 2009		
	Current R'm	Debt in arrears R'm	Total R'm	Current R'm	Debt in arrears R'm	Total R'm
Trade debtors	1 008	71	1 079	1 077	53	1 130
Production loans	887	49	936	971	33	1 004
Current accounts	121	22	143	106	19	125
Cash advances on grain commodities	-	-	-	-	1	1
Term debtors – short-term portion	51	1	52	35	3	38
Sundry debtors	227	3	230	166	3	169
Less: Provision for impairment	(22)	(23)	(45)	(22)	(26)	(48)
Total carrying value	1 264	52	1 316	1 256	33	1 289

9.6.1 Current debtors are debtors classified as debtors within current credit terms.
9.6.2 Debtors in arrears are classified as debtors who are outside their current credit terms.

9.7 As security of Senwes short term facilities with Absa Bank Ltd, all rights and interest in producer debtors and their underlying securities have been ceded and pledged to Absa. The support value of security ceded amount to R1 272 million (2009 – R1 138 million) at year-end.

10. AGENCY GRAIN DEBTORS

	Notes	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Agency grain debtors	10.1, 10.2	97	162	97	162

10.1 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 R12,8 million (2009 – R13,3 million) is included in the balance.

10.2 At year-end no agency grain debtors were encumbered (2009 – R Nil million).

11. ISSUED CAPITAL

	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Authorised				
581 116 758 (2009 and 2010) ordinary shares of 0,516 cents each	3	3	3	3
Issued				
180 789 308 (2009 and 2010) ordinary shares of 0,516 cents each	1	1	1	1

Reconciliation of issued shares:

	GROUP		COMPANY	
	Number of shares		Number of shares	
	2010	2009	2010	2009
Shares issued	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.

12. RESERVES

12.1 SHARE PREMIUM

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Comprised of:				
Issue of shares	74	74	74	74
Buy-back of own shares	(7)	(7)	(7)	(7)
Total carrying value	67	67	67	67

12.2 NON-DISTRIBUTABLE RESERVES

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Opening balance	66	67	66	67
Unutilised deferred tax assets	(66)	(1)	(66)	(1)
Total carrying value	-	66	-	66

The balance consists of historic events relating to unrealised deferred tax assets which arose from historic events, which are uncertain and which were excluded from retained income. The uncertainty does not exist any more, which resulted in the transfer to retained earnings.

12.3 OTHER RESERVES

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Net unrealised reserve:				
Opening balance	2	1	2	1
Fair value adjustment	-	1	-	1
Total carrying value	2	2	2	2

This reserve records fair value changes on available-for-sale financial assets as indicated in note 4.

13. EMPLOYEE BENEFITS

13.1 INCENTIVE BONUSES

GROUP	2010			2009		
	Short term R'm	Long term R'm	Total R'm	Short term R'm	Long term R'm	Total R'm
Balance at the beginning of the year	87	7	94	53	3	56
Increase in provision for the year	46	-	46	82	4	86
Utilised during the year	(87)	-	(87)	(48)	-	(48)
Balance at the end of the year	46	7	53	87	7	94

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The group has a short term and a long term incentive scheme for employees. The objective is to promote profitability by subjecting a portion of the remuneration to risk. Provisions are made as the objectives are achieved.

13.1.1 Short term incentives

The short term incentive scheme is paid each year to qualifying employees. 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 performance of the employee.

13.1.2 Share-based cash settled payment scheme

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, weighted average vested price and movement:

	GROUP 2010		GROUP 2009	
	Market value Number of shares	Net asset value Number of shares	Market value Number of shares	Net asset value Number of shares
Outstanding at the beginning of the year	3 575 284	1 818 222	2 800 349	1 015 407
Allocated during the year	1 345 000	1 345 000	774 935	802 815
Forfeited during the year	(735 000)	(735 000)	-	-
Exercised during the year	(722 416)	(471 391)	-	-
Outstanding at the end of the year	**3 462 868**	**1 956 831**	3 575 284	1 818 222

DATE OF GRANT:	1 May 2009		1 May 2008		1 May 2007	
	Market value	Net asset value	Market value	Net asset value	Market value	Net asset value
Issue price of phantom shares	R5,54*	R6,23	R5,57*	R4,66	R4,01*	R4,26
Expiry date	30/04/2012	30/04/2012	30/04/2011	30/04/2011	30/04/2010	30/04/2010
Price of underlying share as at 30 April 2010	R7,44*	R5,86	R7,44*	R5,86	R7,44*	R5,86
Accumulated dividends per share	-	R1,55	-	R2,01	-	R2,58

* The market price is normally the weighted average price which applies from 30 trading days prior to year-end to 20 trading days thereafter, with the condition that at least 500 000 shares have to trade during this period.

In 2010 less than 500 000 shares traded during this period and the commencement date was moved back to 8 December 2009 in order to be able to include 500 000 shares in the market price calculation.

The average annual growth in share price for the period over which the scheme vested, was 22,9%. A discount rate of 11,81% was used for calculating this liability.

The carrying value of the cash settled share based liability amounts to R6,7 million as at 30 April 2010 (2009 – R6,5 million).

13.2 LONG TERM EMPLOYEE LIABILITY

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Incentive bonuses – long term portion	7	7	7	7
	7	7	7	7

13.3 POST-RETIREMENT LIABILITIES

13.3.1 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 18.4.

13.3.2 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 done on 30 April 2010.

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 in 2009. This offer was not repeated in 2010.

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
The movement in post-retirement health care liabilities:				
Opening balance	75	76	75	76
Cash offer	-	(5)	-	(5)
Net provision created	11	11	11	11
Contributions paid	(7)	(7)	(70)	(7)
Total carrying value	79	75	79	75

In determining the liability, the calculation was based on the assumption of an expected rate of return (discount rate) of 8% (2009 – 8%) on investments and an escalation of 6% (2009 – 5%) which will yield a real rate of return of 5,2% (2009 – 5,01%) and mortality rates in accordance with generally accepted mortality tables.

Sensitivity analysis:	Deviation	% 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%	-7,50%	-4,70%
Discount rate decrease	-1%	8,60%	4,00%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Trade creditors	237	346	232	345
Other amounts payable	115	81	114	74
Leave and 13th cheque bonus provision	24	21	23	21
Total carrying value	376	448	369	440

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 20.1.3.
- Leave and thirteenth cheque bonus provisions are provided for on a monthly basis.

15. TAXATION

15.1 TAX EXPENSE

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
SA normal tax – current year	(93)	(150)	(91)	(147)
Previous year over-provision	-	1	-	1
Increase in deferred tax	(2)	(1)	(3)	(1)
Secondary tax on companies	(28)	(8)	(28)	(7)
Total expenditure	(123)	(158)	(122)	(154)

15.2 DEFERRED TAX

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
The main temporary differences against the statutory rate are:				
Property, plant and equipment	(13)	(10)	(13)	(10)
Inventory	8	10	8	10
Trade and other receivables	8	12	8	12
Provisions	36	54	36	54
Total carrying value	39	66	39	66
Reconciliation of deferred tax balance:				
Opening balance	66	67	66	67
Temporary differences – movements during the period	(27)	(1)	(27)	(1)
Total carrying value	39	66	39	66

15.3 TAX PAYABLE

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Income and capital gains tax payable	7	20	6	20

15.4 RECONCILIATION OF TAX RATE

	GROUP		COMPANY	
	2010 %	2009 %	2010 %	2009 %
Standard tax rate	28,0	28,0	28,0	28,0
Adjusted for:				
Non-taxable income	(0,3)	(0,6)	(0,3)	(0,6)
Non-deductable items	0,3	0,3	0,3	0,3
Other	(1,1)	(1,3)	0,8	(1,3)
Temporary differences	1,5	2,2	0,3	1,8
Secondary tax on companies	8,7	1,5	8,7	1,4
Effective tax rate	37,1	30,1	37,8	29,6

15.5 UNUTILISED ASSETS – INCOME TAX

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Unutilised estimated assessed losses available for set-off against income at the beginning of the year	3	5	-	-
Utilised during the year	(1)	(2)	-	-
Net unutilised amounts at year-end	2	3	-	-

16. PROVISIONS

GROUP AND COMPANY	Grain risk R'm	Straight-line recognition of operating leases R'm	Total R'm
Balance as at 30 April 2008	12	6	18
Increase in provision for the year	4	-	4
Utilised during the year	-	-	-
Transferred to long-term liabilities	-	-	-
Balance as at 30 April 2009	16	6	22
Decrease in provision for the year	(1)	-	(1)
Utilised during the year	(1)	-	(1)
Transferred to long-term liabilities	-	-	-
Balance at 30 April 2010	14	6	20

16.1 GRAIN RISK

The group is exposed to risks in the grain industry, which include 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.

16.2 STRAIGHT-LINE RECOGNITION OF OPERATING LEASES

In terms of IAS 17 operating leases with a fixed term and fixed escalation rate have to be recognised on a straight-line basis. Subsequently a provision needs to be made, which will only be utilised over the contract term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. CAPITAL OBLIGATIONS AND CONTIGENT LIABILITIES

17.1 CONTINGENT LIABILITIES

The Competition Commission of South Africa vs. Senwes Limited

The Competition Commission of South Africa ("the Commission") referred a complaint of alleged abuse of dominance, and particularly price discrimination by Senwes Limited ("Senwes"), to the Competition Tribunal ("the Tribunal").

In a judgment on 3 February 2009, the Competition Tribunal ruled that Senwes is not guilty of the two complaints referred for trial by the Commission.

However, during the trial the Tribunal came to the conclusion and found that Senwes placed the margins of competitors in the grain trading markets under pressure (margin squeeze complaint). The contravention is dealt with by the Tribunal in terms of section 8(c) of the Competition Act. The finding does not carry a fine.

After comprehensive advice, Senwes appealed against the finding. In terms of the appeal, Senwes is of the opinion that the Tribunal erred in its finding in that the pleadings did not make out a case of margin squeeze. Senwes therefore did not have a fair trial in terms of the rules of natural justice. Secondly the Commission did not prove a case of margin squeeze on the basis of the facts and evidence.

The application for leave to appeal (petition) was filed at the Appeal Court during March 2010 and the court found that both the leave of appeal as well as the merits of an appeal may be heard. The date for the hearing is still to be determined.

Investigation into the grain silo industry

Senwes was notified by the Competition Commission on Friday, 12 March 2010, that an investigation has been launched into members of the grain industry in respect of alleged contraventions of section 4(1) of the Competition Act, in that they allegedly colluded in determining grain silo tariffs.

The Commission advised all the role-players on 28 May 2010 in writing that the complaints will be referred for prosecution. In view of the seriousness of the alleged contraventions, Senwes is co-operating fully with the Commission in an attempt to resolve the matter without proceeding to a trial.

17.2 COMMITMENTS IN RESPECT OF CAPITAL PROJECTS

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Capital commitments- in process:				
Already contracted	16	41	16	41
Authorised by the Board but not yet contracted	-	16	-	16
Total future capital expenditure	16	57	16	57

17.3 OPERATING LEASES – 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	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Within one year	4	4	4	4
More than one year and within five years	13	13	13	13
More than five years	3	4	3	4
Operating lease obligation	20	21	20	21

The capital commitments and operating leases (notes 17.2 and 17.3) will be financed by net cash flow from operations and/or loans from financial institutions.

18. OPERATING PROFIT

18.1 DISCLOSABLE ITEMS INCLUDED IN OPERATING PROFIT

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Profit from operations is stated after having taken the following into account:				
Operating lease expenses	(5)	(6)	(5)	(6)
Property	(3)	(3)	(3)	(3)
Plant and equipment	(2)	(3)	(2)	(3)
Depreciation	(38)	(30)	(38)	(30)
Net profit on realisation of property, plant and equipment	2	2	2	2
Auditors' remuneration	(5)	(5)	(5)	(5)
Bad debt written-off	(3)	(26)	(3)	(26)
Bad debt recovered	2	2	2	2
Write back of doubtful debt	-	10	-	20
Write back/(provision) for grain risk	3	(5)	3	(6)
Write back of agency grain provision	1	5	1	5
Profit from pension fund surplus distribution	1	31	1	31

18.2 FINANCE COSTS

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Loans from commercial banks	(51)	(91)	(51)	(91)
Commodity finance	(23)	(29)	(23)	(29)
Other	(5)	(6)	(5)	(7)
Total finance costs paid	(79)	(126)	(79)	(127)
Interest rate swap	(6)	-	(6)	-
Total finance costs	(85)	(126)	(85)	(127)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18.3 INTEREST INCOME

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Interest income – term debtors	24	26	24	26
Interest income – trade debtors	117	135	117	135
Total interest income	141	161	141	161

18.4 EMPLOYEE COSTS

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Remuneration	336	333	321	320
Normal remuneration and benefits	305	262	290	249
Incentive schemes	31	71	31	71
Pension costs – defined contribution plan	23	20	22	19
Total employee costs	359	353	343	339
	Number	Number	Number	Number
Permanent employees	2 039	1 936	1 953	1 856
Temporary employees	238	231	234	223
Employees at the end of the year	2 277	2 167	2 187	2 079

19. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Dividends received	2	4	2	8
Total investment income	2	4	2	8

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects thereof on the group's financial performance.

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

20.1 FINANCIAL RISKS

20.1.1 Market risks

20.1.1.1 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 maintains 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. 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 net realisable value in respect of futures contracts for hedging as at 30 April 2010 amounted to R53,2 million (2009 – R59,6 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 reflects the market value thereof at year-end and the fair value of the futures contracts, option contracts and pre-season contracts are also included in the statement of financial position.

20.1.1.2 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.

20.1.1.3 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 purchasing and selling of inventory.

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

At year-end, foreign exchange contracts of R9,5 million (2009 – R7,9 million) were entered into as a hedge against expected payments.

Contracts were concluded in order to hedge expected cash flows of R10,8 million (2009 – R6,5 million).

20.1.1.4 Interest rate risk

Funding

The group is naturally hedged to a large extent against fluctuating interest rates since interest-bearing debt is mainly utilised for assets earning interest at fluctuating rates.

2010 Interest rate risk	Total current assets R'm	Non-interest earning assets R'm	Interest earning assets R'm
Inventory	835	835	-
Debtors	1 316	42	1 274
Agency grain debtors	97	-	97
Bank	40	-	40
Total	2 288	877	1 411
Interest-bearing liabilities			(1 196)
Net exposure to interest rate risk (limited to R nil)			-

NOTES TO THE FINANCIAL STATEMENTS (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 grain debtors	162	-	162
Total	2 070	732	1 338
Interest-bearing liabilities			(717)
Net exposure to interest rate risk (limited to R nil)			-

Interest costs are naturally hedged (see interest rate swap referred to in note 4.2.1) in instances where interest earning assets exceed interest-bearing liabilities. Interest rates are hedged by means of financial instruments in times of high volatility or when interest-bearing liabilities significantly exceed interest earning assets.

Sensitivity of interest rates

The potential impact of interest rate changes on finance costs is illustrated below:

	Increase/(decrease) %	Increase/(decrease) interest expenses before tax R'm
2010		
Commodity finance	2%	-6,0
	1%	-3,0
	-1%	3,0
	-2%	6,0
Short term rate	2%	-7,0
	1%	-3,6
	-1%	3,6
	-2%	7,0
Long term rate	2%	-7,0
	1%	-3,5
	-1%	3,5
	-2%	7,0
2009		
Commodity finance	2%	-5,0
	1%	-2,5
	-1%	2,5
	-2%	5,0
Short term rate	2%	-10,0
	1%	-5,0
	-1%	5,0
	-2%	10,0
Long term rate	2%	-7,0
	1%	-3,5
	-1%	3,5
	-2%	7,0

20.1.2 Credit risk

Concentration risk

The potential concentration risk of credit 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 debtors balance by the security value held or ceded 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 analyses. The spread will increase the value at risk should it be higher than the norm and will decrease should it be lower than the norm.

	2010 R'm	2009 R'm
Gross exposure	436	341
Concentration decreased due to better distribution	(164)	(155)
Value at risk of producer debtors (VaR)	272	186

The value at risk of R272 million (2009 – R186 million) was calculated before taking into account the balance sheets of clients.

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 are discussed in detail below:

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

Stratification and arrears:

	2010		2009	
Stratification of the client base to the extent of credit extended	% exposure of book	% arrears	% exposure of book	% arrears
R1 – R500 000	9%	16%	8%	26%
R500 000 – R1 250 000	12%	10%	18%	3%
R1 250 000 – R3 000 000	26%	3%	27%	4%
R3 000 000 – R5 000 000	18%	6%	27%	2%
Above R5 000 000	34%	5%	20%	4%
	100%	6%	100%	5%

A fair distribution of client size and arrears is applicable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Categorisation:

Distribution of debtors by category	2010 Trade debtors	2009 Trade debtors
Category 1	29%	29%
Category 2	49%	46%
Category 3	10%	4%
Category 4	0%	1%
Other	12%	20%
	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 exclusion of category 1 clients) in the market with a good credit history, sound financial position and excellent repayment ability.
Category 3 and 4 client:	Represents a broad client base varying 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 low risk financing products and where Senwes is of the opinion that the client should be able to recover to a stronger position.
Other:	Accounts are evaluated on the basis on which the account is handled and are fully secured.

Counter-party risk

The credit crunch raises generic questions regarding the financiers' ability and appetite for funding. Absa Bank Ltd as key financier is regarded as an excellent counter-party, and therefore falls within acceptable levels of counter-party risk. Counter party risk relating to credit extension to clients is managed actively and is considered to be within acceptable levels.

20.1.3 Liquidity risk

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

The group takes into account the maturity date of its various assets 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 – 2010	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 loans	350	-	-	-	-	350
Long-term employee benefits	7	-	-	-	-	7
Post-retirement liabilities	79	-	-	-	-	79
	436	-	-	-	-	436
Current liabilities						
Short-term loans	773	312	-	14	447	-
Creditors	376	101	240	6	13	15
Other	152	9	-	46	-	98
	1 301	422	240	66	460	113
Total liabilities	1 737	422	240	66	460	549

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						
Long-term loans	350	-	-	-	-	350
Long-term employee 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

20.1.4 Capital maintenance guidelines

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Capital maintenance	2010 Own capital ratio (total assets)	2009 Own capital ratio (total assets)
Total assets	2 796	2 503
Equity	1 059	1 126
Liabilities	1 737	1 377
Total equity and liabilities	2 796	2 503
Calculated rate (%)	38%	45%
Set target band (%)	35% - 45%	35% - 45%

The own capital ratio has reduced significantly since 2009 with the aggressive payment of dividends. The ratio is still within the set guidelines and considered to be at conservative levels.

Interest cover	2010 Interest cover R'm	2009 Interest cover R'm
Earnings before interest, tax, depreciation and amortisation (EBITDA)	455	682
Finance costs	85	126
Calculated interest cover (times)	5,4	5,4
Set target (times)	>3	>3

The interest cover exceeds the minimum norm.

20.2 BUSINESS RISKS

20.2.1 Operational risks

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 volumes could be the result of a number of causes such as:

- Downscaled plantings – The occurrence of downscaled plantings impacts Senwes at various levels. Models were developed and are being managed to reduce the impact of significant downscaled plantings.
- Competitive 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 buyers are additional risk mitigating measures.
- Droughts – Climate changes pose significant risks for Senwes and the sale of products could be affected significantly. Models have been developed and financial instruments are used to manage and reduce the potential impact of droughts.
- Improper management of transformation and land reform could have a significant impact on production. Senwes works in conjunction with all government departments concenced in seeking and implementing viable options, taking the BEE-policy into account.

Human capital – scarcity and retention of talent

One of the corner stones 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 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 in respect of the retention of talent, appropriate remuneration and incentive schemes have been implemented and ample opportunities for growth through training and practical exposure have been provided. Succession planning and identification also receive the necessary attention.

Operations risk

Operations risks relate to events that are not caused by human error and form part of the normal running of the business. Such events would include operational breakdowns at critical times, unforeseen lead times on stock orders and lack of business enablers.

Theft and fraud

The current economic conditions give rise to increased possibilities of fraudulent activity. The diversified nature of the group's activities also increases the possibilities of theft or fraud. This is further increased by the complexity of certain activities which require special control measures. A refocus of business processes, a culture programme, redesign of appointment practices and the upgrading of physical control measures are some of the management actions implemented to mitigate the risk to an acceptable level.

20.2.2 Legal risks

Non-compliance with contracts

Senwes contracts with both producers and buyers which present 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 20.1.1.1

Law suits

Senwes is involved in certain legal actions as discussed in note 17.1.

The possibility always exists that losses for the group may occur, while legal advice indicates a positive outcome for Senwes. This possibility of losses is considered and evaluated on a continuous basis and reported to the Risk Committee and the Board.

20.2.3 Strategic risk

Sustainability and reputation risk

The possibility exists that certain events or perceptions could lead to uncertainty amongst certain stakeholders. This could in turn negatively impact on the business done with the group or the share value.

The risk management process considers all relevant actions, events and circumstances that could have an impact on the reputation of the company. The process also endeavours to measure the impact of possible reputation risks. Appropriate measures and structures are in place to deal with such risks timeously and effectively.

The risk process also identifies events which place pressure on the sustainability of the group. The process identifies the decisive areas for action that leads to the implementation of action plans to ensure sustained profitability.

20.2.4 System risks

The company relies on technology to a large extent. The risk relating to archiving, capacity, data integrity, relevance, integration and adaptability are the main risks. A good IT-strategy and management committee are in place and formal change, project and integration management is applied.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20.3 ENVIRONMENTAL RISKS

20.3.1 Weather and climate risks

Refer to paragraph 20.2.1.

20.3.2 Political risks

Refer to paragraph 20.2.1.

20.4 FAIR VALUE

All financial instruments are reflected at carrying value. The carrying value is a reasonable approximation of a market related fair value.

20.5 FAIR VALUE HIERARCHY

As at 30 April 2010, the company held the following financial instruments measured at fair value:

Senwes uses the following hierarchy for determining and disclosing the fair value of financial instruments in accordance with the valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for similar assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Notes	30 April 2010 R'm	Level 1 R'm	Level 2 R'm	Level 3 R'm
Assets measured at fair value					
Available-for-sale financial assets					
Equity shares		**31**	4	-	27
Charel de Klerk Street Properties (Pty) Ltd	3.2	**20**	-	-	20
JSE Ltd	4.1.1	**1**	1	-	-
Suidwes Beleggings Ltd	4.1.1	**1**	1	-	-
Suidwes Beherend Ltd	4.1.1	**2**	2	-	-
Grasland Ondernemings (Pty) Ltd	6.2	**7**	-	-	7

	Notes	30 April 2010 R'm	Level 1 R'm	Level 2 R'm	Level 3 R'm
Liabilities measured at fair value					
Financial liabilities at fair value through profit or loss					
Interest rate swap		**6**	-	6	-

The fair value of the foreign exchange contracts is not material and not displayed due to rounding.

During the reporting period ending 30 April 2010, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

21. SHAREHOLDER INFORMATION

21.1 EARNINGS PER SHARE

The following calculations are based on a weighted average number of 180 789 308 (2009 – 180 789 308) shares in issue. The earnings were calculated on profit attributable to shareholders.

21.1.1 Earnings per share is based on a profit of R209 million (2009 – R367 million) attributable to ordinary shares.
21.1.2 Earnings per share from continuing operations is based on a profit of R209 million (2009 – R367 million).
21.1.3 Headline earnings per share is based on a profit of R207 million (2009 – R344 million).
21.1.4 Reconciliation between earnings and headline earnings is as follows:

	GROUP	
	2010 R'm	2009 R'm
Earnings per income statement	209	367
Adjustments:		
Profit from sale of property, plant and equipment	(1)	(1)
Provision for actuarial profit on pension fund contributions	(1)	(22)
Headline earnings	207	344
Earnings per share (cents)	115,6	203,0
Headline earnings per share (cents)	114,4	190,3

All adjustments are stated on an after tax basis.

21.2 DIVIDENDS PAID AND PROPOSED

	GROUP	
Declared and paid during the year:	2010 R'm	2009 R'm
Dividends on ordinary shares:		
Final dividend 2009 – 30 cents (2008 – 14 cents)	54	25
Interim dividend 2010 – 25 cents (2009 – 15 cents)	45	27
Special dividend 2010 – 100 cents (2009 – 17 cents)	181	31
Total dividends paid	280	83
Proposed for approval at the annual general meeting (not recognised as a liability as at 30 April):		
Dividends on ordinary shares:		
Final dividend 2010 – 15 cents (2009 – 30 cents)	27	54

22. RELATED PARTY TRANSACTIONS

22.1 SUBSIDIARIES

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

2010	% interest	Income received from subsidiaries R'm	Amounts owed to subsidiaries R'm
Univision Financial Services (Pty) Ltd	100%	3	(6)
Univision Broker Services (Pty) Ltd	100%	1	(7)
Charel de Klerk Street Properties (Pty) Ltd	100%	-	(3)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2009	% interest	Income received from subsidiaries R'm	Amounts owed to subsidiaries 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)

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 with an indirect interest in Univision Broker Services (Pty) Ltd.

The following interests are held in the following subsidiaries:

	2010	2009
Senwes Limited (Private company)*	100%	100%
Senwes Securities (Pty) Ltd	100%	100%
Senwes Graanmakelaars (Pty) Ltd	100%	100%
Hartswater Wynkelder (Pty) Ltd	100%	100%
Senwes International Holdings (Pty) Ltd	100%	-

* Malawi based company

22.2 ASSOCIATES

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

	% interest		Payment to related parties	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Grasland Ondernemings (Pty) Ltd	43,90%	43,90%	(2)	(4)
Grain Silo Industry (Pty) Ltd	26,00%	26,00%	(1)	-
Grainovation (Pty) Ltd	50,00%	-	(23)	-

22.3 INVESTMENT IN JOINT VENTURES

Particulars of related party transactions are as follows:

	% interest		Expenses paid to joint ventures		Amount owed by joint ventures	
	2010	2009	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Silo Certs (Pty) Ltd	42,50%	42,50%	1	1	2	2

22.4 SIGNIFICANT INFLUENCE

Senwesbel Ltd, which holds 39,2% and the Bafokeng Consortium which holds 34,6% of the company's shares, exerted significant influence.

	Management fees received		Interest paid		Loan payable	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Senwesbel Limited	1	1	4	5	69	13

- Dividends paid to Senwesbel Ltd amounted to R110 million (2009 – R30 million)
- Dividends paid to the Bafokeng Consortium amounted to R97 million (2009 – R27 million)

22.5 TRADE DEBTORS – DIRECTORS AND EXECUTIVE MANAGEMENT

These comprise 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. These amounts are included in Trade and other receivables according to normal credit terms and conditions.

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Related parties – trade debtors	14	7	14	7

22.6 DIRECTORS' REMUNERATION (EXECUTIVE & NON-EXECUTIVE)

	COMPANY	
	2010 R'm	2009 R'm
Salaries	10	7
Short term incentive	6	11
Long term incentive	6	3
Executive directors	22	21
Non-executive directors	2	2
Directors' remuneration	24	23

The directors' remuneration is not included in the employee costs, as stated in note 18.4.

Long term remuneration

Long term remuneration is calculated as set out in note 22.7 and 13.2 for directors and key management personnel.

22.7 OTHER KEY MANAGEMENT PERSONNEL

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Salaries	21	18	19	17
Incentive schemes	11	11	10	11
Total remuneration to key management personnel	32	29	29	28
Number of key management personnel at year-end	22	18	19	16

The remuneration of these employees is included in employee costs, as stated in note 18.4 and the long term incentive bonuses as stated in note 13.

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

22.8 CASH SETTLED SHARE BASED TRANSACTION

Refer to note 13.1.2 for information on cash settled share based transactions in which directors participate.

22.9 INFORMATION ON DIRECTORS' TERMS OF OFFICE

Non-executive directors – refer to 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*	Financial Director

* Mr JJ Dique resigned on 31 May 2010, after which Mr F Strydom will act as Managing Director.
* Mr SH Alberts resigned on 30 April 2010 and Mr CF Kruger is acting as Chief Financial Officer.

Interest of the directors in the company:

	COMPANY			
	2010		2009	
	Number of shares	% of total shares	Number of shares	% of total shares
Direct				
Non-executive directors	633 731	0,40%	633 731	0,40%
Executive directors	396 657	0,20%	396 657	0,20%
Indirect				
Non-executive directors	17 967 366	9,90%	15 344 015	8,50%
Executive directors	481 686	0,30%	250 566	0,10%
Total direct and indirect interest	19 479 440	10,80%	16 624 969	9,20%

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

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

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Profit before tax	332	526	322	522
Non-cash adjustments to reconcile profit before tax to net cash flows:	184	218	187	250
Depreciation	38	30	38	30
Profit from sale of fixed assets	(2)	(2)	(2)	(2)
Other operating income	(2)	(4)	(2)	(8)
Finance costs	79	126	79	127
Profit from associates	(2)	-	-	-
Increase in provisions and non-cash items	73	68	74	103
Cash generated from operations	516	744	509	772

24. CHANGE IN OPERATING CAPITAL

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
(Increase)/decrease in inventory	(209)	103	(208)	103
Increase in trade and other receivables	(110)	(281)	(113)	(311)
Decrease in agency grain debtors	64	68	64	68
Decrease in trade and other payables	(192)	(180)	(192)	(182)
Increase/(decrease) in interest-bearing short term loans	438	(426)	438	(426)
Increase/(decrease) in interest-bearing loans from related parties	61	(23)	69	(22)
Decrease in non-interest-bearing loans from related parties	-	(1)	-	(2)
Increase in interest-bearing long term loans	-	354	-	354
Increase/(decrease) in operating capital	52	(386)	58	(418)

25. TAX PAID

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Tax payable at the beginning of the period	(20)	(11)	(20)	(11)
Deferred tax receivable at the beginning of the period	66	67	66	67
Amounts debited in the income statement	(123)	(158)	(121)	(154)
Deferred tax receivable at the end of the period	(39)	(66)	(39)	(66)
Tax payable at the end of the period	6	20	6	20
Tax paid	(110)	(148)	(108)	(144)

26. DIVIDENDS PAID

	GROUP		COMPANY	
	2010 R'm	2009 R'm	2010 R'm	2009 R'm
Amounts debited against equity	(280)	(83)	(280)	(83)
Dividends paid	(280)	(83)	(280)	(83)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Buildings and improvements	(14)	(8)	(14)	(8)
Plant and equipment	(26)	(45)	(26)	(45)
Vehicles	(8)	(10)	(8)	(10)
Total acquisition of property, plant and equipment	(48)	(63)	(48)	(63)
Represented by:	(48)	(63)	(48)	(63)
Acquisition to increase operating capacity	(32)	(27)	(32)	(27)
Acquisition to maintain operating capacity	(16)	(36)	(16)	(36)

28. PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Carrying value of assets sold	1	1	1	1
Profit from disposal	2	2	2	2
Proceeds from disposal	3	3	3	3

29. CASH AND CASH EQUIVALENTS

	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Bank overdraft	-	(15)	-	(21)
Cash and short term deposits	40	-	35	-
Cash and cash equivalents	40	(15)	35	(21)

30. SHORT TERM LOANS RECEIVABLE

	GROUP 2010 R'm	GROUP 2009 R'm	COMPANY 2010 R'm	COMPANY 2009 R'm
Decrease in other financial assets	-	1	-	-
(Increase)/decrease in the provision for impairment of short term loans	(1)	4	(1)	2
(Increase)/decrease in short term loans	(1)	5	(1)	2

31. UNUTILISED FUNDING FACILITIES

The group has unutilised loan facilities of R406 million, which facilities are secured by means of cessions and pledges of production credit debtors as well as silo storage and handling debtors. The group also entered into commodity transactions from time to time and financiers demonstrated an unlimited appetite for this type of financing. However, Senwes is limited to the commodity value that can be presented as security.

ACCOUNTING POLICY

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 measured 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 rand terms and all values are rounded to the nearest million (R' 000 000), except where otherwise indicated.

1.1 Statement of compliance

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

1.2 Changes in accounting policy and disclosures

The accounting policy was applied consistently with that of the previous year. The following new standards, amendments and interpretations to standards have been adopted in these financial statements as of 1 May 2009. These changes had no effect on the financial position or result of the group, unless indicated otherwise.

- IFRS 2 (Revised) – *Share-based payments – Vesting conditions and cancellations*. 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. Cancellations by the company or third parties, should be treated under the same accounting principles. Effective from 1 January 2009.
- IFRS 7 – *Financial Instruments disclosure*. The amended standard requires additional disclosures about fair value measurement and liquidity risk. Effective from 1 January 2009.
- IFRS 8 – *Operating Segments*. Requires an entity to adopt the 'management approach' to report on the financial performance of its operating segments. The Standard sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. Effective from 1 January 2009.
- IAS 1 (Revised) – *Presentation of Financial Statements* introduces the statement of 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 incme (effectively combining both the income statement and a separate statement of comprehensive income). Revised IAS 1, which became mandatory for the Group's 2010 consolidated financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. Effective from 1 January 2009.
- 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 32 (Amended) – *Presentation and IAS 1 Presentation of financial statements – Puttable Financial Instruments and Obligations Arising on Liquidation*. Effective from 1 January 2009.
- IFRIC 9 – *Reassessment of Embedded derivatives*. Effective for companies with annual periods ending on or after 30 June 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 the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. All loyalty program credits are outsourced and the obligation of credits does not reside in the Group. Effective from 1 July 2008.
- IFRIC 15 – *Agreements for the construction of real estate*. The interpretation 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 that the net investment hedging relates to differences in functional currency and not presentation currency, also where hedging instruments may be held in the group. The requirements of IAS 21, "The effects of changes in foreign exchange rates", do apply to the hedged item. Effective from 1 October 2008.
- Improvements to IFRS (May 2008). Effective date mostly 1 January 2009.

1.3. New standards, interpretations and amendments:

The following interpretation of published standards is mandatory for accounting periods beginning on or after 1 January 2010.

- IFRS 3 – *Business Combinations* (Revised) and IAS 27 (Amended) *Consolidated and Separate Financial Statements*. The revised IFRS 3 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 acquirer either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. IAS 27 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 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.

ACCOUNTING POLICY (CONTINUED)

- IFRIC 17 – *Distribution 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 Customers*. This IFRIC deals with the accounting issues regarding the receiving of assets such as networks or other services / goods. Effective from 1 July 2009.
- IFRS 2 – *Share-Based Payments*. Amendment on the accounting for group cash-settled share-based payment transactions. Effective from 1 January 2010.
- IFRS 9 – *Financial Instruments* (Phase 1 of new standard to replace IAS 39). Effective from 1 January 2013.
- IAS 24 – *Related party disclosures*. Amendment to the definition of related parties, but without considering the fundamental approach to related party disclosures. Effective from 1 January 2011.
- IFRIC 19 – *Extinguishing financial liabilities with equity instruments*. IFRIC 19 clarifies that equity instruments issued to a creditor to extinguish a financial liability are 'consideration paid' in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. Effective from 1 July 2010.
- IAS 32 – *Amendment to IAS 32 financial instruments*. The amendment alters the definition of a financial liability in IAS 32 to classify rights issues and certain options or warranties as equity instruments. Effective from 1 January 2011.
- IFRIC 14 – The limit on a defined benefit asset, minimum funding requirements and their interaction:Effective from 1 January 2011.
- Improvement to IFRS (April 2009). Mostly from 1 January 2010.

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 2010.

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 to account for accumulated losses arising in the entity are written back upon 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 is not held by the Group and is presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interest 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 as 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 statement of comprehensive income, statement of financial position, statement of cash flows 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 associates

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 reflected 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 in 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. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, where applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit in associates is included in the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and minority interests in the subsidiaries of the associates. Adjustments are made where the accounting period of the associate is not in line with those 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 associates 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 of 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 are translated to spot rates at the reporting date. Income and expenses are translated to rates on transaction date. The currency differences are disclosed in the statement of other comprehensive income. Upon disposal of the entity the disclosure will be reclassified to the income statement.

2.3 Property, plant and equipment

Property, plant and equipment are held with a view to generate economic benefit from it for 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 off 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. Notwithstanding, the replacement part shall be recognised according to the recognition criteria of the accounting standards.

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.

ACCOUNTING POLICY (CONTINUED)

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 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)

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 base 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 by 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 at 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. The group therefore has no exposure in respect hereof.

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 originate. At reporting 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.

Key employees of the Group receive remuneration in the form of share-based payment transactions, as part of a share appreciation scheme (cash-settled share based payment).

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 13). This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each reporting 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 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 pay-out is made where resignation occurs prior to the employee's normal elected date of pay-out.

Termination of service benefits are recognised as a liability and expense where the business is committed to terminate 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 revenue 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.

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

This includes financial assets designated at initial recognition as financial assets at fair value through profit or loss as well as financial assets held for trade. Changes in the fair value of assets held at fair value is recognised in the Income statement. Financial assets are classified as financial assets held for trading when acquired for the purpose of being sold in the near future. The group has no financial assets designated at fair value through profit and loss.

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 longer 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 at fair value. The following measurement is at amortised costs according to the effective interest rate method. This includes the original invoiced amount less any provisions because of impairments.

Loans to subsidiaries, associates and joint ventures are initially measured at cost plus transaction cost if incurred. Settlement agreements and term loans are recognised at gross value of outstanding instalments less unearned finance costs and are disclosed as carrying amount of the agreement. Instalments are divided between finance costs and principal payment of the outstanding amount.

2.10.4 Available-for-sale financial investments

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 other categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in other comprehensive income until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in other comprehensive income 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 through 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 purchased. Financial assets are derecognised as soon as the right to receive cash flow from investments expires or is transferred and when the Group has substantially transferred all risks and reward of ownership.

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 other comprehensive income. 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 other comprehensive income, is transferred from other comprehensive income and included in the initial determination of the cost of the asset or liability. Otherwise, amounts deferred to other comprehensive income 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 as referred to in 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, any cumulative profit or loss that exists at that point in other comprehensive income, is retained in other comprehensive income 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 23.

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, after having taken bank overdrafts into account.

2.13 Operating leases

Leases in respect of property, plant and equipment, where essentially all the risks and rewards attached to property rights to an asset are retained by the lessor, 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).

Trade and other debtors

Debtors are stated at an expected realisable value; which is the original invoiced amount less any provisions created by way of impairments. 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.

Non-financial 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 excluding goodwill 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 been 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 difficulties, 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 that 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.

2.15 Provisions and contingent liabilities

Provisions and other liabilities

Provisions are liabilities 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 16.

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.

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 17.)

2.16 Non-current 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 format of the Group for segment 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 and liabilities: Included in segmental 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 cost directly attributable to the acquisition, construction or production of an asset that necessarily takes an substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing cost consists of interest and other costs that an entity occurs in the connection with the borrowing of funds.

2.19 Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received including, 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 the amortisation process.

3. Significant accounting judgment 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 income and expenses, assets and liabilities and contingent 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. The terms and conditions upon which the instruments were granted are also taken into account. 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 flows 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 Provision for bad debt

A decision framework was implemented. Debtors are stated at an expected realisable value; which is the original invoiced amount less any provisions created by way of impairments. 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.

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 stock.

3.7 Income tax and deferred tax provision

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 loss can be utilised.

3.8 Provision for non-compliance on pre-season gain contracts

Calculations with the following key assumptions:

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

3.9 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost to sell and its value in use. The fair value less cost to sell calculation is based on available data from binding sales agreements in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to, or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

INTEGRITY

SELF-MOTIVATION

ACCOUNTABILITY

BUSINESS ORIENTATION

INNOVATION

Senwes

SHAREHOLDER INFORMATION

SHAREHOLDER MATTERS

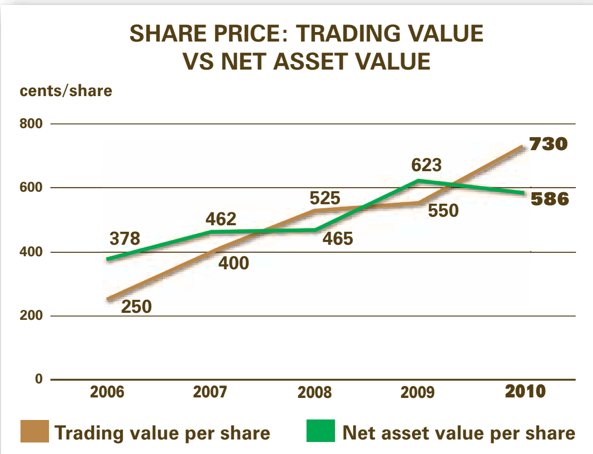
DISTRIBUTION OF SHARES

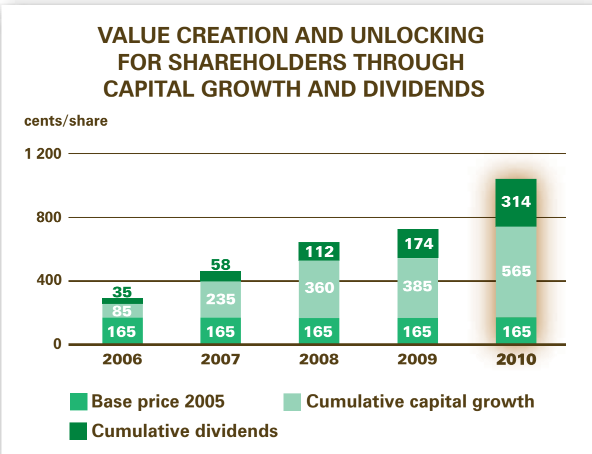
	2010				2009			
Portfolio size	Shareholders	%	Number of shares	%	Shareholders	%	Number of shares	%
1 - 1000	996	31,4	356 320	0,2	1 027	31,0	369 078	0,2
1001 - 5000	704	22,2	1 800 201	1,0	727	21,9	1 844 161	1,0
5001 - 30 000	1 081	34,1	15 139 515	8,4	1 150	34,7	16 108 254	8,9
30 001 - 100 000	333	10,5	16 280 718	9,0	348	10,5	16 897 005	9,3
100 001 and more	59	1,9	147 212 554	81,4	63	1,9	145 570 810	80,5
TOTAL	3 173	100,0	180 789 308	100,0	3 315	100,0	180 789 308	100,0

FIVE LARGEST SHAREHOLDERS

Senwesbel Limited	70 838 964	39,20%	
Royal Bafokeng Agri Investments (Pty) Ltd	31 896 503	17,60%	
Treacle Nominees (Pty) Ltd	27 118 715	15,00%	Bafokeng Consortium
Industrial Development Corporation of SA (Treacle)	3 700 087	2,00%	
Gardenview Nominees (Pty) Ltd	1 919 448	1,10%	
Ian van der Merwe Beherend (Pty) Ltd	700 000	0,40%	
BNS Nominees (Pty) Ltd	659 243	0,40%	

SHARE PRICE PERFORMANCE





SHAREHOLDER DIARY

Financial year-end	30 April 2010
Announcement of results	1 July 2010
Information road show	16 - 18 August 2010
Annual General Meeting	26 August 2010
Payment of final dividends	9 September 2010

NOTICE OF ANNUAL GENERAL MEETING

SENWES LIMITED

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

NOTICE IS HEREBY GIVEN that the fourteenth 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, 26 August 2010 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 2010, as approved by the Board of Directors.

B. ORDINARY RESOLUTION

1. Ordinary resolution number 1: Re-appointment of auditors
Resolved to approve the re-appointment of the auditors, Ernst & Young, until the next annual general meeting.

2. Ordinary resolution number 2: Approve the auditors' remuneration
Resolved to approve the auditors' remuneration as set out in the financial statements (page 61).

3. Ordinary resolution number 3: Approval of directors' remuneration
Resolved to approve the remuneration of the non-executive directors in terms of Article 28.5 of the Company's Articles of Association ("the Articles") as from 1 October 2010, as contained in the explanatory notes, set out in D below.

4. Ordinary Resolution number 4: General Authority to allot and issue shares
Resolved that, as a general authority in terms of section 221(2) of the Companies Act, No.61 of 1973, as amended and/or re-enacted and as contemplated in article 3.2 of the Articles, but subject to the provisions of the listings requirements of JSE Limited (if applicable) and the Act, 10% (ten percent) of the Company's authorised but unissued share capital, as at the date of this resolution, be and are hereby placed under the control of the directors of the company, until the next annual general meeting, to allot and issue such shares to such person/s and on such terms and conditions as the directors may in their sole discretion determine.

5. Ordinary resolution number 5: confirmation of a final dividend
Resolved to confirm and approve the recommendation of the Board of Directors that a dividend of 15 cents per share be declared in terms of Article 38.1 of the Articles. (In terms of Article 38.7 of the Company's Articles, 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. Shareholders are also required to confirm the appointment of JBH (James) Botha as a non-executive director.

   In terms of the Memorandum and Articles, Messrs JE (Japie) Grobler, NDP (Nico) Liebenberg, OME (Mpueleng) Pooe and Ms JA (Jesmane) Boggenpoel 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 JE Grobler be re-elected as non-executive director

ABRIDGED CURRICULUM VITAE:

Full names and surname:	Jacob Erasmus Grobler (*Japie*)
Address:	Karookom, PO Box 1104, Bothaville, 9660
Date of birth and age:	30 April 1952, 58 years
Years of service:	13 years, since April 1997
Qualifications:	B Juris, LLB

Experience/previous positions:
Japie's involvement in agriculture commenced in 1977, when he was appointed as Secretary and later as Chairman of the Vierfontein Farmers Union. Japie also served as Chairman and Secretary of the Viljoenskroon District Farmers Union. He was a member of Sampi, Nampo, Grain SA and was also the founder member of the Manna Study Group.

Japie was elected as member of the executive management of Sampi and Nampo in 1979, and over the years served as member of the executive management of Nampo and he was the founder member of various Nampo committees, which include the Inputs and Harvest Day Committee. He was also a member of the Summer Grain Advisory Committee, Chairman of the Nampo Inputs Committee, director and Vice-chairman of Kroonstad Wes Co-operative and member of the Oil Seeds and Maize Boards. He was a member of the Maize Advisory Committee, Vice-chairman of the Free State Oil Seeds Committee and Vice-president of the Free State Agricultural Union. He was elected to the Nampo Chairman's Committee in 1991 and was also appointed as member of the Committee on the control of Maize Research Funds.

He served on a number of SAAU committees, such as the Land Affairs and Labour Committees, as well as on the ARC Research Institute and the Maize Advisory Committee. Japie was elected as Chairman of Nampo in 1996 and he was the founder member and Chairman of the SAAU National Business Chamber. He was one of the founder members of Agri SA and the Maize Research Trust. He was the President of Agri SA from 2000 to 2004 and currently serves as Chairman of the Agri Securitas Trust Fund.

Japie has been involved with the Company for a considerable period of time and was elected as director of Sentraalwes Co-operative (later Senwes) in 1992.

Current directorships and other positions:
Japie is a director of various personal business and family entities. Japie, as Chairman of Senwes, is an ex officio member of all board committees and Chairman of the Senwes Nomination Committee.

Additional information:	Japie has been farming in the Bothaville district since 1977.
Contact details:	Tel no: (018) 441-1104 Cell no: 082 825 8018 Email: *japie.grobler@senwes.co.za*

6.2 **Resolution 6.2:** Resolved that Mr NDP Liebenberg be re-elected as non-executive director

ABRIDGED CURRICULUM VITAE:

Full names and surname:	Nico Daniël Pieter Liebenberg (Nico)
Address:	Fraaiuitzicht, PO Box 345, Bothaville, 9660
Date of birth and age:	5 December 1968, 42 years
Years of service:	2 years
Qualifications:	B.Comm (Hons)

Experience/previous positions:
Nico commenced farming at the end of 1991 in Bothaville and established a diversified farming unit, consisting of dry land grain, cattle and vegetables under irrigation. The vegetable unit has grown to the national, sole supplier of, inter alia, carrots to Woolworths and employs more than 200 full-time employees.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Current directorships and other positions:
Director of a number of private entities.

Senwes Board committees:
Member of the Remuneration and Risk Commitees.

Additional information:	Nico has been farming full-time in the Bothaville district since 1991.
Contact details:	Tel no: (056) 515-2712 Cell no: 073 167 3352 Email: *amanda@greenpak.co.za*

6.3 Resolution 6.3: Resolved that Ms JA Boggenpoel be re-elected as non-executive director

ABRIDGED CURRICULUM VITAE:

Full names and surname:	Jesmane Arnel Boggenpoel (Jesmane)
Address:	37 Lavender Lane, Paulshof, 2191
Date of birth and age:	20 June 1973, 37 years
Years of service:	2 years
Qualifications:	B.Comm, B.Acc, Chartered Accountant (CA)

Experience/previous positions:
Jesmane has extensive experience in corporate finance and private equity acquired at Brait private equity, KPMG and Anglo American and she presently does independent advisory work. Previously, Jesmane was co-founder and director of a BEE investment company in the financial services and IT sectors.

Current directorships and other positions:
She serves as non-executive director of Senwes and African Women Chartered Accountants Investment Holdings and in the public sector: Land Bank, Land Bank Insurance Company and Intersite Property Management Services (which falls in the Passenger Rail Agency of South Africa Group).

Senwes Board committees:
Member of the Audit and Risk Committees.

Additional information:	Jesmane also acted as member of the Audit Committee of various organisations such as the Johannesburg Development Agency and the Marine Living Resources Fund.
Contact details:	Email: *jesmane@vodamail.co.za*

6.4 Resolution 6.4: Resolved that Mr OME Pooe be re-elected as non-executive director

ABRIDGED CURRICULUM VITAE:

Full names and surname:	O'Lebogang Mpueleng Elias Pooe (Mpueleng)
Address:	15 Heine Road, Rembrandt Park, 2090
Date of birth and age:	1 July 1959, 51 years
Years of service:	3 years
Qualifications:	BProc (University of the North); Management Development Programme (Gordon Institute of Business Science); Certificate in Advanced Corporate and Securities Law, (Unisa).

Experience/previous positions:
Mpueleng has been admitted as an attorney to the High Court of South Africa and started his career as a lawyer with Bell Dewar & Hall, where he was later appointed director. He joined Anglo Gold Limited in 1999 as a legal advisor. Mpueleng is currently Royal Bafokeng Holdings' public affairs executive.

Current directorships and other positions:
Senwes, Royal Bafokeng Management Services (Pty) Ltd, Royal Bafokeng Resources Holdings (Pty) Ltd, Royal Bafokeng Tholo Investment Holding Company (Pty) Ltd, Royal Bafokeng Resources Granite (Pty) Ltd, Royal Bafokeng Resources Platinum (Pty) Ltd, Royal Bafokeng Agri Investments (Pty) Ltd, Metair Investments Limited, Metair Management Services, Royal Bafokeng Resources (Pty) Ltd, Impala Platinum Limited and McPouw Props.

Senwes Board committees:	Member of the Risk and Nomination Committees.
Contact details:	Tel no: (011) 530-8000
	Cell no: 082 894 3801
	Email: *mpueleng@bafokengholdings.com*

6.5 **Resolution 6.5:** Resolved that the appointment of JBH Botha as an additional non-executive director be confirmed

ABRIDGED CURRICULUM VITAE:

Full names and surname:	James Barry Hertzog Botha (James)
Address:	18 Louis Leipold Street, Die Bult, Potchefstroom, 2520
Date of birth and age:	26 September 1969, 40 years
Years of service:	None
Qualifications:	BLC.LLB. Dip (Tax)

Experience/previous positions:
James was a practicing commercial and corporate lawyer in Pretoria for 15 years before he left the practice and went into the corporate world. While practicing he was particularly interested in corporate restructuring, shareholder aspects, take-overs and mergers of companies, as well as competition legislation.

Current directorships and other positions:
He is presently a senior legal advisor at the Northwest University's Institutional Office. He also advises management regarding corporate matters and is used as consultant by companies within the listed sector of the market from time to time.

Senwes Board committees:
Member of the Senwes Nomination and Remuneration Committees.

Contact details:	Tel no: (018) 299-4956
	Cell no: 071 681 7904
	Email: james.botha@nwu.ac.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. Nominations of persons, who are eligible to serve as directors in terms of the Companies Act and the Articles 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. **Special resolution no. 1:** General authorisation for the repurchase of shares

"That the company be authorised, by way of general authorisation as meant in sections 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);
• 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.

2. Special resolution no 2: Amendment to articles 3.1 and 3.2 of the company's articles of association

   Resolved that, in terms of section 62 of the Companies Act, No.61 of 1973, as amended and/or re-enacted ("the Act"), article 3.1 of the Company's Articles is hereby amended by inserting the words "or under and in terms of a general or specific authority granted to the directors as contemplated in article 3.2 below and in terms of the Act" at the end of such paragraph, such that article 3.1 shall now read as follows:

   "3.1 Subject to what may be authorised by the Act or by the company in general meeting, any new shares which may be issued shall first be offered to existing members in proportion to their shareholdings, unless issued for the acquisition of assets <u>or under and in terms of a general authority or specific authority granted to the directors as contemplated in article 3.2 below and in terms of the Act.</u>"

   Resolved that, in terms of section 62 the Act, article 3.2 of the Company's Articles is hereby amended by inserting the words "where necessary" at the end of such paragraph, such that article 3.2 shall now read as follows:

   "3.2 Where the company in general meeting has granted a general authority to the directors, the directors may in their discretion allot, grant options over or otherwise deal with or dispose of any unissued shares to such persons at such times and on such terms and conditions and for such consideration, whether payable in cash or otherwise, as the directors may think fit, provided that if the securities of the company are listed on the JSE, such transactions have been approved by the JSE, <u>where necessary.</u>"

   Reason and Effect
   The reason and effect of special resolution no. 2 is to amend the Company's Articles so as to enable directors to allot and issue shares under a general or specific authority granted to them by shareholders as contemplated in article 3.2 of the Articles and in terms of the Act, without having to first allot and issue such shares to members in proportion to their existing shareholding.

   This amendment is proposed as to inter alia enable the directors to structure the possible listing of the company on the JSE Limited, as to ensure that the company will, in the event of a listing, be able to comply with the listing requirements and that the Articles of the Company is as such aligned with the listing requirements.

3. Special resolution no 3: Amendment to article 9.9 of the company's articles of association

   "Resolved that, in terms of section 62 of the Act, article 9.9 of the Company's Articles is hereby amended by deleting the existing article 9.9 and substituting it with the new article 9.9 as follows:

   "9.9 Every instrument of transfer shall be left at the transfer office of the company at which it is presented for registration, accompanied by the certificate of the securities to be transferred, and or such other evidence as the company may require to prove the title of the transferor or his rights to transfer the securities. All authorities to sign transfer deeds granted by members for the purpose of transferring securities that may be lodged, produced or exhibited with or to the company at any of its proper offices shall as between the company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the company's transfer offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices the company shall be entitled to give effect to any instruments signed under the authority to sign, and certified by any officer of the company, as being in order before the giving and lodging of such notice."

Reason and Effect

The reason and effect of special resolution no. 3 is to amend the Company's Articles and to replace the existing article 9.9, which makes provision for the lodgement of transfer forms and share certificates at the office where the transfer register is kept, and to change the wording in accordance with the wording of the listing requirements.

Furthermore as instruments of transfer must still be lodged at the transfer office, authority is granted to effect the transfer until such time as the authority is revoked. Should revocation notices be lodged, the company shall still be entitled to give effect to the transfer and this article therefore indemnifies the company from any possible claims should the authority for the transfer be revoked before actual knowledge thereof have been received.

D. EXPLANATORY NOTES REGARDING ORDINARY RESOLUTIONS:

Ordinary resolution 3: Directors' remuneration to non-executive directors

Members are requested to consider and approve the proposed remuneration payable to non-executive directors with effect from 1 October 2010 as set out below. The proposed annual remuneration entails an increase of 7% for the directors on the previous year's remuneration, whilst a further adjustment was also proposed and recommended at to align the remuneration, of especially the board committees with the rest of the market, based on existing and well researched benchmarks. It is also proposed that the disparity between the remuneration of the chairman of the Audit Committee and the chairmen of other committee's be removed and that these are remunerated on an equal basis. These market adjustments amounts in the aggregate to a further 3,82%.

In accordance with the provisions of article 28.5 of the Articles, directors are entitled to such remuneration as the company may determine from time to time in general meeting.

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

CATEGORY	Current 2009/2010	Increase of 7%	Plus market adjustment	Proposed remuneration 2010/2011
	R	R	R	R
Chairman (per annum)	312 660	334 546		**334 546**
Vice-chairman (per annum)	219 240	234 587		**234 587**
Directors (per annum)	138 270	147 950		**147 950**
Special projects	2 600	2 782		**2 782**
Chairman (per meeting attended)				
Audit Committee	15 000	16 050	1 500	**17 550**
Chairmen of other board committees	12 000	12 840	4 710	**17 550**
Members of board Committees (per meeting attended)	10 000	10 700	1 000	**11 700**
Travelling and accommodation	Actual expenses			**Actual expenses**
Travelling costs (prevailing AA tariff, based on the value of a vehicle with a purchase price of R500 000 and with an engine capacity of 2501 to 3000cc, and 45 000 km or more travelled per annum)	Approximately R4,40 per km			**Approximately R4,49/km**

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 15c per share.

Important dates for holders of ordinary shares

	DATE 2010
Confirmation of dividend	Thursday, 26 August
Record date of dividend	Thursday, 26 August at 8:00
Payment date of dividend	Thursday, 9 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, 24 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, 24 August 2010 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. The notes regarding the completion of proxies contained at 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 26 June 2010.

By order of the Board of Directors of the Company.

EM Joynt (Mrs)
COMPANY SECRETARY
KLERKSDORP
29 June 2010

Tel no. (018) 464-7104

ANNUAL GENERAL MEETING: 26 AUGUST 2010

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 26 August 2010, 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 JE Grobler)			
6.2	Ordinary resolution no. 6.2 (re-election of NDP Liebenberg)			
6.3	Ordinary resolution no. 6.3 (re-election of JA Boggenpoel)			
6.4	Ordinary resolution no. 6.4 (re-election of OME Pooe)			
6.5	Ordinary resolution no. 6.5 (confirmation of JBH Botha)			
7.	Special resolution no. 1 (general repurchase of shares)			
8.	Special resolution no. 2 (amendment of memorandum and articles)			
9.	Special resolution no. 3 (amendment of memorandum and articles)			

(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 ____________ 2010.

____
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

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, Mrs 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, 24 August 2010. Proxy forms can also be faxed to the Company Secretary (018) 464 2228 or 086 680 3124 or submitted via the internet 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 Inc.
PO Box 2322
JOHANNESBURG
2000

SHARE TRADING DESK

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

TRANSFER SECRETARIES

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

FINANCIER PARTNERS

Absa Bank Ltd (Absa)
Standard Bank Ltd (SBSA)
Wesbank
Land Bank

WEBSITE

Electronic version at
www.senwes.co.za

TOLL-FREE NUMBER

080 941 4011

NOTES