ANNUAL REPORT **2011**
– an integrated overview

Senwes ANNUAL REPORT 2011 • An integrated overview

CONTENTS

Senwes

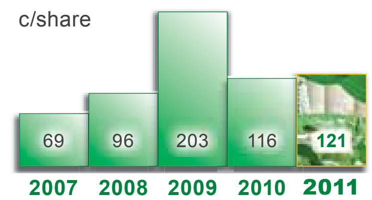
Financial performance

Earnings per share

Earnings per share increased by 5%

Earnings per share is the second highest of all time

2011 c/share	2010 c/share	MOVEMENT
121	116	↑ 5%

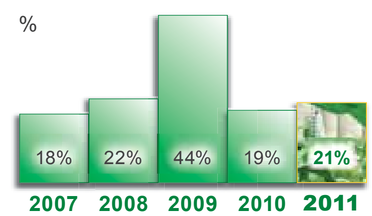


Return on opening equity

2,1% increase in return on equity to 20,7%

The return on equity is in the top quarter of agri-businesses

2011	2010	MOVEMENT
20,7%	18,6%	↑ 2,1%

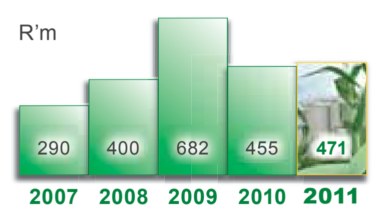


Business base (EBITDA)

Senwes' business base was well maintained and the EBITDA increased by 4% from the previous year

The growth in return is supported by sustainable business

2011 R'm	2010 R'm	MOVEMENT
471	455	↑ 4%



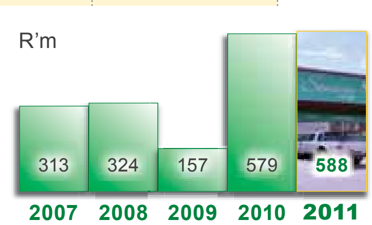
Investor statistics

Total shareholders' return (capital growth and dividends)

44,5% total shareholders' return (capital growth and dividend) for the year under review

Total wealth of R588 million was created during the year under review

2011 R'm	2010 R'm
588	579

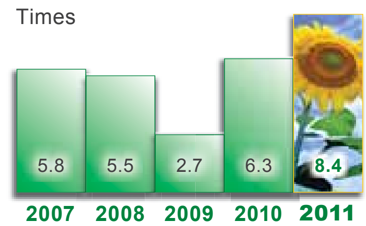


Investor statistics (continued)

Price earnings

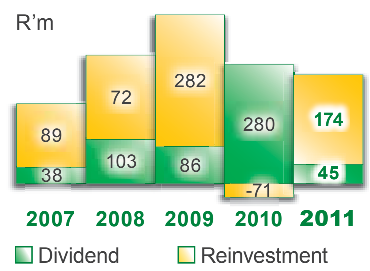
The growth in market price also contributed to a 33,3% increase in the price earnings ratio for 2011 to 8.4

2011 Times	*2010* Times	*MOVEMENT*
8.4	6.3	↑ 33,3%



Dividends vs. reinvestment

The company decided to fund its growth with an aggressive reinvestment policy

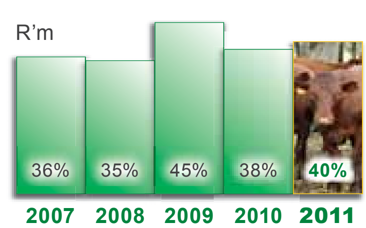


Risk profile

Own capital ratio

Own capital is still within the capital maintenance target band

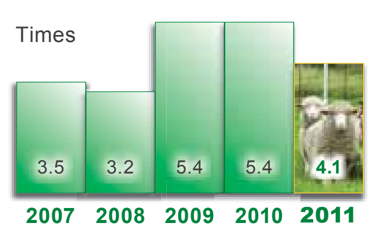
2011	*2010*	*MOVEMENT*
40%	38%	↑ 2%

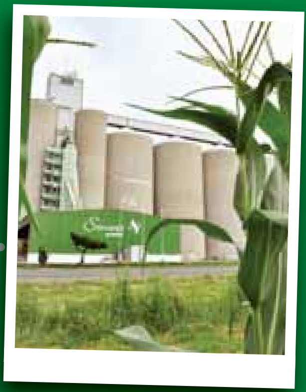


Interest cover

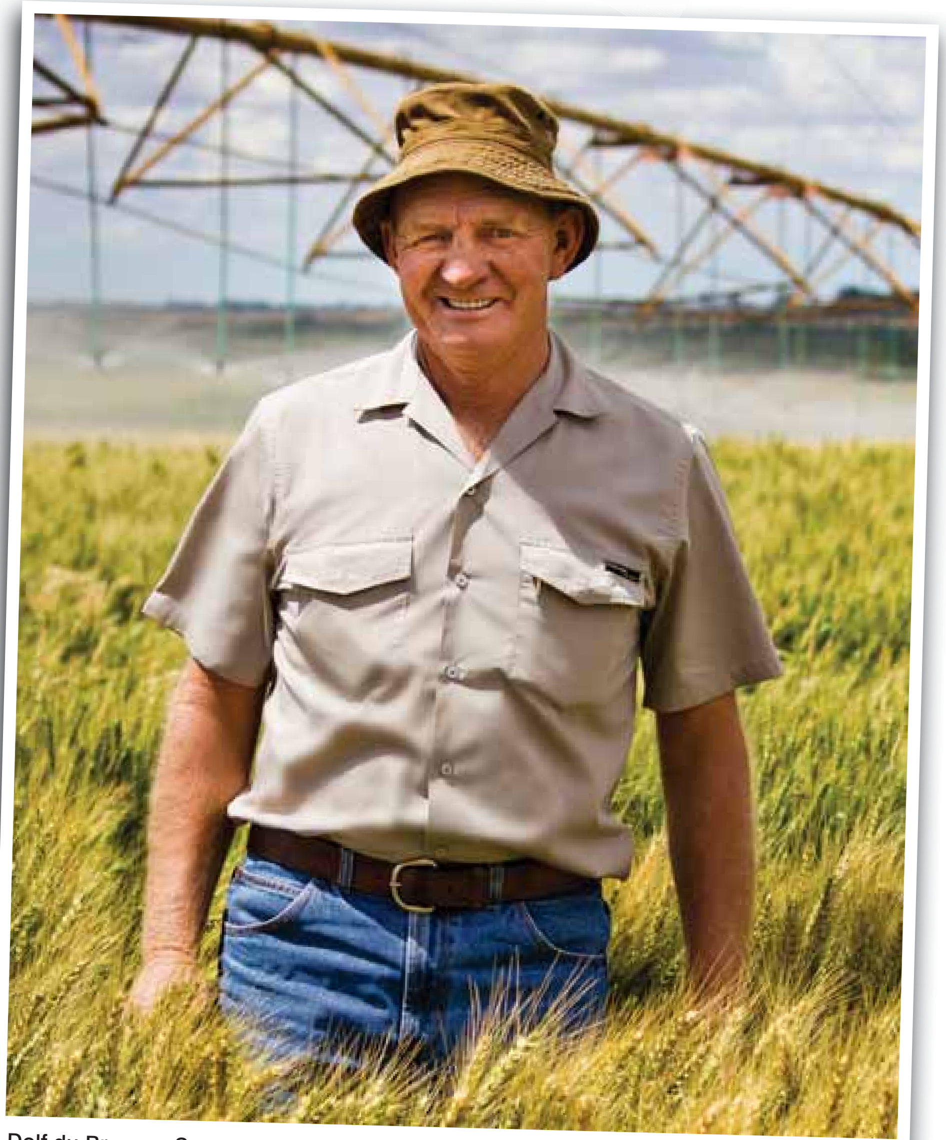
Higher levels of grain commodity inventory caused a higher interest bill but is still above the minimum target level of 3

2011 Times	*2010* Times	*MOVEMENT*
4.1	5.4	↓ 24%





SECTION 1
CORPORATE GOVERNANCE



Dolf du Bruyn, a Senwes client of many years, was a 2010 finalist in the Grain Producer of the Year award. Here he is seen in a beautiful wheat field under irrigation on his farm *Ons s'n* at Bultfontein.

CHAIRMAN´S REPORT

an integrated overview

Japie Grobler

I have been privileged to experience various facets and challenges over the course of the 11 years during which I served the Senwes Group as Chairman. I have once again realised how rapidly the agricultural environment can change. After restructuring in 2001, normalisation by 2005 and optimisation by 2009, Senwes is now facing a growth phase and the Group is focusing on the redesign of its vision and the reconsideration of its strategy. A lot of progress has been made over the past decade but the time has now come to focus on diversification across various markets, countries and trademarks.

The board of directors is excited about the "4-pillar-10-year-plan"-strategy presented by Francois Strydom in October 2010. This strategy will initiate a business model which will reorganise agriculture, specialise and consolidate in order to ensure more extensive competition and service delivery. A more mature and integrated approach for agriculture is long overdue and we are convinced that the master plan in this regard has already been written. The transactions with MGK and Bunge are the first step in phase one of the plan, which consists of three phases.

I am particularly impressed with the calibre of people managing the Group. Senwes has a lot of depth, not only at executive management level but particularly at operational and middle management level. The skills, competence, integrity and loyalty demonstrated by personnel at all levels are a source of comfort and optimism. Wealth has been created for personnel and incentives amounting to R264 million have been paid over the past 5 years.

Creating wealth for shareholders

Senwes' share price has demonstrated phenomenal growth since 2001, when it was sold at an all-time-low of 7 cents/share at a liquidation auction. The share price reached an all-time-high closing price of R10,20 at year-end. It increased by R7,70 over the past 5 years while dividends of R3,14 per share were distributed, creating wealth of R1,96 billion for the shareholder since 2007.

Regulatory environment

Despite the impact of global events, our growth in earnings is sound and still delivers above average returns.

I have pleasure in reporting that Senwes was found not guilty in a ruling by the Appeal Court on 1 June 2011 regarding the so-called margin-squeeze contravention. It is a pity that so much unnecessary time, legal costs and valuable company resources had to be spent on this matter. Senwes is also in the process of settling the remaining industry-wide Grain Silo Industry "GSI" matter with the Commission.

Overview of the Board of Directors

The efficiency of the Board is considered on an annual basis. I would like to compliment my co-board members on maintaining open, transparent and honest participation in the execution of our duties. The Treacle court case against Senwesbel and Senwes has brought specific dynamics to the Board and I cannot congratulate the Board enough on the extent of maturity and open-mindedness which this aspect has been dealt with. Good leadership came to the fore in the process – something which the agricultural industry has always been blessed with excessively.

I also have a lot of appreciation for the diversity of thought demonstrated by co-board members and members of management and the extent to which they have the boldness to investigate, challenge and reason in order to create a constructive debate on matters which affect the company's future, strategy and values. Senwes maintains high ethical standards in its business conduct and I believe that we have established a good business reputation over time. The Senwes board was composed of 14 members at the end of April, namely 2 executives, 4 independents and 8 representatives from the 3 shareholder blocks and we are of the opinion that it creates a good balance which complies with the spirit of King III. The average term of office of directors amounts to 6 years and 9 months. The Board has been blessed in that there have been no retirements in the 2011 financial year, while Steve Booysen was welcomed as additional independent non-executive director.

Two directors, namely Johan Alberts and WH van Zyl, have decided to retire at the forthcoming Annual General Meeting on 26 August 2011. Both have served as Chairmen of Board Committees and their leadership and experience will be missed. Jesmane Boggenpoel resigned from the Board effective as from 17 June 2011, since she was presented with the opportunity to study abroad. We wish them all the best for the future and depend on their continued support and friendship.

Geared for a sustainable future

Sustainability encompasses various facets, all of which are not necessarily obvious. In my opinion good corporate governance and ethical values are the corner stones of a sustainable business. Add thereto a fit business model with a long term investment philosophy and proven transformation actions and it should be possible to hand a sustainable entity to the next generation.

We have also established a structure in order to comply with broad base corporate accountability and responsibility in respect of the environment, social and corporate governance aspects.

The Board has also expanded its responsibilities by expanding the mandate of the Risk Committee to include specific aspects pertaining to sustainability. Good progress has also been made in respect of the BEE scorecard results and Senwes is a level 6 contributor to black economic empowerment.

Although the listing motion was rejected at the annual general meeting during the past year, Senwes is more than ready for listing according to an independent report by Java Capital. They hold the view that the company is being managed as if it already operates in a listed environment. We believe that listing has to take place for the right reasons and this aspect will be considered as and when the company reaches such a point. However, we are satisfied that the share is performing well on the OTC-market for the time being and that it fits in well with a strategy required by partners with a long term view.

In conclusion

I remember a remark often made by my father: "Thank your Creator for today by making a difference today". I took this to heart and made it part of my life philosophy and convictions. As Chairman, I am truly blessed to be part of this exceptional company and its stakeholders. I believe that, as a Group, we have the right ingredients to ensure sustainable growth.

We also experienced the FIFA World Cup during this financial year and were pleasantly surprised with the professional manner in which it was hosted. We as South Africans have proven once again that we can deliver if we really focus on the task at hand. I believe that we can join hands and break new ground and I would like to challenge my co-agricultural leaders to take the industry to a new level with new initiatives and a competitive spirit. A special thank-you to each Senwes stakeholder for your continued support. Hand-in-hand with our shareholders, clients, personnel, suppliers, authorities and communities within which we conduct business, we are busy creating the future of agriculture.

I would like to thank my co-board members and Francois Strydom and his management team, who are leading the company with vision, integrity and courage.

With deep gratitude.

Japie Grobler
CHAIRMAN
Klerksdorp
22 June 2011

MEET THE 2010/11 BOARD OF DIRECTORS

Senwes

JE (Japie) Grobler (59) CHAIRMAN
Director since April 1997
Qualifications: B.Juris LLB
Board committee membership: Nomination (Chairman), Ex officio access to all committees
Other major directorships: Senwesbel Ltd, Agri Securitas (Chairman)

Mr Grobler has been farming in the Bothaville district since 1977 and has extensive exposure to agriculture and business. He served on and chaired various committees in organised agriculture on local, provincial and national level, amongst others as vice-president of Free State Agricultural Union, chairman of NAMPO, chairman of the SAAU National Business Chamber and as president of Agri SA.

JDM (Danie) Minnaar (46) VICE-CHAIRMAN
Director since September 1999
Qualifications: BCom
Board committee membership: Audit, Nomination, Investment, Remuneration (Chairman)
Other major directorships: Senwesbel Ltd (Chairman), Maize Trust

Mr Minnaar, who has been farming in the Kroonstad district since 1988, has been part of the agricultural sector for many years. He is a former chairman of the Free State Agricultural Union Young Farmer Committee and was also involved in the introduction and promotion of grain marketing on Safex.

F (Francois) Strydom (51) MANAGING DIRECTOR
Appointed in 2010
Qualifications: BSc Agric (Hons)(Animal Science)
Board committee membership: Risk and Sustainability
Other major directorships: Director of various companies in the Senwes Group and other related businesses

Mr Strydom acted as Managing Director of Senwes from 1 June 2010, whereafter he was appointed in the position on 6 August 2010. Prior thereto he served as the Director Operations since 2002. He joined Senwes in 2001 and was seconded as Managing Director to the then Kolosus Holdings. He started his career as an Animal Scientist at Afgri (formerly OTK) and advanced to the position of Director: Grain at Afgri over a period of 13 years.

CF (Corné) Kruger (38) FINANCIAL DIRECTOR
Appointed in 2010
Qualifications: BCom, Hons.BCom, CA(SA)
Board committee membership: Risk and Sustainability
Other major directorships: Director of various companies in the Senwes Group and other related businesses

Mr Kruger was appointed as Financial Director on 26 August 2010 after he acted in this position during the year under review. Prior to that he held the position of Assistant General Manager: Finance since 2005.

JPL (Johan) Alberts (68)
Director since January 2001
Qualifications: SSAF, BCom (Commerce), CTA, CA(SA)
Board committee membership: Audit (Chairman)

Mr Alberts has been running his own business and farming interests since 1998. During his career he served as Chief Executive Officer of Pretoria Metal Pressing (1972), the Armscor Group (1991) and Denel (Pty) Limited (1992). The latter position was held until 1997. He has chaired the Audit Committee of Senwes since 2001.

JA (Jesmane) Boggenpoel (38)
Director since April 2008
Qualifications: BCom, B.Acc, CA(SA)
Board committee membership: Audit, Risk and Sustainability
Other major directorships: Land Bank

Ms Boggenpoel has extensive experience in corporate finance and private equity. She is an independent business consultant.

JBH (James) Botha (41)
Director since October 2009
Qualifications: BLC.LLB and Dip (Tax)
Board committee membership: Remuneration, Nomination, Audit

Mr Botha practiced as commercial and corporate lawyer for 15 years before he entered the corporate world. He is presently a senior legal advisor at the Northwest University's Institutional Office.

SF (Steve) Booysen (49)
Director since October 2010
Qualifications: M Compt (Unisa), D Com(Acc)(UP), CA(SA)
Board committee membership: Audit, Investment (Chairman)
Other major directorships: Efficient Group Ltd, Steinhoff Ltd, Clover Ltd SA

Dr Booysen was the Chief Executive of Absa Bank Ltd for many years and has been closely involved with the financial sector. He has a passion for cultural activities and is the chairman of the Aardklop Arts Festival.

JAE (Jannie) Els (65)
Director since October 2000
Qualifications: Agricultural Diploma
Board committee membership: Risk and Sustainability
Other major directorships: Senwesbel Ltd

Mr Els has extensive farming interests in the Bothaville and Heilbron areas and has been closely involved with agricultural businesses over the years. He was a member of the executive of the Free State Agricultural Union for several years.

AJ (Dries) Kruger (59)
Director since October 2007
Qualifications: BCompt(Hons), CA(SA)
Board committee membership: Remuneration, Audit
Other major directorships: Senwesbel Ltd

Mr Kruger is a registered auditor and accountant, who has been practicing in Kroonstad since 1976. He has been farming on a part time basis with his son since 2005 in the Senekal district. He served as council member and as mayor of the City Council of Kroonstad and also as trustee of the Free State Municipal Pension Fund. He is a trustee of the pension fund of the Reformed Churches of SA.

NDP (Nico) Liebenberg (41)
Director since August 2008
Qualifications: BCom(Hons), M(Sustainable Agric)
Board committee membership: Remuneration, Risk and Sustainability
Other major directorships: Senwesbel Ltd

Mr Liebenberg has been farming in the Bothaville district since 1991. He has established a diversified farming operation which, inter alia, is a sole supplier of vegetables to a major retailer.

J (Jacob) Mashike (44)
Director since February 2006
Qualifications: BSc(Eng), MBL
Board committee membership: Nomination
Other major directorships: Robertson & Caine (Pty) Ltd, Treacle

Mr Mashike is an experienced structured debt and equity specialist and served on the boards of various entities in the financial and healthcare service industries.

OME (Mpueleng) Pooe (51)
Director since March 2007
Qualifications: B.Proc.
Board committee membership: Remuneration, Nomination, Investment
Other major directorships: Director of various companies in the Royal Bafokeng Group, Impala Platinum Ltd

Mr Pooe was admitted as an attorney of the High Court of South Africa and started his career as a lawyer with Bell Dewar & Hall, where he was later appointed as director. He joined Anglo Gold Limited in 1999 as a legal counsel. He is currently Royal Bafokeng Holdings' public affairs executive.

WH (WH) van Zyl (69)
Director since October 2002
Board committee membership: Risk and Sustainability (Chairman), Nomination
Other major directorships: Senwesbel Ltd

Mr Van Zyl has been farming in the Wesselsbron district since 1961. He was closely involved in organised agriculture since 1988 and at executive level in regards of NAMPO, Grain SA, the Maize Board, ARC-Summer Grain Centre and the South African Grain Laboratory. He also served on various levels of local government. Mr Van Zyl has various and extensive business interests and experience, such as a milling operation in Bothaville.

COMPANY SECRETARY

EM (Elmarie) Joynt (41)
Appointed in 2002
Qualifications: B.Com (Law), LLB, FCIS, FCIBM, Attorney and Notary of the High Court

Ms Joynt started her career as an economist at the Registrar of Co-operatives, thereafter practiced as a commercial attorney and then held office as Group Company Secretary and legal counsel for various entities in agriculture and the financial sector, before joining Senwes in 2002. She is responsible for investor services, strategic corporate and commercial matters, the legal division and legislative compliance.

CORPORATE GOVERNANCE REPORT

The year under review, which was challenging in terms of the environment, business and the global economy, demonstrated Senwes' embedded ability to pursue its strategies and goals. The Senwes board and management were successful in directing the company on its designated path despite external factors and executives leaving the company at the beginning of the financial year.

This ability demonstrates that Senwes, having adopted the sound principles of the King Reports on Corporate Governance (King II & III), is able to sustain its business in an ever-changing business environment as a corporate citizen and through its people who have taken ownership.

The Board of Directors

The Board has taken the lead once again in guiding the company throughout the year and has been successful in delivering on a well-considered strategy. The Group has been able to deliver a good return for shareholders while executing the strategy, especially on the growth side, thereby ensuring a sustainable business over the longer term.

The Board is currently comprised of 14 members, the majority of which are non-executive directors and 4 of which are independent. The Company strives towards creating a balance between independent non-executives and non-independent directors, in terms of the strict requirements of King.

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 Johan Dique resigned as Managing Director on 31 May 2010;
- Mr Francois Strydom was appointed as Managing Director on 6 August 2010, after having acted in that capacity;
- Mr Corné Kruger was appointed as Financial Director on 26 August 2010, after having acted in that capacity;
- Dr Steve Booysen was appointed as non-executive director on 11 October 2010; and

In terms of the Memorandum and Articles of Association of the Company, the term of office of non-executive directors is three years, after which they have to retire by means of rotation every three years. Retiring directors can be re-elected.

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 the strategy and budgets;
- The appointment of executive directors and the monitoring of the performance of executive directors;
- The custodian of the values and ethic principles of the Group;
- Effective control over the Group;
- Stakeholder management;
- Conscientious risk management and attention to sustainability issues;
- 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 provides for a range of issues such as ethical conduct, the right of directors to obtain professional advice in respect of all aspects which relate to the company at the company's costs and board processes. Appropriate delegated powers and matters reserved for the Board are in place.

Risk and sustainability issues at Board level

The sustainability of the Company over the long term remains the most critical imperative and therefore the Board adopted a ten year strategy. This strategy entails various pillars, which will ensure growth and sustainability while remaining relevant in this very dynamic and highly competitive global business environment. Whilst pursuing these objectives, the Board and management alike operate within the parameters of a disciplined and distinct internal control environment, IT governance framework and compliance structure.

Compliance with legislation

The Board takes overall responsibility for compliance with appropriate legislation and regulatory requirements. These are reported on via the Risk and Sustainability Committee as well as the Audit Committee.

The Board ensures that legislative compliance is afforded 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 and Sustainability Committee, Compliance Committee and management as part of the established risk management process.

Legislative compliance and the risk of non-compliance remain a focus area and on-line training on the critical statutes is being done on a company-wide basis. During the year under review, compliance training was done on the Competition Act and training on the Consumer Protection Act has also commenced.

IT Governance

The Board ensures active management of the IT Governance framework by a team of dedicated IT personnel and specialists as an integral part of the risk management framework. The strategy and performance of Senwes are aligned and dependent on fully entrenched and integrated structures and systems. Extensive business and IT disaster recovery processes have been established.

The IT Steering Committee oversees the IT Governance framework and significant IT investments and expenditure is monitored continuously. The review of IT related controls is included in the internal audit plan and external audit reviews certain IT controls as part of the external audit.

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 and recovery, IT, business continuity and other social responsibility factors.

Shareholder matters at Board level

During the year one of the minority shareholders and a partner in the BEE Consortium, Treacle Fund Trust II ("Treacle"), instituted legal proceedings against Senwesbel and Senwes. These proceedings relate to the historical acquisition of Senwes shares by Senwesbel. Allegations of contraventions of the Companies Act were made and these proceedings were well publicised in the media.

The Board of Senwes believes that these proceedings and the basis thereof are without merit and opposes the application. As at the time of publication of this report, these proceedings were still pending.

Mr Mashike represents the applicant in the proceedings and is therefore in direct conflict with Senwes. He recuses himself from all discussions related to the proceedings.

Attendance of Board and committee meetings

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

Name of director	Board	Audit Committee	Risk and Sustainability Committee	Remuneration Committee	Nomination Committee
No. of meetings	11	4	5	5	2
Non-executive					
JE Grobler (Chairman)	11/11				2/2
JDM Minnaar (Vice-Chairman)	11/11	4/4		5/5	2/2
JPL Alberts	11/11	4/4			
JA Boggenpoel	8/11	4/4	5/5		
SF Booysen (11/10/2010)*	4/4*	3/3*			
JBH Botha	9/11			5/5	2/2
JAE Els	11/11		5/5		
AJ Kruger	11/11	4/4		5/5	
NDP Liebenberg	11/11		4/5	5/5	
J Mashike*	9/11			1/1*	1/1*
M Pooe*	8/11		3/5	3/3*	2/2
WH van Zyl	10/11		5/5		2/2
Executive					
F Strydom (new 06/08/2010)	11/11		1/1*		
CF Kruger (new 26/08/2010)	9/9*		1/1*		

(* Not a member of board or committee for a full year)

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 page 8. 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 from discussions where a director may have an interest is followed in order to avoid any such conflicts.

The register of interests of directors and other directorships is available for inspection.

PARTICULARS OF DIRECTORS' INTERESTS AS AT YEAR-END

	2011				2010			
	Direct		Indirect		Direct		Indirect	
Name	**Shares**	**%**	**Shares**	**%**	**Shares**	**%**	**Shares**	**%**
Non-executive								
JPL Alberts	-	0,00%	220 891*	0,12%	-	0,00%	168 415*	0,09%
JA Boggenpoel	-	0,00%	-	0,00%	-	0,00%	-	0,00%
SF Booysen	-	0,00%	-	0,00%	-	0,00%	-	0,00%
JBH Botha	-	0,00%	-	0,00%	-	0,00%	-	0,00%
JAE Els	1 345	0,00%	1 115 609*	0,62%	1 345	0,00%	1 056 271*	0,58%
JE Grobler	-	0,00%	5 573 096*	3,08%	-	0,00%	5 013 606*	2,77%
AJ Kruger	132 386	0,07%	486 399*	0,27%	132 386	0,07%	456 391*	0,25%
NDP Liebenberg	-	0,00%	614 813*	0,34%	-	0,00%	585 282*	0,32%
J Mashike	-	0,00%	903 027**	0,50%	-	0,00%	903 027**	0,50%
JDM Minnaar	-	0,00%	5 236 200*	2,90%	-	0,00%	4 916 369*	2,72%
LM Ndala	-	0,00%	-	0,00%	-	0,00%	-	0,00%
OME Pooe	-	0,00%	-	0,00%	-	0,00%	-	0,00%
WH van Zyl	400 000	0,22%	5 190 932*	2,87%	500 000	0,28%	4 868 005*	2,69%
Executive								
JJ Dique (resigned)	-	0,00%	-	0,00%	-	0,00%	33 058*	0,02%
F Strydom	-	0,00%	397 634*	0,22%	295 731	0,16%	378 535*	0,21%
SH Alberts (resigned)	-	0,00%	-	0,00%	100 926	0,06%	70 094*	0,04%
CF Kruger	21 570	0,01%	-	0,00%	-	0,00%	-	0,00%
Subtotal of directors	555 301	0,30%	19 738 601	10,92%	1 030 388	0,57%	18 449 053	10,20%
Other shareholders	180 224 008	99,70%			179 758 920	99,43%		
Total	180 779 309	100,00%			180 789 308	100,00%		

* Indirect interest is based on the percentage of the shareholding of Senwesbel in Senwes, multiplied by the percentage of the interest held by the individual
** based on interest of beneficiaries of the trust per pre-determined formula

The Board applies a code of conduct in respect of the trading of shares in the Group, which regulates the trading of shares by board members and senior management. This Code regulates periods during which price sensitive information may exist in the Group and the Company Secretary as the custodian of the Code, monitors the trading diligently. Certain closed and open periods for trading applied during the past years as indicated below:

Date	**Status**	**Reason**
9 December 2009 until	Closed	Consideration of the listing and various transactions
3 February 2011 until	Open	Announced MGK transaction
31 March 2011	Closed	Preparation of annual financial statements

Certain board members as active clients conduct business with the company on an arm's length basis as part of Senwes' normal business activities. Senwes Credit also provides credit to certain of these 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 assessment of the Board

The Board of directors continuously assesses its own performance as well as that of the Chairman and its subcommittees. Individual assessments of board members is also done by the Chairman and aspects related thereto are dealt with immediately. Formal independent assessments are done on a bi-annual basis.

Committees

Functions and mandates

The Board has established a number of committees to facilitate efficient decision-making and to assist the Board in the execution of its duties, powers and authority. The committees function 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 specific written mandates approved annually by the Board, which are available from the Company Secretary upon request.

These board committees are:

- Audit Committee;
- Remuneration Committee;
- Risk and Sustainability Committee;
- Nomination Committee; and
- Investment Committee

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.

The committees are reconstituted annually and members of the committee and the chairmen of the committees are elected annually as well.

The Audit Committee is satisfied that the 2011 financial statements are a fair representation of the financial position of Senwes. From left: Dries Kruger, Johan Alberts (Chairman), Steve Booysen and Danie Minnaar.

Audit Committee

Report prepared by the Chairman, Johan Alberts

Composition

The Audit Committee is comprised of five non-executive directors, three of which are independent non-executive directors, including the chairman. The executive and senior management dealing with the financial affairs of the company also attend the meetings but have no voting powers. Four meetings were held during the year.

Mandate and responsibilities

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

- 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 adopted by Senwes and any changes thereto;
- Consider the going concern principles and reasons for recommendation to the Board;
- Make recommendations on 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;
- Accept the annual audit plan and audit budget;
- Review 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 clarified and distinguished;
- Monitor compliance with applicable legislation and regulatory aspects;

- Review the integrated reports and IT Governance Framework;
- Consider the processes to detect and report fraud and irregularities;
- Oversee the capital maintenance and dividend policies;
- Ensure proper disclosure, stakeholder communication and reporting;
- Consider tax issues and risks.

The Committee performed all its duties as set out above.

The internal and external auditors have unlimited access to the chairman of the committee. Internal Audit reports to the Managing Director on day-to-day matters.

The chairman of the committee and the external auditors attend the annual general meetings.

The Committee is satisfied that the 2011 audit conducted by the external auditors was independent and concurs with the audit report. The Audit Committee's report is included in the annual financial statements on page 47.

Johan Alberts
CHAIRMAN: AUDIT COMMITTEE

Senwes' approach is to set remuneration levels that attract, retain and motivate the appropriate calibre of directors and staff, which is overseen by the Remuneration Committee. From left: Mpueleng Pooe, James Botha, Danie Minnaar (Chairman), Nico Liebenberg and Dries Kruger.

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 recused from the meeting during discussions regarding their remuneration. The Committee met five times during the year under review.

Mandate and responsibilities

The Committee is responsible for the following:

- Determining and maintaining the remuneration philosophies of the Company;
- 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;
- Approving annual mandates for salary increases;
- Approving annual bonus payments in terms of pre-approved incentive schemes.

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

Executive directors

The service contracts of the executive directors are generally for a fixed term of three years. The contracts of the Managing Director and Financial Director will expire in July and August 2013 respectively.

Remuneration of directors

The Committee also recommends the remuneration of non-executive directors to the Board. 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 in 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 shown in the table below. The proposal for the 2012 remuneration forms part of the notice to the shareholders. Further explanations regarding the company's remuneration philosophies and practices are contained in the remuneration report.

Executive directors are remunerated similarly with additional short and long term incentive bonuses, which are considered and approved by the directors, based on the achievement of strict pre-determined annual targets. During the year under review, the Committee specifically consulted with external experts regarding the incentive schemes and the non-executive directors' remuneration and it was found that these matters are in line with market practices and in some instances appropriately conservative.

The chairman of the committee attends the annual general meeting.

Danie Minnaar
CHAIRMAN: REMUNERATION COMMITTEE

REMUNERATION FOR THE YEAR UNDER REVIEW WAS AS FOLLOWS:

	Total R	Remuneration R	Travelling and accommodation R	Committees R
Non-executive:				
JE Grobler (Chairman)	**585 473**	325 425	46 298	213 750
JDM Minnaar (Vice-Chairman)	**498 517**	228 193	78 574	191 750
JPL Alberts	**279 747**	143 916	35 731	100 100
JA Boggenpoel (resigned 17/06/2011)	**246 789**	143 916	26 073	76 800
JBH Botha	**297 881**	143 916	17 165	136 800
SF Booysen (new 11/10/2010)	**103 655**	73 975	17 980	11 700
JAE Els	**224 389**	143 916	37 073	43 400
AJ Kruger	**253 958**	143 916	21 542	88 500
NDP Liebenberg	**252 475**	143 916	20 059	88 500
WH van Zyl	**245 354**	143 916	20 638	80 800
J Mashike	**181 893**	143 916	16 277	21 700
M Pooe	**283 706**	143 916	22 990	116 800

	Total R	Remuneration & travelling R	Performance incentives and bonuses R	Statutory costs R
Executive:				
F Strydom	**8 229 001**	2 604 793	5 541 779	82 429
CF Kruger (appointed 26/08/2010)	**2 333 043**	1 267 092	1 052 570	13 381

The Risk and Sustainability Committee fulfils an essential function by ensuring that the Board effectively takes accountability for risk management as well as matters relating to sustainability. From left: Francois Strydom, Nico Liebenberg, WH van Zyl (Chairman), Jannie Els and Corné Kruger.

Risk and Sustainability Committee

Report prepared by the Chairman, WH van Zyl

Composition

The Risk Committee comprises of four non-executive directors and the two executive directors. Five 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 this 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.

Risk taking, in an appropriate manner, is an integral part of the business. The success of the business depends to a large extent on optimising the trade-off between risk and reward. In the normal course of conducting its business, the Group is exposed to a variety of risks; inter alia financial risk, business risk, environmental risk and strategic risk. The long term sustained growth, continued success and the reputation of the Group are critically important and dependent on the quality of risk management and good corporate governance.

The Group's overall risk management programme focuses on the unpredictable agricultural economic climate and seeks to minimise potential adverse effects thereof on the group's performance. Under financial risks, Senwes specifically focuses on market risk, credit risk, liquidity risk and capital maintenance.

Sustainability and success is dependent on Senwes to understand and manage strategic risk. Senwes appreciates that strategic risks have a much greater impact on shareholder value than any of the other risks. This risk and the volatile business environment coupled with globalisation have been accepted as a substantial challenge in Senwes.

Senwes' investment profile is exposed and dependant on major fluctuations in:

- Grain volumes mainly due to climate, plantings and market share;
- Customer spending ability in respect of production and capital goods, mainly due to fluctuating farming income and commodity prices;
- International and local fundamentals, e.g.
  - Interest rates;
  - Exchange rates;
  - International grain commodity prices;
  - Brent crude oil prices;
  - Basic farming requisites (particularly fertiliser);
  - National and international political stability.

The following strategic risks have been identified and receive the necessary management attention to address them on a continuous basis:

- Industry risk – The industry becomes so saturated and competitive that the entire industry turns into a no-profit zone.
- Stagnation risk – The business achieves a level of maturity at which further volume and profit growth becomes difficult.
- Unique competitor risk – The sudden emergence of an especially powerful rival decimates your business.
- Transition risk – The Company gets overwhelmed by unforeseen changes in technology or its business model.
- Customer risk – The customer base is decimated by shifts in needs and priorities that can make our offering unappealing.
- Project risk – The risk that a costly investment in a new project or acquisition will fail.
- Lack of focus on current business – The risk of losing focus on core business while busy with the expansion strategy.
- Brand risk – The value of the brand collapses suddenly or gradually shrinks in the wake of competitive assaults, disastrous publicity or a long term failure to invest.

The Group's risk management plan is underpinned by its objective of shareholder value creation on a sustainable basis that is consistent with shareholder expectations and is in line with the Group's risk bearing capacity and risk appetite. Risk management is one of the Group's core competencies and management and the Board is committed to applying international best practices and standards in this regard.

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 Board approves, upon recommendation from the Risk Committee, the Group's risk appetite on an annual basis having regard for an appropriate risk and return. The risk appetite is translated into risk limits per division/subsidiary according to risk type. Adherence to these limits is monitored continuously and culminates into a risk profile for the Group. The executive and senior management are responsible for the managing of risks within a pre-determined appetite for current and new ventures.

The Committee is also responsible for:

- The risk philosophy, which includes the determination of the risk appetite, risk levels per activity per business unit, internal control measures, probability and action plans;
- The risk process and mitigating actions, if applicable;
- Legislative compliance, which is a dynamic process of ongoing and active compliance at all levels in terms of substantial and applicable statutes;
- IT and appropriate actions for security and business continuity.

During the year under review, the mandate of the Committee was expanded to include matters on sustainability such as:

- Frameworks and policies on safety, health, human rights, social investment, environmental management, employees, all stakeholder relations and management, product safety, and socio-economic transformation of the Company;
- Management of ethics in the Company; and
- Organisational structures, development and transformation.

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 and sustainability issues.

WH van Zyl
CHAIRMAN: RISK AND SUSTAINABILITY COMMITTEE

The mandate of the Nomination Committee includes recommendations on the size, structure, composition and skills of the Board and its board committees. From left: Mpueleng Pooe, James Botha, Japie Grobler (Chairman), WH van Zyl, Danie Minnaar and Jacob Mashike.

Nomination Committee

Report prepared by the Chairman, Japie Grobler

Composition

The Nomination Committee currently comprises of six 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;
- Recruitment processes for non-executive directors given the required skill set.

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 meetings to respond to any questions related to the board composition and membership.

Japie Grobler
CHAIRMAN: NOMINATION COMMITTEE

A new edition to the Board committees is an Investment Committee. This committee will mainly act as watchdog over the investment strategy of the group and its exposure to substantial investments. It will also assist the Board in the evaluation of specific transactions. Steve Booysen, centre, will chair the committee with Mpueleng Pooe, left, and Danie Minnaar to assist him.

Investment Committee

Report prepared by the Chairman, Steve Booysen

Composition

During the year, the Board constituted a new Investment Committee. The Investment Committee currently comprises of 3 non-executive directors and is responsible to the Board in terms of its mandate to attend to the following:

- Consider the investment strategy framework of the Group's major investment portfolio exposures;
- Examine current global and local investment portfolio dispositions and ensure these remain consistent with the Group's current strategy and risk framework;
- Consider and recommend specific major investments, specific acquisitions, joint ventures or mergers and to monitor and report the progress thereof to the board;
- Review the operational framework of the investment portfolios of the Group, including the use of both internal and external funding resources;
- Review the performance generated by the investment assets; and
- Examine and challenge the current investment market outlook.

As this is a new committee, no meetings were held during the year.

Steve Booysen
CHAIRMAN: INVESTMENT 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 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 ranging from King III, listing requirements and Competition legislation provisions, has also been presented for eight 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 is part of Executive Management, but is not a director of any of the companies in the Group and is therefore able to maintain a high level of independence and an arms’ length relationship with the respective boards of directors and its management.

The Company Secretary reports structurally to the Managing Director and has a direct channel of communication to the Chairman. In terms of the Companies Act, the Company Secretary takes full responsibility for all board and board committee meetings, shareholder meetings, disclosure and reporting, guidance of the board members, induction and stakeholder relations.

The Company Secretary is versed in corporate governance matters and is a fellow of the Institute of Chartered Company Secretaries and Administrators with extensive legal and corporate business administration experience.

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 various company matters. Any queries regarding the Company may be directed to the Company Secretary as Chief Information Officer.

The Executive Committee manages the group on an active and daily basis and is responsible for the implementation of Board resolutions. Front: Gerrit van Zyl (Credit), Pieter Esterhuysen (Grainlink), Corné Kruger (Financial Director), Francois Strydom (Managing Director), Elmarie Joynt (Company Secretary) and Frans du Plessis (Village). Back: Wikus Grobler (Group Finance & Treasury), Martin van Zyl (Information Technology), Joe Maswanganyi (Corporate Services), Dirk Opperman (Internal Audit), Dawie Barnard (Univision) and Johan le Grange (Corporate Finance).

Executive Committee

Composition and responsibilities

The Executive Committee manages the company on an active and daily basis and during the year under review commenced the practice to meet early every morning. This team has shown its tremendous leadership and ownership during an extraordinary year.

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.

Investor relations and shareholder spread

The major shareholder blocks of Senwes are Senwesbel Limited and the Bafokeng Consortium. Senwesbel, which mostly represents the farmer shareholder and client base of Senwes, has increased its shareholding during the year under review from 39,2% to 41,2%. It has committed itself to ensure long term sustainability of Senwes and its client base and has indicated publicly that it wishes to increase its equity stake in the company over time.

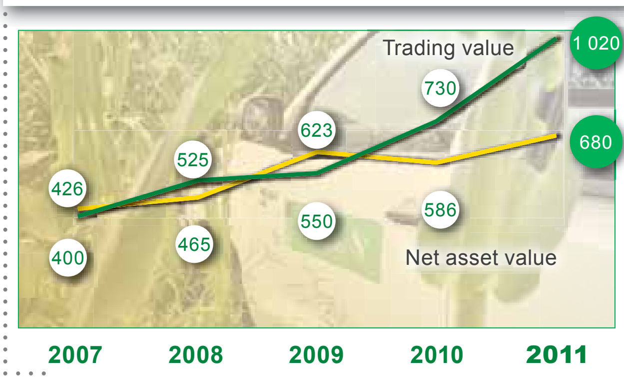
Senwes also provides and maintains an independent and active over the counter share trading mechanism. ("OTC-mechanism"). The share trading is done electronically under the control and supervision of the Company Secretary and is dealt with in terms of strict trading rules and FAIS legislation. The OTC-mechanism is audited annually by the external auditors, who verify that the controls and independence are maintained.

The market price of the Senwes shares is therefore determined by trading on the OTC-mechanism and provides a sound price discovery mechanism.

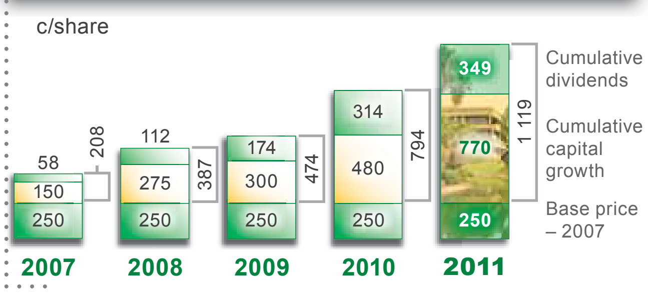
The trades on the OTC-mechanism are updated three times a day and bids and offers can be seen on Senwes' website.

Share price performance

SHARE PRICE: TRADING VALUE VS NET ASSET VALUE (c/share)



VALUE CREATION AND VALUE UNLOCKING FOR SHAREHOLDERS BY CAPITAL AND DIVIDENDS



FIVE LARGEST SHAREHOLDERS AS AT 30 APRIL 2011

1. Senwesbel Limited	74 413 144	41,1%
2. Royal Bafokeng Agri Investments (Pty) Ltd	31 896 503	17,60%
Treacle Nominees (Pty) Ltd	27 118 715	15,00%
Bafokeng Consortium	59 015 218	32,60%
Industrial Development Corporation of SA (Treacle)	3 700 087	2,00%
Consortium and related parties	62 715 305	34,60%
3. Gardenview Nominees (Pty) Ltd	2 529 174	1,90%
4. Ferbros Nominees (Pty) Ltd	874 551	0,48%
5. Ian van der Merwe Beherend (Pty) Ltd	840 509	0,46%
Total	141 372 683	78,54%

Shareholder Diary

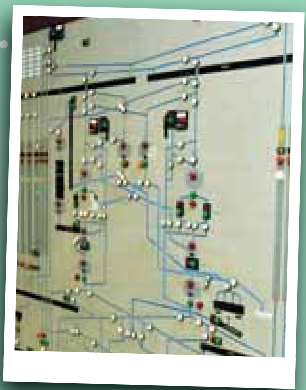
Financial year-end	30 April 2011
Announcement of results	24 June 2011
Submission of proxies	24 August 2011 by 10:00
Annual General Meeting	26 August 2011
Record date for dividends	26 August 2011
Payment of final dividends	9 September 2011

SHAREHOLDER SPREAD

Portfolio Size	Number of shareholders	%	Number of shares	%
1 - 1 000	947	32,13	332 959	0,18
1 001 - 5 000	652	22,12	1 641 084	0,91
5 001 - 30 000	999	33,90	13 992 207	7,74
30 001 - 100 000	300	10,18	14 581 400	8,07
100 001 - and more	49	1,66	150 241 658	83,10
	2 947	100,00	180 789 308	100,00

Francois Strydom
MANAGING DIRECTOR
Klerksdorp
22 June 2011

Elmarie Joynt
COMPANY SECRETARY



Senwes

SECTION 2

INTEGRATED SUSTAINABLE OPERATIONS

With 75 active farming years behind him, Mr Frikkie Rautenbach, at the age of 94, is an example to be followed by younger producers. The land of this Senwes client is situated in the Bothaville and Kroonstad districts.

INTEGRATED OPERATIONAL AND FINANCIAL REPORT

Francois Strydom

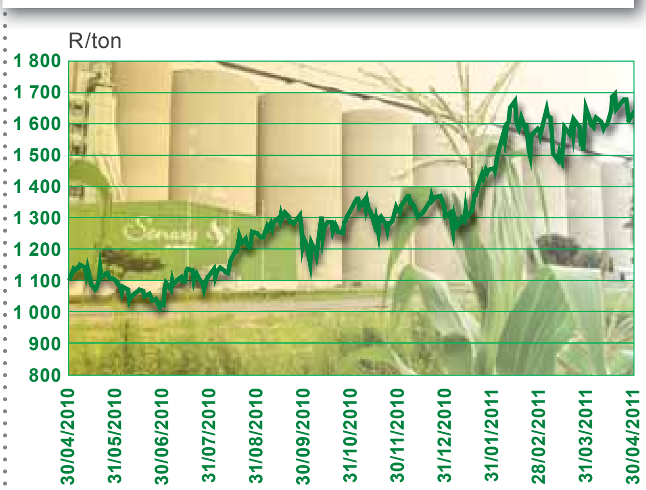
Introduction

In the operational and financial report contained in the annual report, aspects which contribute to or influence the sustainable development of Senwes are subjected to scrutiny. These aspects are also addressed in the annual report under the heading of specific strategic themes, which demonstrate how value is created for shareholders and how the sustainable development of our business and of our stakeholders is being pursued.

2010/11 Operational review

The year under review has been one of extremes and in which Senwes and its producers experienced the best and the worst of agriculture. Senwes' performance during the first six months was significantly worse than the previous year, but exceptional recovery was demonstrated during the second semester in the wake of the recovery of agricultural conditions.

PRICE OF WHITE MAIZE 2010/2011



The white maize price trend emphasises once again that Senwes is aligned with the wealth and economic position of our producer-client base.

At farm level the agricultural year progressed in a similar manner. This is reflected in the net farming income of our client base, which was confronted by volatility throughout the year. The lower profitability of producers during the first six months since 1 May 2010 was followed by higher profitability levels during the second six months. Unfortunately some of the producers liquidated their grain at lower prices before the bullish trend which started in December 2010.

Poor farming margins in respect of the crop and before the planting season resulted in producers deferring their capital expenditure programmes to a next season. Even production input purchases, which are normally done before the planting season, slowed down due to the uncertainty regarding surplus maize inventory and the resultant lower commodity prices during the planting season. In addition a large part of the Northwest region received late rain and the expected downscaled plantings realised to a large extent. The trade business was under severe pressure to maintain profitability levels under these circumstances.

The slowing down resulted in high mechanisation inventory levels with resultant higher carry costs. Write-downs of slow moving inventory had to be absorbed as well. This inventory was normalised by year-end and a balanced inventory situation is reflected for the coming season. The investment in debtors followed the same cycle as the previous year and it was evident that the low commodity prices would result in a large arrears situation by August 2010. This arrears position normalised by year-end and a mere 5% of total debt was in arrears by year-end, which was properly secured and/or provided for.

Grain inventory levels were significantly better than the previous year due to a good production year and the opportunity to carry commodities economically into future months. The maize price increased by R302 per ton from December 2010 to April 2011 compared to a decrease of R480 per ton for the corresponding period in the previous year.

TABLE 1 ***Excerpt from the financial results (Group)***	**2011**	**2010**	**2009**	**2008**	**2007**
	R'm	***R'm***	***R'm***	***R'm***	***R'm***
Turnover	**7 550**	9 039	11 157	7 640	5 578
EBITDA	**471**	455	682	400	290
EBIT	**434**	417	652	376	266
Profit from operations	**427**	413	648	350	264
Profit after tax	**219**	209	368	175	127
Total assets	**3 106**	2 796	2 503	2 375	2 122
Equity	**1 230**	1 059	1 126	843	773
Interest-bearing finance	**1 405**	1 196	717	802	771

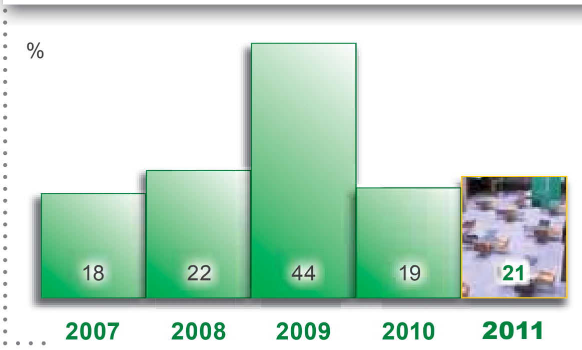
Weather patterns also demonstrated a year of extremes. Where rainfall was below average at the beginning of the season, the second half was characterised by above average rainfall. This resulted in a late season in respect of the purchasing of input products and mechanisation equipment. The exceptionally wet second half of the season could result in yield and quality problems in certain areas in respect of the crop currently in the field.

Financial performance and unlocking of value

Senwes' financial performance for the year reflected a growth of a mere 4% in respect of earnings per share. Despite the relatively poor input provision year, Senwes maintained its business base (EBITDA R471 million against R455 million in the previous year – see Table 1), which is considerably better than the average expected market decline of 10%.

The Group delivered a 20,7% return on equity. Sustainability over the past years has been vested mainly in optimal capital utilisation, earnings growth, cost containment, efficiency, transformation and now diversification as well.

RETURN ON EQUITY



A reasonably large cost saving could be effected in the support services divisions, despite increased legal costs and costs in respect of obtaining advice.

A number of large agricultural sector players implemented major restructuring processes and were compelled to make certain sacrifices in order to escape the cost squeeze. We reconsidered our risk, compliance and control environment and decided to counter the cost squeeze by means of more extensive optimisation of assets, business intelligence and transactional positioning. Higher productivity and better margin management countered this challenge to a large extent while each profit centre was challenged by its own business plan and target.

During the coming year we will further consider asset efficiency and projects in order to determine whether it is aligned with the market potential of each business unit. Any mismatches will be addressed, which could result in higher capital expenditure levels but could also result in write-offs. Greater emphasis on product development will also be followed up by a higher investment in business integration and decision-making.

The Senwes share once again continued its bullish trend and traded at a 50% premium to net asset value at year-end. Total wealth of R588 million (share growth and dividends) resulted in a 45% return on the opening price on 1 May 2010, which is in line with the five year average of 47%. R1,96 billion was created for the investor in Senwes over the past five years (see Table 2), which was well supported by new and particularly traditional investors.

The 2020-growth strategy will require a larger extent of reinvestment over the short term, which will result in a return to a traditional and more conservative dividend policy. In addition, expectations are that the share has reached a larger degree of maturity and that it will increasingly correlate with the book performance.

The acquisition of strategic investments and the reorganisation thereof will result in more diversity within the current core business of the Group and the risk profile of the share will improve, thereby establishing confidence in the share. The balance sheet will be challenged by higher commodity prices and a probable second wave of hyper-inflation on agricultural inputs, which will result in a significantly higher investment in trade and grain stock. The re-evaluation of the current business model and the structuring thereof will be subjected to scrutiny this year.

Diversification

We decided to diversify the Group's trademark, geographic presence, commodities and clients in order to establish a better risk profile and more sustainable business model.

We are of the opinion that agricultural businesses should be consolidated at corporate level without affecting decision-making and interaction with clients. Reorganisation in various specialist areas is of the utmost importance for the future. This, together with shared compliance and control platforms, will give agriculture a

TABLE 2

Total shareholder wealth created

		2011	2010	2009	2008	2007
		c/share	***c/share***	***c/share***	***c/share***	***c/share***
Share price at year-end		**1 020**	730	550	525	400
Share price at the beginning of the year ________ **A**		**730**	550	525	400	250
Growth in share price		**290**	180	25	125	150
Total dividends for the year		**35**	140	62	54	23
Final (proposed or declared)		**25**	15	30	14	17
Interim		**10**	25	15	10	6
Special		**0**	100	17	30	0
Growth in share price plus dividends __________ **B**		**325**	320	87	179	173
	5-year average					
TSR % $\left(\frac{B}{A} \times 100\right)$	47%	**45%**	58%	17%	45%	69%
	5-year total					
Total shareholder return (R'm)	1 960	**588**	579	157	324	313

head start without running exceptional risks. It will also result in proper diversification and better control. Expansion into markets within the SADC and sub-Sahara regions is already underway and will result in market and geographic expansion.

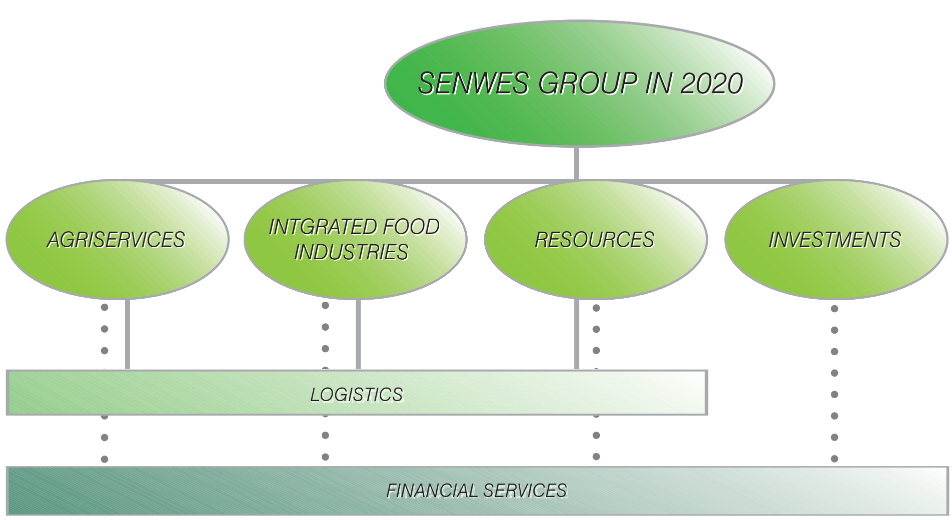
The Senwes 2020 growth strategy

The realisation that the Senwes of tomorrow cannot merely be a continuation of the previous 101 years, created a process in terms of which the board and executive management – and with input from personnel at all levels – explored the future. Within a future scenario of what the world, Africa and Senwes would look like in 2020, we looked back at 2010 and the co-ordinates plotted out for the strategic growth and expansion plans of Senwes for the next ten years.

"Senwes 2020" was the result, which spells out Senwes' expected role as key player in the agricultural and food value chain for the next decade. The board of directors committed itself to this strategic growth and expansion plan in October 2010. The growth plan includes consolidation, reorganisation and diversification at various levels and expansion to adjacent markets, as well as a more competitive value offer to all our stakeholders.

The core business of the Group, Senwes Grainlink, follows a dual growth strategy, namely coupling with a large international grain trading partner and expansion of the Africa footprint. Good progress was made in this regard during the year by the establishment of a joint venture with the European operational arm of Bunge and the establishment of a regional structure in Southern Africa. New expansions in Zambia and Mozambique are in the negotiation phase and will probably be deployed in the foreseeable future.

Grain production in the SADC is increasing and it could soon become a surplus area. Due to the low production and labour costs, some of the regions can be developed as ideal export sources. The transaction with a leading international agricultural business and food company – and the businesses established



in Malawi – are focused on the establishment of our ability to participate in the imports and export of this region, but particularly within the region.

The expansion of the Group's mechanisation business (John Deere agency) is also foreseen, particularly in areas where there is an under-investment in this regard. The input marketing structure of Senwes Village has already been expanded and is being rolled out in geographic areas into which mechanisation has already expanded.

As part of the action to establish more financing capacity and to improve the structuring of the Senwes balance sheet, the long term financing book is in the process of being sold to the same financiers who have already successfully taken over the hire purchase book from Senwes. Hartswater Wine Cellar was sold to Oranjerivier Wine Cellar during the year as a last step in the Group's disinvestment from non-core business.

The exploitation of resources linked to agriculture and food in the rural areas is being researched and Senwes has already increased its investment in a lime business to 50% this year.

Strategic partnerships

Strong partnerships and agreements with skilled role players are of the utmost importance in order to grow the company and to ensure future sustainability. This is supported by an investment style and business operations based on a non-confrontational, transparent and partnership-driven basis.

A first milestone in the realisation of the 2020-growth strategy is the transaction which we concluded in February with MGK from Brits. The transaction, which is subject to approval by competition authorities, was structured in such a manner that the MGK-group will be managed jointly by Senwes, MGK Holdings and Intrax (a company controlled by MGK personnel). This implies that the trademarks, infrastructure, management skills, Boards of Directors and client bases will remain intact.

Emphasis will further be placed on diversification by means of specialisation. The reorganisation involves the taking over of the Vaalharts retail branch operations by MGK, which fits in with their larger irrigation focus and specialisation, while Senwes will focus on its own grain business and that of MGK. MGK's irrigation expertise will contribute towards ensuring a strong, sustainable business with Senwes who, in turn, will supply a dry-land value proposition to producers. In addition, further unlocking of synergies will be pursued.

A second partnership was concluded this year, namely with the European operational arm of Bunge Limited. This joint venture will import grain products, supply these products to the local market and export the products to other countries. Bunge will supply expertise in respect of commodity markets and specialised international logistics, thereby expanding our expertise and abilities in the international procurement of grain and oil seeds, logistics and risk management. Senwes will also make available its expertise in respect of access to local and regional markets, as well as its high quality infrastructure. Approval by the competition authorities is being awaited.

Grainovation, the Group's joint venture with Imperial Logistics, is reflecting an upward curve. This partnership involves a transport brokerage and an own fleet business. Commodities in excess of one million tonnes were placed by the brokerage function this year. The capacity of the own fleet business is in the process of being expanded by the addition of specifically targeted application vehicles.

The possible merging of our financial services enterprise, Univision, with a national role player could bring about the critical mass required. Opportunities being investigated at present are the expansion of the service portfolio and the expansion of the geographic footprint of the business unit.

Available capacity on the fixed cost and compliance platform of Senwes offers the opportunity of mitigating the threat in this regard by smaller role players and could make a meaningful contribution towards the establishment of strategic partnerships in the agricultural industry.

Corporate governance, risk and compliance

High demands are being made in respect of compliance and a company which meets these requirements in an exceptional manner will build up a strategic advantage and even a competitive advantage. Integrated systems drive proper control and dynamic decisions and Senwes is in the process of positioning its systems in such a manner that it will be evaluated as a strategic application.

Senwes accepts its role as good corporate citizen and has therefore accepted the King III requirements in principle. Its business conduct is guided in accordance therewith.

Risk management is being done on an integrated basis as part of the management practices and is monitored by the Risk and Sustainability Committee. It also forms an integral part of strategic planning and implementation within the Group, as well as the daily control functions.

Stakeholder relationships

The impact of the Group on shareholders, clients, employees, suppliers, government and the community is discussed in the Sustainability report, which is contained elsewhere in the annual report.

Sustainability and transformation

My executive management team and I are committed to the sustainability of the Group. The style of conducting business is one of sustainable and equitable conduct towards all stakeholders. The management team and personnel do not wish to focus exclusively on the delivery of an annual result, but rather on the establishment of a sound basis on which they can build.

This culture is reflected in our relationship with stakeholders – sustainability involves more than just the environment – it also involves clients and our relationship with input suppliers, investors and personnel. Senwes operates within and not separate from communities.

Comprehensive information regarding the sustainability and transformation of Senwes appears in the Sustainability report, on page 28 of the annual report.

Talent, ethics and organisational culture

We offer training and skills development opportunities on a continuous basis in order to train and develop personnel at all levels. These programmes are aimed at the empowerment of personnel, creating adequate skills and at improving existing skills to the benefit of the organisation. Applicable legislation in respect of skills development is also being complied with.

The Group is actively involved in skills development projects within the broader agricultural sector. An in-house training programme for graduates was implemented successfully over the past year. 13 candidates entered the programme, all of which were offered permanent positions after successful completion of the programme. A second group started the twelve month programme on 1 March 2011.

The personnel turnover of 12% during the year under review is regarded as being within limits. It reflects the sound and sustainable organisation culture which has been established and compares well with the rest of the agricultural market.

Prospects

- The South African economy is in a favourable position due to a trend of the stronger growth of economies of developing countries than those of developed countries.
- Food security and food safety are increasingly becoming international issues and more specifically agriculture related businesses, are becoming more prominent and appear to be on the shopping lists of large investors. The international investor community is scrutinising this sector.
- Africa is one of the unexploited food potentials of the world.
- In the wake of recovering prices, larger maize and wheat plantings are expected for the coming year. In view of good seed sales, early indications are that normalised wheat planting will take place. The downscaling of the previous year will therefore be recovered.
- Higher capital expenditure by producers is expected for the new year, which could have a positive impact on our mechanisation business.
- High crude oil prices are placing inflationary pressure on inputs. The funding of the balance sheet will be a challenge for producers this year in view of higher inputs and higher credit.
- The pursuing and prioritisation of our 2020-vision will receive further attention.
- Senwes must position itself in such a manner as to be a significant local player and should take a leap towards becoming a regional player in sub-Saharan Africa.
- Partnership business, reorganisation and consolidation of existing operations will form part of the focus for the next three years.

Acknowledgements

I would like to use the opportunity to thank the Board of Directors for its continued guidance and wisdom – and particularly the insight into and support of operational realities. The executive management team did an exceptional job in a year with exceptional challenges and my respect and appreciation towards them and the full personnel complement are confirmed with gratitude.

A special word of thanks is also conveyed to our shareholders, suppliers, clients and the communities within which we operate, for their continued support.

We acknowledge our deep dependence on the mercy of our Heavenly Father in our business.

Francois Strydom
MANAGING DIRECTOR
Klerksdorp
22 June 2011

MARKET ACCESS – SENWES GRAINLINK

Pieter Esterhuysen (General Manager), centre, shares a few Grainlink ideas with his management team. From left: Christo Booyens (Grain Trading), Pieter Malan (Silo Industry), Mauritz de Kock (Finance and Administration) and Andrew Martalas (Grainlink International).

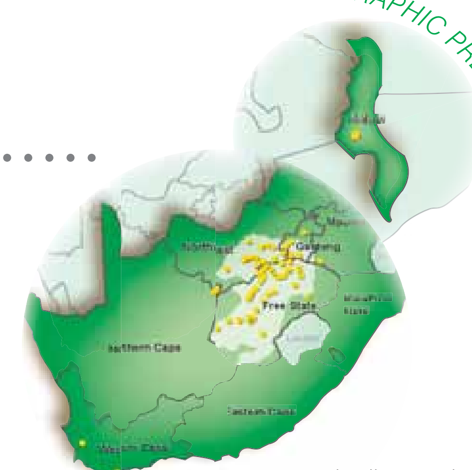
This year Grainlink focused on increased service levels and tailor-made tariff options for the unique requirements of the producer. Competitiveness was strengthened by offering more comprehensive and risk-oriented marketing products as well as an inventory management model that stimulates more competitive storage practices. Many challenges had to be overcome in the grain trading environment this year and it was particularly evident how the market offered opposition in respect of arbitrage opportunities in particular.

The Grain Trading Division had to drive its business intelligence to a new level of decision-making while the opportunities presented by the market were not necessarily more obvious. Further capacity was created in the Grainlink International office and ***Senwes is proud of its participation in actions which could bring solutions for the surplus inventory situation.***

OPERATIONS OVERVIEW

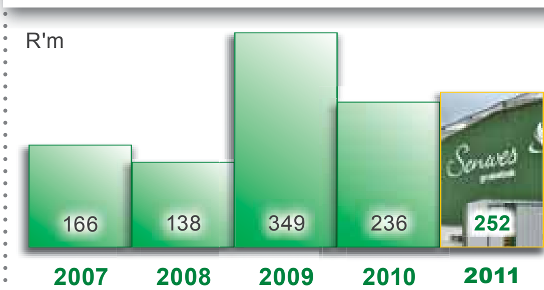
NATURE OF BUSINESS	⌘ Create market access for the grain producer ⌘ Procurement and trading of grain ⌘ Handling and storage of grain ⌘ Logistical services for the procurement and distribution of grain ⌘ International trading
POSITIONING	⌘ Logistics, handling, storage, hedging and marketing – positioned between the farm gate and the grain off-taker's door
STRATEGIC OBJECTIVE	⌘ Improved procurement and off-taker strategy, focused on improved service delivery and higher levels of participation in traditional and alternative markets

GEOGRAPHIC PRESENCE

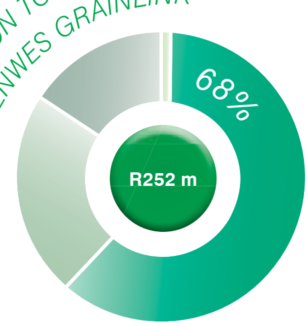


- 68 grain silo complexes
- 3 grain transit points
- 23 grain procurement offices
- 2 trading offices
- 3 brokers
- 10 logistics applications

GRAINLINK – OPERATIONAL PROFIT AFTER INTEREST BEFORE TAX



CONTRIBUTION TO PROFIT BEFORE TAX SENWES GRAINLINK



INPUT SUPPLY – SENWES VILLAGE

To constantly offer added value to clients is the name of the game. The Senwes Village management team is (from left): Marlo Kotze (Finance and Administration), Frans du Plessis (General Manager), Sarel Greyling (Mechanisation) and Neel Rust (General Trade).

Village managed to perform at acceptable profits levels, while at the same time increasing its market share in the input supply market.

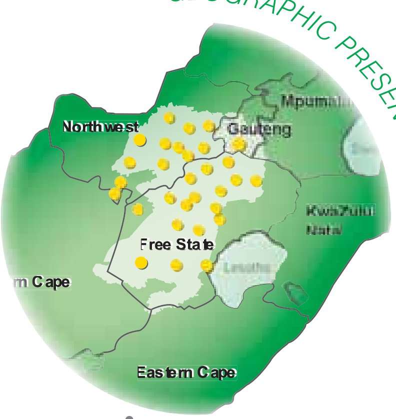
Good inventory management brought about balance sheet efficiency. Procurement was changed to a centralised process with sharper focus on product ranges and categories.

Village is now positioned to expand its mechanisation division to areas outside the traditional area of operation.

OPERATIONS OVERVIEW

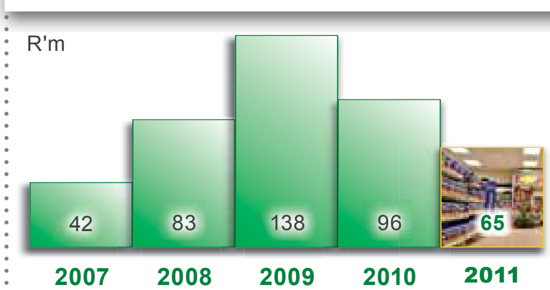
NATURE OF BUSINESS	⌘ Supply of production inputs and requisites to the agricultural producer ⌘ Supply of mechanisation and maintenance services to the agricultural producer with regard to agricultural equipment ⌘ Supply of a variety of hardware and convenience products to the agricultural producer and general public
POSITIONING	⌘ Deploy infrastructure, marketing structures and product ranges to service the producer in respect of production inputs and mechanisation requisites
STRATEGIC OBJECTIVE	⌘ To fulfil the role of preferred supplier of production inputs and mechanisation to the agricultural producer with distinction

GEOGRAPHIC PRESENCE

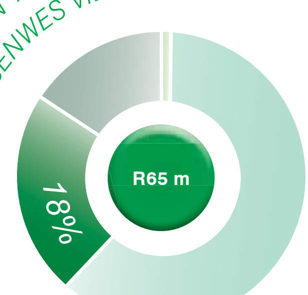


- 26 retail stores
- 12 mechanisation workshops
- 4 fuel stations
- 4 convenience stores

VILLAGE – OPERATIONAL PROFIT AFTER INTEREST BEFORE TAX



CONTRIBUTION TO PROFIT BEFORE TAX SENWES VILLAGE



CREDIT EXTENSION – SENWES CREDIT

The debtor book reflected growth despite the decrease in Village turnover. Arrears have been normalised and are on the same levels as the previous year. Credit is a good enabler for the rest of the business.

Credit managed to increase its market share and average production credit increased by 12% despite lower commodity prices during the planting season and a slight decrease in hectares planted.

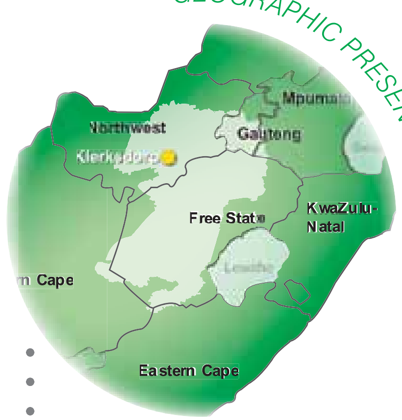
The joint venture with a financier was successfully implemented and is already making a positive contribution to the bottom line.

Gerrit van Zyl (General Manager), centre, and his management team are optimistic about Senwes Credit's increased market share. From left: Herman Harmzen (Finance), Johan Meiring (Business Development). Front: Phillip Hollenbach (Producer Financing) and Johan du Toit (Agricultural Services).

OPERATIONS OVERVIEW

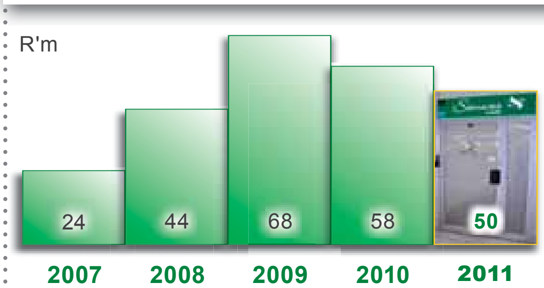
NATURE OF BUSINESS	⌘ Financing of agriculturally oriented inputs ⌘ Financing of fixed and movable assets for farming purposes ⌘ Financing of marketed grain by means of various financing products ⌘ Provision of agri-services
POSITIONING	⌘ Financing link between agricultural producers and Senwes' other operations ⌘ Financing link between the grain off-taker and Senwes Grainlink ⌘ Advice to the producer regarding production practices and total input planning
STRATEGIC OBJECTIVE	⌘ Provision of 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.

GEOGRAPHIC PRESENCE

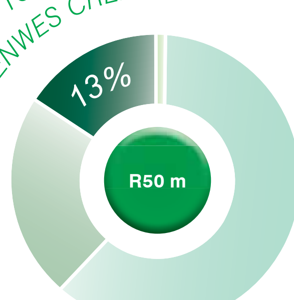


- Centralised office
- Decentralised key account managers
- Producer and corporate debtors

CREDIT – OPERATIONAL PROFIT AFTER INTEREST BEFORE TAX



CONTRIBUTION TO PROFIT BEFORE TAX SENWES CREDIT



CORPORATE GOVERNANCE AND COMPLIANCE

Senwes strives towards the excellent execution of control and compliance requirements in respect of corporate governance (King III).

Corporate functions offer strong support in respect of compliance and risk management and offer properly integrated systems in order to enable the Company to utilise these functions as a strategic advantage.

The support of group services is crucial for the efficient running of a leading agri-business. From left: Jana van den Berg (Group Risk), Wikus Grobler (Group Finance and Treasury), Elmarie Joynt (Company Secretary), Johan le Grange (Corporate Finance), Martin van Zyl (Information Technology) and Dirk Opperman (Internal Audit).

CORPORATE GOVERNANCE AND COMPLIANCE OVERVIEW

Department	Description of function	Positioning	Strategic objectives
1. Group Risk	The identification, monitoring, controlling and reporting of risks within the Group. See detail in Corporate Governance report as well as note 21 of the financial statements.	Operationally deployed for each business unit but managed on a corporate basis in order to retain objectivity and independence.	Proactive action in order to timeously identify and mitigate risks in order to improve the risk profile of Senwes.
2. Secretariat, Legal Services, Compliance and Stakeholder Management	The provision of company secretarial services, legal advice, compliance function and the management of stakeholders.	Independently positioned in order to ensure corporate control and compliance. Leads the way in establishing operational and legal advice.	The establishment of a compliance platform which addresses risk objectives. The rendering of legal services for new and innovative contracts in order to address growth objectives.
3. Internal Audit and Corporate Insurance	A fully integrated audit function which ensures better quality internal control by following a risk based approach plan.	Independently centralised and form part of various management and board structures.	Proactive advice and thorough knowledge of the operational system and business processes in order to be an indispensable skills link and an improvement agent.
4. Corporate Finance	The rendering of advice in order to facilitate corporate transactions. The provision of solutions in order to address operational and corporate matters.	Corporately as an extension of executive management and the Executive Committee.	Advice in order to facilitate corporate transactions which will deliver the 2020 objectives and the successful implementation thereof.
5. Group Finance and Treasury	Statutory reporting, monthly management reporting, budgeting, financial planning, treasury function and tax planning, corporate financial control and decision-making.	This function is corporately positioned but with strong integration to operational and other corporate divisions in order to ensure control, optimal application of capital and improved reporting.	Funding strategy aligned with the 2020 objectives and involved in the planning of corporate transactions. Reporting standards will be aligned with the requirements of a listed environment.
6. IT	The provision of an IT-solution which services business requirements and which enables the Company to timeously accommodate business decisions by means of integrated system solutions.	Centralised division which renders specialised and project oriented services to operational divisions on an agreed objective basis.	To develop the system in such a manner as to ensure that it will be a strategic weapon for the company by 2020.

SUNDRY OPERATIONS AND SERVICE DIVISIONS

Joe Maswanganyi (General Manager: Corporate Services), centre, and the service divisions team ensure that corporate governance is applied throughout the group. From left: Sizwe Magagula (Talent and Leadership Development), Henco de Jager (Human Resources), Johan Grobler (Corporate Marketing) and Dawie Barnard (Univision) represent the sundry operations and centralised service divisions of the group.

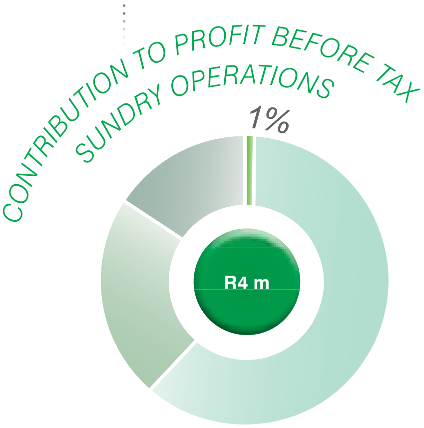
Univision expanded its product offering and business base during the year in order to establish a more extensive insurance solution.

The Human Resources and Talent Management functions support the current remuneration philosophy while the Strategic Department ensures the alignment of the group strategies.

The Corporate Marketing team is in the process of expanding the Senwes brand equity.

SUNDRY OPERATIONS AND SERVICE DIVISIONS OVERVIEW

Department	Description of function	Positioning	Strategic objectives
1. Univision	The provision of various tailor-made insurance products for clients, producers and the general public. Broker and administrative services.	Added value services in support of the core activities of Senwes.	To render support to the core activities of Senwes in various areas as a value addition service.
2. Human Resources	The recruitment and retention of talent, administration of the human resource function and the provision of a proper training plan which supports the current remuneration philosophy.	Centralised with proper service level agreements with the operational divisions.	The establishment of a representative work force at all levels and the establishment of a value proposition in order to be the employer of preference within agriculture by 2020.
3. Corporate and Divisional Marketing	The rolling out of a fully integrated marketing plan in order to support the Senwes brand and divisional marketing actions.	Close co-operation with the operational divisions but also corporately positioned to expand the brand equity.	To expand the brand on a national basis by 2020.
4. Strategy, BEE and other Centralised Services	The establishment of a clear strategy, the measuring thereof and continuous adjustment thereof. Functions such as fleet management, property portfolio, head office services and BEE form part of the above.	Centralised but with focused budget management in order to ensure cost efficient services.	To consider and adjust the 2020 strategy and to deliver services where necessary in the most cost-effective manner.



SENWES GROUP STRUCTURE

as at 30 April 2011

PRODUCER SHAREHOLDERS 18,3%

SENWESBEL LTD 41,2%

BAFOKENG CONSORTIUM AND RELATED PARTIES 34,7%

OTHER SHAREHOLDERS 5,9%

SENWES LTD

SENWES GRAINLINK

- Silo operations
- Grain trading
- Logistical services
- Electronic silo certificates trade
- Cross border trades

Senwes Graanmakelaars (Pty) Ltd 100%

Senwes Ltd Malawi 100%

Senwes Grainlink East Africa (Kenya) 100%

Grainovation (Pty) Ltd 50%

Silo Certs (Pty) Ltd T/A Electronic Silo Certificates 42,5%

Grain Silo Industry (Pty) Ltd 26%

Senwes International Holdings (Pty) Ltd 100%

SENWES VILLAGE

- Retail stores
- Mechanisation
  - Whole goods
  - Spares and Workshops
  - Precision farming
- Input supplies

Grasland Ondernemings (Pty) Ltd 50%

SENWES CREDIT

- Credit extension
- Grain financing
- Asset financing
- Agricultural technical services

SUNDRY OPERATIONS

- Seed
- Insurance

Univision Life (Pty) Ltd 100%

Univision Financial Services (Pty) Ltd 100%

Univision Broker Services (Pty) Ltd 100%

SERVICE DEPARTMENTS

- Corporate strategy and BEE
- Risk management
- Group finance
- Corporate finance
- Treasury
- Information technology
- Human resources
- Head office services
- Properties management
- Fleet management
- Secretariat
- Internal audit
- Corporate marketing

Charel de Klerk Street Properties (Pty) Ltd 100%

SUSTAINABILITY REPORT

About Senwes

Profile

Senwes is one of the leading agricultural businesses in South Africa, focusing on the provision of inputs for agricultural production, as well as market access for grain produce. This is strategically coupled with the provision of value added services, which include financing, agricultural technical services, logistics and insurance.

Senwes business activities are predominantly in the Northwest, Free State, Gauteng and Northern Cape provinces of South Africa, with limited operations in the Western Cape. Senwes has established a presence in Malawi as part of its African expansion strategy, with focus in grain trading activities.

The market access side of the business provides storage and handling through a well-deployed silo infrastructure, which has a capacity of 4,6 million tonnes and constitutes more than 25% of the total South African commercial storage capacity. Senwes silos handle about 18% of the country's grain and oil seeds in a normal agricultural production year. Senwes is a reliable supplier of clean, safe and healthy commodities with integrity and quality.

The input side provides all production inputs, mechanisation, production and asset finance, through competitive value and service packages. Value is added for producers through relevant input cost financing packages.

Senwes is rated as a level 6 BBBEE contributor, with black shareholding of 34,7% being held by the Royal Bafokeng Consortium and its related parties.

Strategy

Senwes vision 2020 and the long term strategy are driven by the need to grow as well as the mitigation of concentration risk, given the maturity of the business and the market in which it currently operates. The strategic direction is targeted at diversification across the agricultural value chain and adjacencies critical to and supportive of the delivery of the core business.

The strategy entails the following:

1. Increase market share in the current market.
2. Expand geographically into other domestic markets, the rest of Africa, and into the global market.
3. Strengthen corporate governance, risk and compliance systems, structures and processes.
4. Strengthen sustainability management and integrate it into the day to day management of the business.
5. Align the strategy, culture and enhance ethical behaviour throughout the business.
6. Acquire, develop, deploy and retain the best talent.
7. Effectively manage all stakeholder relations.
8. Build effective business intelligence to facilitate growth and performance.

Sustainable development

Management and approach to sustainable development

At Senwes we believe that our business is not only inextricably linked with society and the environment, but also interdependent on those elements, if it is to continue performing economically. We believe that our sustainability is dependent on our effective management of our activities, taking care of all resources used in our business and taking individual and corporate responsibility for the societal and natural environment, in which we conduct business. This therefore makes sustainability an imperative that should permeate every aspect of our business.

We believe that our primary objective is to maximise value for our stakeholders, whilst protecting and enhancing the social and natural environment and that sustainability is a prerequisite for sustainable value creation. This will maximise the success of the business in the long term, thereby sustainably optimising the returns of our shareholders and the benefits of the employees, customers, suppliers, the communities and the natural environment in which we operate.

Our approach, based on our values and ethical conduct, undergirds our license to do business and our ability to sustain and grow. This realisation therefore should continuously guide both our long term decision-making and our day-to-day actions.

We also recognise that sustainable development issues are not static, but are a dynamic phenomenon that continuously evolves over time, and therefore we have to be flexible in order to recognise changes in our environment and adapt accordingly.

Sustainability reporting policies

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

The social and environmental reporting is aligned with the Global Reporting Initiative ("GRI") G3 guidelines and the King III Integrated Reporting Guidelines, whilst the Broad Based Black Economic Empowerment reporting is aligned with the DTI's Codes of Good Practice.

Senwes has adopted a progressive developmental approach to integrated sustainability reporting. This report represents management's account of the progress made in pursuit of sustainability objectives, challenges encountered and initiatives taken. The report has not been subjected to external assurance.

Strategic themes and material issues

Strategic Goal	Performance Area	Progress
Diversification		
To diversify the income sources in order to mitigate concentration risk over the long term.	Geographic	The joint venture and reorganisation transaction with MGK will result in geographic diversification, extending the Senwes market into Limpopo, Mpumalanga and Gauteng.
	Commodity	The MGK transaction also provides a new market and commodity based on irrigation farming, which was previously a small percentage of the Senwes portfolio, limited to Vaalharts. The Bunge arrangement, if approved, will provide access to other commodities, currently not in our portfolio.
	Customer	This joint venture also brings with it a new client base and opportunities for cross-selling.
	Value chain integration	Still in progress.
Growth and Income		
To increase revenue through increased market share in the current area of operation, as well as mergers and acquisitions in new markets across the value chain in line with vision 2020.	Organic growth	Negotiations regarding an offer to acquire a stake in a John Deere dealership is almost finalised and the conclusion of a transaction should take place early in the new year.
	Mergers and acquisitions	The transaction with MGK was concluded and regulatory approval is awaited. The negotiations for the establishment of a joint venture with Bunge to do international trading were also successfully concluded and also await regulatory approval.
	Expansion into Africa	Senwes Malawi was registered in 2009 and commenced operations in 2010.

Strategic Goal	Performance Area	Progress
Strategic Partnerships		
To create networks locally and internationally that will facilitate entry into new markets, enhance the company's value proposition and delivery to our customers, and improve operational efficiency.	Logistics	The joint venture with Imperial was implemented successfully and is already contributing positively towards the bottom line.
	Financial Services	The joint venture with a financier was also implemented successfully and is already contributing positively towards the bottom line.
	International Trade	The Bunge transaction will facilitate international trading of grain and oil-seeds.
Financial Performance and Employee Productivity		
To maximise the bottom line, through effective cost management, balance sheet management, and the alignment of capital with the strategic objectives of the business.	Financial Performance	After tax profit of R219 million (2010 – R209 million)
	Employee Productivity	A gross profit of R499 318 per employee (2010 – R450 153)
	Capital Optimisation and Balance Sheet Management	Own capital ratio of 40% (2010 – 38%)
Business Intelligence		
To improve our knowledge and understanding of the industry, market and the customer, in order to strategically position the company, and to effectively and timeously respond to environmental changes.	Information technology Market Intelligence Customer Intelligence	A business intelligence function was established and has successfully undertaken macro, industry and customer analyses. The process of converting information into actionable intelligence is an ongoing one.
Corporate Governance, Risk and Compliance (GRC)		
To ensure high level standard of corporate governance in line with King III guidelines, as well as effective risk management and compliance with all legislation.	Corporate Governance Risk Management Compliance	King III guidelines have been adopted in the structuring and operations of the Board and its committees. Where there is deviation, the necessary explanations and rationale are provided. Risk management has been integrated into management practices and is monitored by the Risk and Sustainability Committee. Risk management also forms an integral part of strategic planning and execution. Compliance is also managed through an internal compliance management committee and overseen by the Risk and Sustainability Committee.
Stakeholder Relations		
To have effective structures and processes for stakeholder engagement, which facilitate communication, interaction and conflict resolution.	Shareholders Customers Employees Suppliers Government and Regulators Community	During the year, one of the minority shareholders, being a partner in the BEE Consortium, Treacle Fund Trust II ("Treacle"), instituted legal proceedings against Senwesbel and Senwes. These proceedings related to the historical acquisition of Senwes shares by Senwesbel. Allegations of contraventions of the Companies Act were made and these proceedings were well publicised in the media. This could have a negative impact on the company's image. Strategies are being put in place and efforts are being made to ensure that communication with all stakeholders is proactive, for purposes of consultation, forward planning, reporting and conflict resolution.
Sustainability and Transformation		
To have effective strategies and systems for management, as well as integration of sustainability and transformation into the day to day activities of Senwes.	Sustainability Management Systems Broad Based Black Economic Empowerment	The Board committees have been restructured to ensure that sustainability issues are overseen by the Risk and Sustainability Committee. An internal sustainability committee has been established to ensure integration of sustainability into the strategic and day to day operations of the business.

Strategic Goal	Performance Area	Progress
Talent, Ethics and Organisational Culture		
To ensure that the company has the right talent, in the right place, at the right time and the right price, who operates ethically at all times, as well as a culture that facilitates the effective pursuit of our strategic objectives, whilst enabling our people to realise their full potential.	Talent Management Ethics Organisational Culture	Succession, talent development and performance management systems were implemented during the year under review. An ethics management framework has been adopted and awareness initiatives have been implemented. Ethics champions will be identified in the new financial year in the various divisions and taken through an accredited ethics training programme. Senior management was exposed to training on a culture concept of UGR, to assist in identifying unwritten ground rules prevalent in our culture. An organisational culture survey is underway, to identify critical issues and align cultural interventions, in order to ensure that organisational culture facilitates the pursuit of the strategy.

Stakeholder engagement

Senwes strives to be the best agri-business in South Africa. Stakeholders are at the heart of this vision and therefore stakeholder relations is one of Senwes' strategic priorities. We continuously endeavour to make stakeholder engagement an integral part of the way we do business. Our approach to stakeholder engagement is based on the principles of mutuality and transparency. The group provides various forums for different stakeholder groups to engage. The purpose of these engagements is to broaden and deepen our understanding of the needs, expectations, concerns and perceptions of our stakeholders regarding issues material to the performance and sustainability of the group, as well as to communicate relevant information which enables stakeholders to make informed decisions in their interaction with the group. We are constantly seeking innovative ways to improve the effectiveness of our engagement with all stakeholders.

Senwes has not specifically engaged stakeholders on the materiality of sustainability issues this year. This will be undertaken in the coming year in line with the sustainability management plan.

Shareholders and investors

Senwes interacts at least annually with both the major and minor shareholders through road shows, geared at communicating the overall performance of the group, strategic developments, and challenges facing the group at any given time; as well as obtaining feedback on issues of concern to the shareholders. Road shows were held during the year under review, as well as meetings with major shareholders to address pertinent issues of concern that played out in the public domain.

Customers

Customers are the strategic focus of our business. Understanding their needs is critical to providing the right products, services, quality and ensuring that our value proposition and delivery are in line with their expectations. We maintain close personal relationships with our major customers through our normal business structures, customer publications, electronic and mobile communication and customer forums. We also undertake an annual group customer satisfaction survey to assess our customer experience of the Senwes brand. Our business divisions also initiate customer satisfaction surveys to enable each division to assess the level of customer satisfaction with the services received. During the year under review the group did not undertake a survey, but Senwes Village undertook a customer survey, through which customers provided us with their perceptions of our service levels and areas in which improvement is required.

Suppliers

The success of the Senwes business model is reliant on a solid supplier network, which can ensure reliable availability of consistent quality products, ongoing innovativeness, timely delivery, product safety and after-sales support. In this regard Senwes maintains an ongoing engagement with its supplier network, through personal meetings, supplier forums and conferences and electronic interaction.

Employees

Our employees are the cornerstone of Senwes' sustainability. It is therefore imperative that continuous engagement with them is fostered on a range of issues that affect them. A number of mechanisms are used to engage our employees, ranging from electronic newsletters, employee publications, web blogs, employee forums, performance management systems and climate surveys. In the past year the highlight was the Senwes 2020 web based blog, which enabled employees to participate actively and directly in the development of the Senwes 2020 strategy.

Government and regulator

Senwes seeks to maintain sound relationships with government and regulators, with a view to sharing issues of mutual concern, dealing with misunderstandings, discussing policy initiatives, making and taking submissions and developing joint programmes. These stakeholders are engaged with mainly through industry structures and direct meetings with relevant departmental officials.

Community and society

Senwes believes that sustainability challenges cannot be solved by one company acting solo and therefore engages all other stakeholders, including the community-based organisations, non-governmental organisations, academic institutions, industry organisations in the spirit of partnership. In this regard Senwes has been involved in social and environmental projects with a number of its partners in order to improve the standard of living of communities. This communication takes place mainly through meeting and personal interaction with various structures of the organisation, as well as through sponsorship agreements.

Sustainability indicators

Economic indicators

Value added statement
for the year ended 30 April 2011

	Notes	GROUP 2011 R'm	2011 %	GROUP 2010 R'm	2010 %
Revenue		**7 550**		9 039	
Paid to suppliers for goods and services		**(6 661)**		(8 196)	
Value added		**889**		843	
Income from investments		**4**		2	
Wealth created		**893**		845	
Distributed as follows:					
Employees and directors		**412**	**46,1%**	405	46,6%
Salaries, wages and other benefits	1	**373**	**41,7%**	359	41,3%
Incentive scheme		**39**	**4,4%**	46	5,3%
Authorities	2	**110**	**12,3%**	132	15,2%
Financiers: finance costs		**115**	**12,9%**	85	9,8%
Shareholders		**256**	**28,7%**	247	28,4%
Dividends and distribution to ordinary shareholders		**45**	**5,0%**	280	32,2%
Provision for replacement of assets		**37**	**4,2%**	38	4,4%
Retained surplus/(deficit)		**174**	**19,5%**	(71)	(8,2%)
Wealth distributed		**893**	**100,0%**	869	100,0%

Notes:

1. Employee contributions of R4 million (2010 – R2 million) with regards to central insurance funds are not included in this figure as it is accounted for under amounts paid to Government (Note 2).

2. Central and local Government:

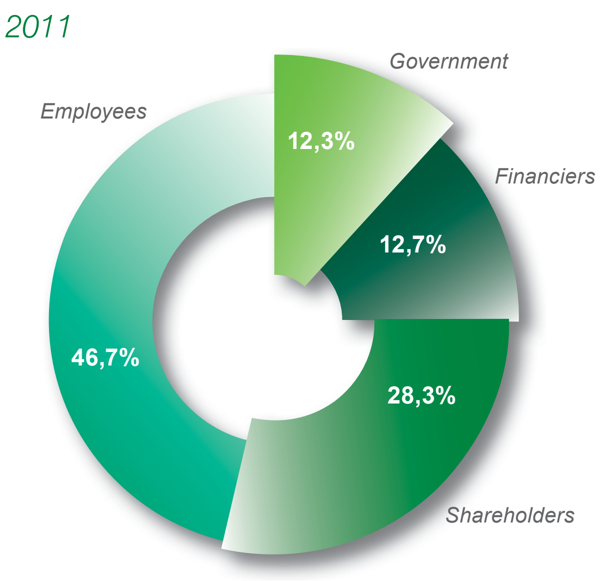
	2011	2010
SA Normal taxation – current year	**95**	93
Increase in deferred taxation	**-**	2
Secondary taxation on companies	**4**	28
Skills development levy net of refunds	**2**	2
Rates and taxes paid to local authorities	**5**	5
Central insurance funds	**4**	2
Total expenditure in respect of authorities	**110**	132

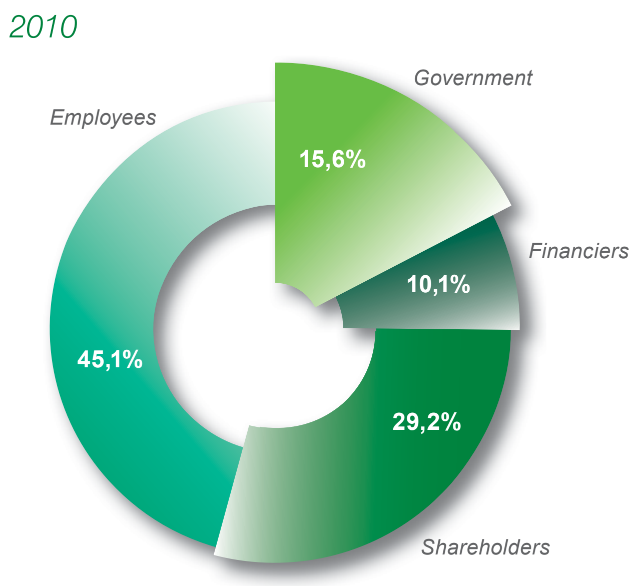
3. Retained surplus comprises:

	2011	2010
Group profit after taxation	**219**	209
Dividends and distributions: All shareholders	**(45)**	(280)
	174	(71)


From Greens 2 Dreams
Young Farmer Future Focus Day
R1 million competition
Entrepreneurs competition
Senwes Spinners
Graduates Programme
Senwes
Senwes
Senwes
07/05/2011
HUMANSVLAKTE / RABANA
FIVE THOUSAND RANDS ONLY
R 5 000.00

Distribution of wealth





Enterprise development

	2011	2010	% variance
Production credit and capital finance (R'm)	**18,6**	24.3	-23,46%
Hectares planted	**1 908**	2 080	-8,27%
Tonnage harvested	**5 663**	6 214	-8,87%
Livestock	**1 728**	1 977	-13,00%
Total number of developing farmers supported	**138**	146	-5,48%

All the enterprise development indicators reflect a declining trend, mainly due to the tough agricultural environment and its impact on the emerging farmers.

Social indicators

Employment

	2011	2010	% variance
Year-end number of employees (N)	**2 201**	2 277	-3%
Employee turnover (%)	**10,90%**	9,70%	24%
Direct investment in skills development (R'm)	**3,1**	4,7	-34%
Skills development as a % of taxable payroll (%)	**0,94%**	1,40%	-33%
Number of participants in skills development* (N)	**2 984**	1 127	165%
Learnerships participants (N)	**15**	32	-53%

- The investment in skills development and consequently skills development as a percentage of payroll have declined due to interventions being focused on the lower levels of the organisation, with lower average expenditure per head, compared to employees at the higher levels.
- The number of employees trained has increased.

* Some participants attended more than one course.

Safety

Performance indicators

	2011	2010
Corporate man-hours worked	**4 784 592**	4 870 900
Section 24 Disabling Injuries	**12**	6
Disabling Injuries (DI)	**50**	45
Man-days lost due to injuries	**12 442**	335
Disabling Incidence Frequency Rate (DIFR)	**3**	2
Non-disabling Injuries (NDI)	**31**	31
Hearing Loss	**2**	-
SHEQ Training	**115**	471

- There has been deterioration in safety performance with an increase in disabling injuries as well as the resultant man-days lost.
- The significant increase in man-days lost was as a result of two fatalities, one due to a car accident and another one due to entrapment in a silo. (The penalty for a fatal accident amounts to 6000 man-days.)
- The latter was the first in the history of Senwes. The fatality due to entrapment is one death too many and management views this in a serious light. The following measures are being put in place to prevent any further entrapment incidences in our silos.
  - o Review the current design of silos from a safety perspective in order to ascertain the need for structural safety enhancements.
  - o Strict enforcement of the continuous and consistent use of personal protective clothing and equipment.
  - o Provide effective training for all grain handlers, bin entrants, attendants and emergency response personnel.
  - o Improvement of communication systems and procedures.
  - o Review all the bin entry programs and procedures to identify possible safety gaps.
  - o Strict implementation of safe and healthy work practices.
  - o Ensuring that there are effective emergency response capabilities.

Employee productivity

Employee productivity

	2011	2010	% variance
Gross profit per employee (R'000)	**499**	450	11%
Operating profit per employee (R'000)	**194**	181	7%
Year-end number of employees	**2 201**	2 277	-3%

Employment equity

	2011		2010		% variance	% variance
Governance and management	**Total Black**	**Black Female**	**Total Black**	**Black Female**	**Total Black**	**Black Females**
Board	**21%**	**7%**	21%	7%	0%	0%
Senior management	**14%**	**0%**	13%	0%	8%	0%
Middle management	**9%**	**1%**	13%	3%	-31%	-67%
Junior management and specialists	**10%**	**2%**	12%	3%	-17%	-33%

- The representation of black people at senior management has improved by 8%, whilst black female representation has not improved.
- The middle management level experienced a decline in the representation of black in total and black females in particular. This was partly due to an increase in the turnover of blacks at that level.

Broad Based Black Economic Empowerment

BBBEE SCORECARD

Performance indicator	2011 Senwes Performance	Weighted score	2010 Senwes Performance	Variance
	%		%	%
Equity ownership	**18,55**	23,00*	20,02	**-1,47**
Management control	**2,53**	11,00*	2,70	**-0,17**
Employment equity	**0,00**	18,00*	0,00	**0,00**
Skills development	**1,71**	15,00	1,53	**0,18**
Preferential procurement	**13,89**	20,00	11,04	**2,85**
Enterprise development	**15,00**	15,00	15,00	**0,00**
Socio-economic development	**2,96**	5,00	2,65	**0,31**
Total score	**54,64**	107,00*	52,94	**1,70**
Contributor level	**6**		6	

* denotes added bonus points

- The BBBEE scorecard was compiled in line with the requirements and targets of the DTI's Codes of Good Practice (CGOP).
- The overall score has improved by 3% as a result of an improvement in preferential procurement and a slight increase in skills development and socio-economic development, whilst a decline has been experienced in the areas of ownership and management control.
- Employment equity remains the greatest challenge for the company, especially at management level and the employment of black women at those levels. Strategic initiatives have been put in place to address the challenge.
- Various strategies are being implemented to ensure that the targets set are achieved by 2012 and that the company will have achieved its targets to be at least at level 4.

Corporate social investment

Senwes' involvement and investment in the community are growing. Through partnerships with various social partners, the group has made a significant impact in the following focus areas:

- Education
- Entrepreneurship and job creation
- Sports
- Arts and culture
- Health and welfare

Sports and recreation

- The Spinners rural schools cricket development programme, in partnership with Northwest Cricket, The Department of Education and the rural schools has, since its inception, provided opportunities to 130 learners to be introduced to the game and provided with quality training, coaching and playing kits. This also involved over 30 educators who were trained as umpires and coaches.

  Excellent performers are identified and provided with an opportunity to attend a high performing academic and cricket school in order to enable them to pursue cricket at a higher level. There are currently four learners on the programme.

- The Senwes Schools Soccer League launched in Bothaville in partnership with Dreamfields, is a soccer development programme focussing on boys and girls at primary school. This programme involved 12 schools, with two teams per school participating in a league and knockout competitions. The programme reached out to over 120 boys and 120 girls involved in the game.
- The Rural Schools Athletics programme involves 12 rural schools in the Free State competing in an annual competition. This programme reaches out to 1200 learners.

Enterprise development programmes

- Senwes assists farmers with technical support, production finance, training in order to ensure that the arable land in our area of operation is productive and that emerging farmers can run profitable farming enterprises through pursuing best farming practices.
- The Senwes Entrepreneurship Development competition is targeted at primary and high schools in the Senwes area of operation. In the year under review 23 schools participated. A total of 114 high school and 219 primary school learners took part in the competition. The purpose of the competition is to stimulate and encourage entrepreneurship amongst young people. The competition is run in conjunction with Free State University.
- Senwes Young Farmers Future Focus is a conference for young farmers of the Free State and Northwest where experts in various fields address the young farmers. The purpose is to encourage young people to pursue farming and to empower them to deal with the challenges of commercial farming. About 300 young farmers attend this annual event.
- As part of the entrepreneurial development programme, Senwes runs a farming management training course in conjunction with Batho Pele to assist farmers to learn the basics of farming and adopt best farming practices.

National organisations	Provincial organisations
• Agri SA • Grain SA Annual Congress • National Chamber of Milling Annual Conference • Grain Handling Organisation of SA Annual Conference • AMT Agri Outlook Conference	• Free State Agricultural Union Annual Congress • Agri Northwest Annual Congress • Agri Northern Cape Annual Congress • Free State Agricultural Union Young Farmers Congress • Agri Northwest Young Farmers Congress • Free State Women Agricultural Union • Agri Northwest Women Agricultural Union • Red Meat Producers Organisation (Northwest) • Hebron Wheat Day

- Senwes sponsored 5 national conferences, which were attended by various organisations in the agricultural industry, 9 provincial congresses and 170 district and local farmer associations or agriculture-related institutions.

Community programmes

- Senwes assists selected credible NGO's and charity organisations with fund raising. In the past year 10 organisations benefited from our Greens to Dreams golf fund raising project and 5 organisations benefited from the funding linked to the R1 million competition. The beneficiary organisations are nominated by the community and the farming clients respectively.
- Senwes hosts a Christmas party for six organisations in conjunction with other social and business partners. The party is targeted at 400 disabled or disadvantaged children in the Klerksdorp area. The event is organised and run by Senwes staff, who also shower the children with gifts bought and financed by staff from their own pockets.

Educational programmes

- Senwes works in partnership with the academic institutions in both the Free State and the Northwest, which is our key area of operation.
- A sponsorship was given to Northwest University for the development of a computer centre at the Potchefstroom campus.
- Bursaries are granted to deserving students pursuing studies in the agricultural field at the University of the Free State.

Environmental indicators

Senwes has taken strides in reducing our environmental impact and have managed to implement some significant energy savings in the group. Energy efficient lighting is now being used and plans are in place to ensure that high-energy systems are phased out through a combination of design, maintenance and replacement strategies.
The following actions were implemented this past year:

- Improved Building Management System (BMS) at Head Office;
- The replacement of outdated air-handling (HVAC) system at Head Office training facilities building;
- Greater use of energy-efficient lighting systems in the buildings;
- Increased awareness of energy issues amongst staff and using energy more efficiently;
- Safely disposing of fluorescent lights.

Environmental indicators	2011	2010	% variance
Water consumption (K/l)	**73 201**	76 248	-4,0%
Electricity consumption (kW/h – '000)	**22 461**	21 755	3,2%
Paper utilisation (Waste paper – Kg)	**29 897**	24 940	19,9%
Travelling: employee owned vehicles (Km's – '000)	**3 851**	3 840	0,3%
Travelling: company owned vehicles (Km's – '000)	**6 247**	6 312	-1,0%
Fuel consumption: company owned vehicles (L's – '000)	**804**	830	-3,1%

The utilisation of water reduced in line with our objectives, whilst the consumption of electricity and waste paper increased. Efforts will be made to ensure that more efficient operational procedures are adopted to ensure reduction in paper usage as well as efficient utilisation of electricity.

Remuneration

Remuneration philosophy

Senwes' 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 fixed pay

Senwes' 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 pay

These include performance pay structures like commission and other incentives payable 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 goals, based on the balanced scorecard.

The scheme incorporates a profit share component in the event that the group financial targets are exceeded.

Long term incentives

The scheme is targeted at top management, which provides strategic direction to the organisation to ensure the 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 recommendation of the Managing Director and is approved by the Board.

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

Employee recognition

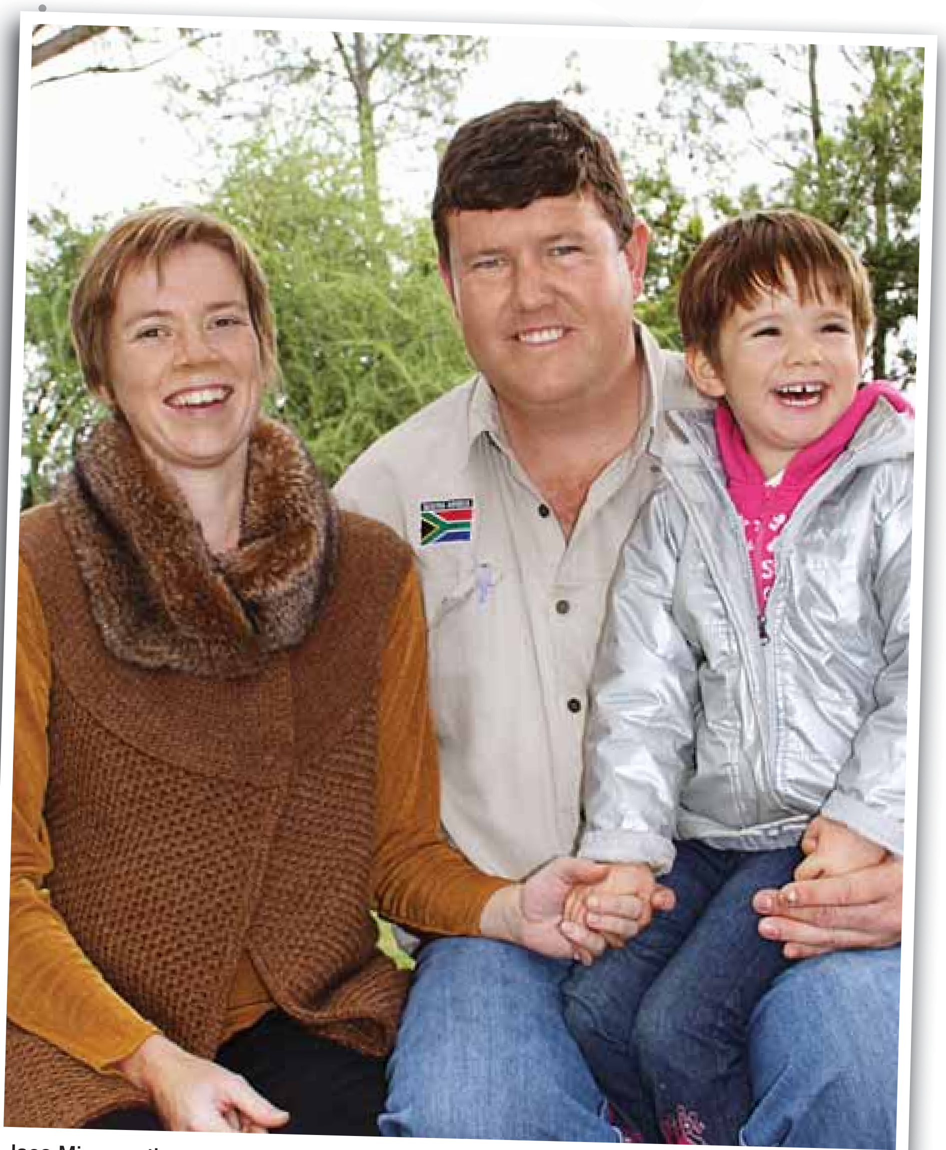
Senwes stages an annual function to publicly acknowledge and recognise high performing individuals and teams, through the provision of awards and cash incentives.

Francois Strydom
MANAGING DIRECTOR
Klerksdorp
22 June 2011

Joe Maswanganyi
GENERAL MANAGER: CORPORATE SERVICES

Senwes

SECTION 3
INTEGRATED FINANCIAL REPORT



Jaco Minnaar, the 2011 Free State Young Farmer of the Year, with his wife Nicolene and their daughter Henke, on his farm *Uitsny* at Hennenman. Jaco's business philosophy is to be involved in the total agricultural value chain.

SENWES GROUP FIVE-YEAR REVIEW

	2011	2010	2009	2008	2007
	R'm	R'm	R'm	R'm	R'm
Condensed balance sheet					
Assets					
Non-current assets	**548**	508	433	377	331
Current assets	**2 558**	2 288	2 070	1 998	1 791
Total assets	**3 106**	2 796	2 503	2 375	2 122
Equity and liabilities					
Total equity	**1 230**	1 059	1 126	843	773
Non-current liabilities	**446**	436	432	79	106
Current liabilities	**1 430**	1 301	945	1 453	1 243
Total equity and liabilities	**3 106**	2 796	2 503	2 375	2 122
Interest-bearing liabilities included in total liabilities	**1 405**	1 196	717	802	771
Condensed income and segmental statement					
Revenue					
Credit Extension (*Senwes Credit)*	**126**	139	161	120	80
Input Supply (*Senwes Village)*	**1 770**	1 943	2 208	1 573	1 155
Market Access (*Senwes Grainlink)*	**5 567**	6 895	8 723	5 902	4 273
Sundry operations	**76**	54	48	39	40
Normal operating activities	**7 539**	9 031	11 140	7 634	5 548
Corporate and non-apportionable income	**11**	8	17	6	6
Continuing operations	**7 550**	9 039	11 157	7 640	5 554
Discontinued operation – held for sale	**-**	-	-	-	24
Total income for the year	**7 550**	9 039	11 157	7 640	5 578
Profit/(loss)					
Credit Extension	**50**	58	68	44	24
Input Supply	**65**	96	138	83	42
Market Access	**252**	236	349	138	166
Sundry operations	**4**	6	4	3	2
Normal operating activities	**371**	396	559	268	234
Corporate and non-apportionable costs	**(56)**	(66)	(37)	(44)	(53)
Investment income	**4**	2	4	26	2
Continuing operations	**319**	332	526	250	183
Discontinued operations held for sale	**-**	-	-	-	(1)
Profit before tax	**319**	332	526	250	182
Tax	**(100)**	(123)	(158)	(75)	(55)
Profit for the year	**219**	209	368	175	127
Minority interest	**-**	-	1	2	2
Finance charges included above	**(115)**	(85)	(126)	(126)	(83)
Cash flow statement					
Net cash flow					
Cash profit	**343**	329	474	218	202
Dividends paid	**(45)**	(280)	(83)	(103)	(24)
Changes in operating capital	**(290)**	52	(386)	(316)	59
Net cash flow from/(used in) operating activities	**8**	101	5	(201)	237
Net cash invested through investment activities	**(31)**	(46)	(55)	-	(21)
Net increase/(decrease) in cash and cash equivalents	**(23)**	55	(50)	(201)	216

SENWES GROUP FIVE-YEAR REVIEW (CONTINUED)

	Definition	2011	2010	2009	2008	2007
Financial growth (percentage)						
Total assets		**11,1**	11,7	5,4	11,9	29,2
Total shareholder interest		**16,1**	(6,0)	33,6	9,1	13,2
Interest-bearing liabilities		**17,5**	66,8	(10,6)	4,0	27,2
Total revenue from continuing operations		**(16,5)**	(19,0)	46,0	37,6	53,3
Profit before tax from continuing operations		**(3,9)**	(36,9)	110,4	36,6	88,7
Headline earnings per share		**1,6**	(39,9)	123,4	29,4	13,3
Net asset value per share		**16,1**	(6,0)	33,9	9,1	12,9
Closing market price per share		**39,7**	32,7	4,8	31,3	60,0
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	**121,1**	115,6	203,0	95,7	69,1
Headline earnings	2	**116,2**	114,4	190,3	85,2	65,8
Net asset value	3	**680,3**	585,8	622,8	465,2	426,5
Closing market price	4	**1 020,0**	730,0	550,0	525,0	400,0
Total dividends for the year	5	**35,0**	140,0	62,0	54,0	23,0
Final dividend proposed or declared		**25,0**	15,0	30,0	14,0	17,0
Interim dividend paid		**10,0**	25,0	15,0	10,0	6,0
Special dividend paid		**-**	100,0	17,0	30,0	-
Percentage						
Price book ratio	6	**149,9**	124,6	88,3	112,9	93,8
Dividend yield, including special dividends	7	**4,8**	25,5	11,8	13,5	9,2
Dividend yield, excluding special dividends	8	**4,8**	7,3	8,6	6,0	9,2
Times						
Price earnings ratio	9	**8,4**	6,3	2,7	5,5	5,8
Dividend cover, including special dividends	10	**3,5**	0,8	3,3	1,8	3,0
Dividend cover, excluding special dividends	11	**3,5**	2,9	4,5	4,0	3,0
Shareholder returns (%)						
Return on equity	12	**20,7**	18,6	43,6	22,4	18,3
Return on average equity	13	**19,1**	19,1	37,3	21,5	17,2
Total shareholders’ return (dividends & capital growth)	14	**44,5**	58,2	16,6	44,8	69,2
Productivity						
Asset velocity (times)	15	**2,6**	3,4	4,6	3,4	3,0
Revenue/equity (times)	16	**6,1**	8,5	9,9	9,1	7,2
Number of employees	17	**2 201**	2 277	2 167	2 087	1 933
Operating profit per employee (R’000)	18	**194**	181	299	168	137
Return on total assets	19	**14,0**	14,9	26,0	15,8	12,6
Operating profit as % of income	20	**5,7**	4,6	5,8	4,6	4,8
Effective tax rate	21	**31**	37	30	30	31
Solvency and liquidity						
Equity as % net assets	22	**47**	47	61	51	50
Equity as % of total assets	23	**40**	38	45	35	36
Gearing ratio %	24	**113**	109	64	91	69
Non-interest-bearing liabilities as % of equity	25	**38**	51	59	87	75
Cash profit	26	**343**	329	474	218	202
Interest cover (times)	27	**4,1**	5,4	5,4	3,2	3,5
Current ratio	28	**1,8**	1,8	2,2	1,4	1,4
Quick asset ratio	29	**1,2**	1,1	1,5	0,9	0,9

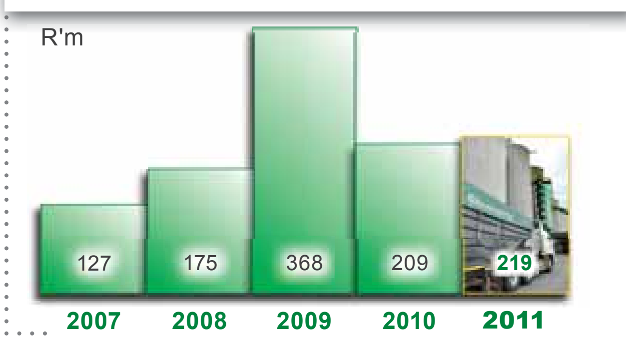
FINANCIAL AND OPERATING RATIOS

Financial performance

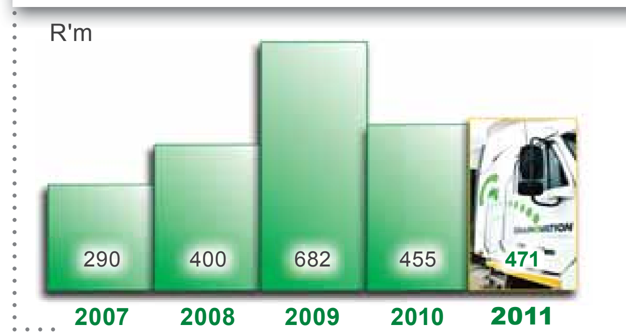
REVENUE FROM CONTINUING OPERATIONS

PROFIT FROM CONTINUING OPERATIONS

PROFIT AFTER TAX

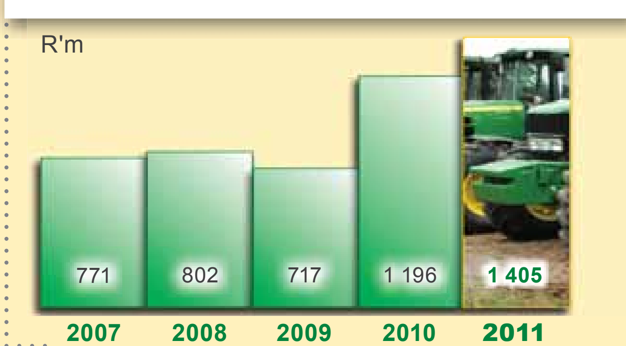


EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)



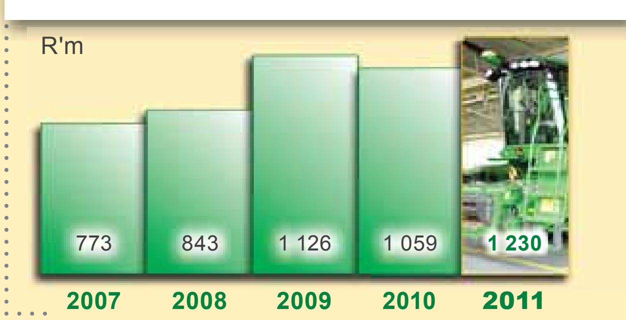
Financial position

INTEREST-BEARING DEBT



OWN CAPITAL RATIO

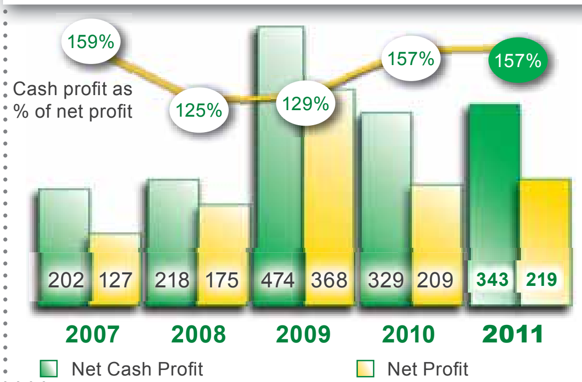
TOTAL SHAREHOLDERS INTEREST



GEARING RATIO

Cash flows

QUALITY OF EARNINGS: ACCOUNTING PROFIT VS. CASH PROFIT



CASH PROFIT

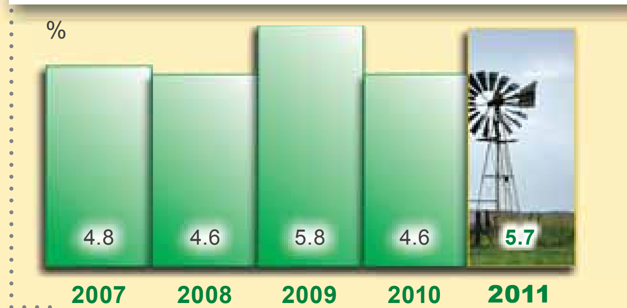
Efficiency and productivity

EFFECTIVE TAX RATE

OPERATING PROFIT PER EMPLOYEE

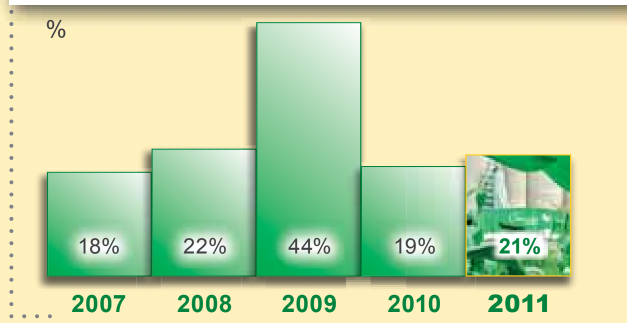
DISTRIBUTION, SALES AND ADMINISTRATIVE EXPENSES AS PERCENTAGE OF GROSS PROFIT

OPERATING PROFIT MARGIN



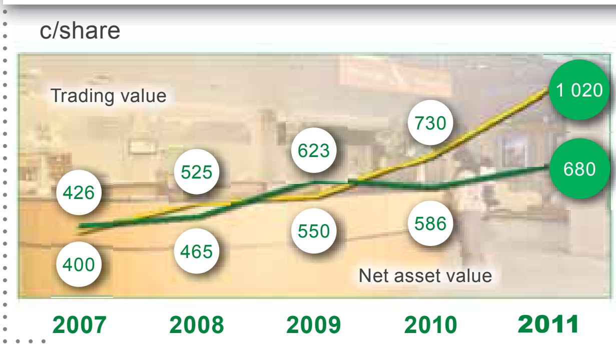
INTEREST COVER

RETURN ON EQUITY



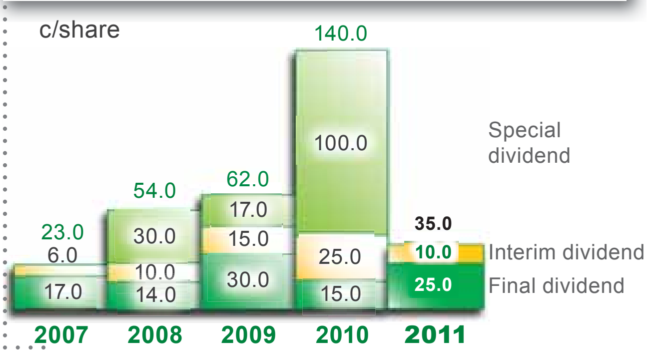
Investment statistics

SHARE PRICE: TRADING VALUE VS. NET ASSET VALUE

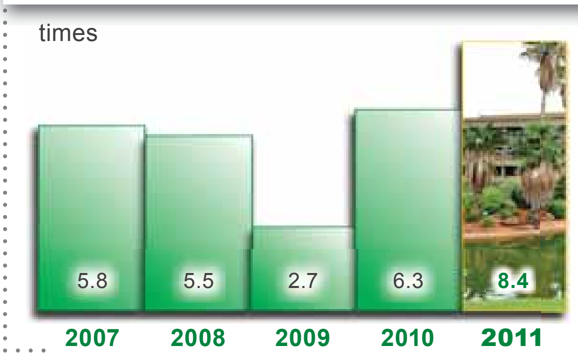


EARNINGS PER SHARE

DIVIDENDS



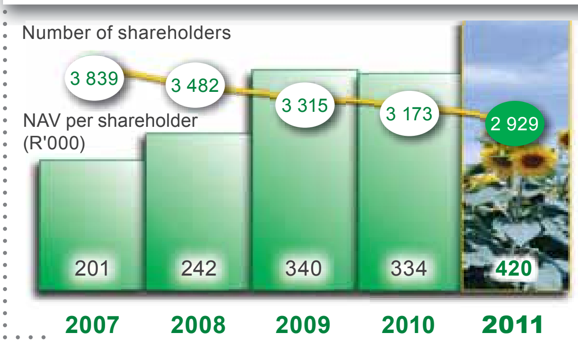
PRICE EARNINGS RATIO CALCULATED ON HEADLINE EARNINGS



VALUE CREATION AND VALUE UNLOCKING FOR SHAREHOLDERS BY CAPITAL 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 22), 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 (interim 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 shareholders' 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 taxation and finance cost from continuing operations (PBIT) 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 24), and taking into account actual tax paid, finance cost paid and other operating income.

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

28. **Current ratio**
Current assets divided by current liabilities.

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

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 49 to 96 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, available cash and finance resources.

The financial statements were audited by the independent auditor, Ernst & Young Incorporated. The independent auditor 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 auditor 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 2011, set out on page 49 to 96, were approved by the Board.

JE Grobler
CHAIRMAN
Klerksdorp
22 June 2011

F Strydom
MANAGING DIRECTOR

CF Kruger
FINANCIAL DIRECTOR

STATEMENT BY THE COMPANY SECRETARY

For the year under review and in terms of section 268G(d) of the previous Companies Act, I Elizabeth Maria Joynt, as Company Secretary certifies that all returns, as prescribed by the said Act, have been submitted to the Registrar of Companies and Intellectual Property (CIPC) and that the said returns are true, correct and up to date.

As the Companies Act 71 of 2008 came into effect on 1 May 2011 the certification as required in terms of section 88(2)(e) of the new Companies Act will be provided for the next financial year.

EM Joynt
COMPANY SECRETARY
Klerksdorp
22 June 2011

REPORT OF THE SENWES AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 30 April 2011 in accordance with section 94(7f) of the Companies Act 71 of 2008.

The manner in which the Audit Committee carried out its duties are referred to in the corporate governance report in respect of roles, responsibilities and mandate.

The committee consists of five non-executive directors of which three are independent and meets at least three times per annum as per the committee mandate and terms of reference.

Name of member	Meeting attendance
JPL Alberts SSAS, B.Com(Econ), CTA IAMP (Geneva), CA(SA)	4/4
JA Boggenpoel B.Comm, B.Acc, CA (SA)	4/4
SF Booysen M.Comt (UNISA), D.Com (Acc), CA (SA)	3/3
AJ Kruger B.Compt(Hons),CA (SA)	4/4
JDM Minnaar B.Comm	4/4

External auditor
The committee has satisfied itself that the external auditor, Ernst & Young Incorporated was independent of the Senwes Group as determined in terms of the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2010/2011 financial year.

There is a formal written policy and procedure (incorporating a delegation of authority matrix) that governs the process whereby the external auditor is considered for non-audit services. The committee approved the terms of the written policy for the provision of non-audit services by the external auditor and approved the nature and extent of non-audit services that the external auditors may provide.

The committee has nominated for approval at the annual general meeting, Ernst & Young Inc. as the external auditor and Mr Frantz Scheepers as the designated audit director, for the 2011/2012 financial year.

Internal financial controls
Based on the results of the formal documented review of the design, implementation and effectiveness of the Senwes group's system of internal financial controls conducted by the internal audit function during the 2010/2011 financial year and, in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the committee is of the opinion that the Senwes group's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements.

Financial statements (including accounting practices)
The committee has reviewed the financial statements of the Company and the Senwes group and is satisfied that they comply with International Financial Reporting Standards.

Expertise and experience of financial director and finance function
The committee has satisfied itself that the financial director of Senwes Group has appropriate expertise and experience.

The committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Senwes group's finance function and experience of the senior members of management responsible for the financial function.

Duties assigned by the Board
The committee fulfills an oversight role regarding the Senwes Group's integrated annual report and the reporting process, including the system of internal financial control. It is responsible for ensuring that the Company and the Senwes group's internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to effectively perform its duties. Furthermore, the committee oversees co-operation between the internal and external auditors and serves as a link between the Board of Directors and these functions.

During the year under review, the committee met with the external auditor and with the head of internal audit separately.

Internal audit
The committee annually considers and has recommended the internal audit plan for approval by the Board. The internal audit function resides within the Senwes corporate office and has responsibility for reviewing and providing assurance on the adequacy of internal control environment across all of the Senwes group's operations. The head of internal audit is responsible for reporting the findings of the internal audit against the agreed internal audit plan to the committee on a regular basis.

The head of internal audit has direct access to the Audit Committee, primarily through its chairman.

Sustainability reporting
The committee considered the Senwes Group's sustainability information as disclosed in the integrated annual report and has assessed its consistency with operational and other information known to committee members, and for consistency with the financial statements of the Company and the Senwes Group. A report from the Risk and Sustainability Committee regarding the top ten risks has been presented to the Audit Committee for consideration. The Audit Committee further discussed the sustainability information with management and is satisfied that the information is reliable and consistent with the financial results.

Recommendation of the annual financial statements for approval by the board
The committee recommended the annual financial statements for approval by the Board of Directors.

JPL Alberts
CHAIRMAN AUDIT COMMITTEE
Klerksdorp
22 June 2011

Independent Auditor's report to the members of Senwes Limited

We have audited the accompanying group annual financial statements and the annual financial statements of Senwes Limited, which comprise the consolidated and separate statements of financial position as at 30 April 2011, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 49 to 96.

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 and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgment, 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 the directors, 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 2011, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Frantz Scheepers
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg
8 July 2011

STATUTORY DIRECTORS' REPORT

1. Main objectives

The main objectives of the Group 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 the business of the Group during the year.

3. Subsidiaries and other financial assets

Details of the company's interest in subsidiaries, associates, joint ventures and other financial assets are set out in notes 3 to 7, 9 and 10 to the financial statements.

4. Results

The profit after tax of the Group for the year under review amounted to R219 million (2010 – R209 million).

The summarised results are as follows:

	Group		Company	
	2011 R'm	*2010 R'm*	*2011 R'm*	*2010 R'm*
Revenue	**7 550**	9 039	**7 492**	8 993
Operating profit	**427**	413	**417**	405
Profit after tax	**219**	209	**219**	200

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

The summarised statement of financial position is as follows:

	Group		Company	
	2011 R'm	*2010 R'm*	*2011 R'm*	*2010 R'm*
Total assets	**3 106**	2 796	**3 092**	2 780
Total interest-bearing debt	**1 405**	1 196	**1 415**	1 205

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 17.

5. Dividends

The Board proposed that a final dividend of 25 cents per share (2010 – 15 cents per share) be declared. An interim dividend of 10 cents per share (2010 – 25 cents per share) and a special dividend of nil cents per share (2010 – 100 cents per share) were paid during the year. All shareholders registered as such in the share register on 26 August 2011 will receive dividends, which will be paid on approximately 9 September 2011, 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**
JPL Alberts	2011
AJ Kruger	2011
JDM Minnaar	2011
WH van Zyl	2011

The confirmation of the appointment of SF Booysen and Z Bassa as independent non-executive directors will be tabled at the 2011 annual general meeting.

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

Name	Retirement by rotation*
JBH Botha	2012
JAE Els	2012
JE Grobler	2012
NDP Liebenberg	2012
J Mashike	2012
OME Pooe	2012

* 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, JPL Alberts, JBH Botha and SF Booysen.

7. Statutory appointments and registered address

7.1 Company Secretary
EM Joynt

7.2 Public Officer
CF Kruger

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 (2010 – Nil).

10. Special resolutions
No special resolutions were passed at the previous annual general meeting.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 April 2011

	Notes	Group 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Assets					
Non-current assets					
Property, plant and equipment	2	**231**	231	**212**	213
Investment in subsidiaries	3.2	**-**	-	**20**	20
Investment in associates	6	**10**	7	**2**	1
Other financial assets	4.1.1	**3**	4	**3**	4
Loans and other receivables	7	**265**	227	**265**	227
Deferred tax asset	15.2	**39**	39	**39**	39
		548	508	**541**	504
Current assets					
Inventory	8	**984**	835	**982**	829
Trade and other receivables	9	**1 366**	1 316	**1 354**	1 315
Other financial assets	4.1.2	**3**	-	**27**	-
Agency grain debtors	10	**160**	97	**160**	97
Derivative financial instruments	17	**28**	-	**28**	-
Cash and short-term deposits	4.1.3	**17**	40	**-**	35
		2 558	2 288	**2 551**	2 276
TOTAL ASSETS		**3 106**	2 796	**3 092**	2 780
Equity and Liabilities					
Equity					
Issued capital	11	**1**	1	**1**	1
Share premium	12.1	**67**	67	**67**	67
Non-distributable reserve	12.2	**-**	-	**-**	-
Other reserves	12.3	**1**	2	**1**	2
Retained earnings		**1 161**	989	**1 142**	968
Total equity		**1 230**	1 059	**1 211**	1 038
Non-current liabilities					
Interest-bearing loans	4.2.3	**350**	350	**350**	350
Other long term employee liabilities	13.1	**13**	7	**13**	7
Post-retirement liabilities	13.2.2	**81**	79	**81**	79
Derivative financial instruments	17	**2**	-	**2**	-
		446	436	**446**	436
Current liabilities					
Trade and other payables	14	**307**	349	**302**	342
Interest-bearing loans	4.2.2	**1 021**	773	**1 021**	773
Other financial liabilities	4.2.1	**34**	73	**44**	86
Derivative financial instruments	17	**10**	33	**10**	33
Tax payable	15.3	**15**	7	**15**	6
Other short term employee benefits	13.1	**32**	46	**32**	46
Provisions	16	**11**	20	**11**	20
		1 430	1 301	**1 435**	1 306
Total liabilities		**1 876**	1 737	**1 881**	1 742
TOTAL EQUITY AND LIABILITIES		**3 106**	2 796	**3 092**	2 780

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 April 2011

	Notes	Group 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Services rendered		**408**	566	**382**	540
Finance income	19.3	**130**	141	**130**	141
Income from operating activities		**7 012**	8 332	**6 980**	8 312
Revenue		**7 550**	9 039	**7 492**	8 993
Cost of sales		**(6 451)**	(8 014)	**(6 429)**	(8 000)
Gross profit		**1 099**	1 025	**1 063**	993
Distribution, sales and administrative expenses		**(672)**	(612)	**(646)**	(588)
Operating profit	19	**427**	413	**417**	405
Finance costs	19.2	**(115)**	(85)	**(115)**	(85)
Other operating income	20	**4**	2	**15**	2
Share of profit from associates	6.1, 6.2	**3**	2	**-**	-
Profit before tax		**319**	332	**317**	322
Taxation	15.1	**(100)**	(123)	**(98)**	(122)
Profit for the year after tax		**219**	209	**219**	200
Other comprehensive income		**(1)**	-	**(1)**	-
Fair value adjustments available for sale financial assets	12.3	**(1)**	-	**(1)**	-
Total comprehensive income for the year, net of tax		**218**	209	**218**	200
Profit attributable to:					
Owners of the parent		**219**	209		
Total comprehensive income attributable to:					
Owners of the parent		**218**	209		
Earnings per share					
Basic and diluted profit for the year attributable to ordinary equity holders of the parent (cents)	22.1.4	**121,1**	115,6		
Headline earnings per share (cents)	22.1.4	**116,2**	114,4		

Dividends for the year:	Notes	2011 Cents/share	2010 Cents/share
Dividends per share paid during the year	22.2	**25**	155
Final dividend previous year		**15**	30
Interim dividend		**10**	25
Special dividend		**-**	100
Final dividend per share proposed		**25**	15

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2011

	Notes	Issued capital R'm (11)	Share premium R'm (12.1)	Non-distributable reserve R'm (12.2)	Retained earnings R'm	Other reserves R'm (12.3)	Total equity R'm
Group							
Balance at 30 April 2009		**1**	**67**	**66**	**990**	**2**	**1 126**
Total comprehensive income		-	-	-	209	-	209
Profit for the year		-	-	-	209	-	209
Other comprehensive income		-	-	-	-	-	-
Dividends	22.2	-	-	-	(280)	-	(280)
Transfer to retained earnings	12.2	-	-	(66)	66	-	-
Associate profit from prior years		-	-	-	4	-	4
Balance at 30 April 2010		**1**	**67**	**-**	**989**	**2**	**1 059**
Total comprehensive income		-	-	-	219	(1)	218
Profit for the year		-	-	-	219	-	219
Other comprehensive income		-	-	-	-	(1)	(1)
Dividends	22.2	-	-	-	(45)	-	(45)
Associate adjustment from prior years		-	-	-	(2)	-	(2)
Balance at 30 April 2011		**1**	**67**	**-**	**1 161**	**1**	**1 230**
Company							
Balance at 30 April 2009		**1**	**67**	**66**	**982**	**2**	**1 118**
Total comprehensive income		-	-	-	200	-	200
Profit for the year		-	-	-	200	-	200
Other comprehensive income		-	-	-	-	-	-
Dividends	22.2	-	-	-	(280)	-	(280)
Transfer to retained earnings	12.2	-	-	(66)	66	-	-
Balance at 30 April 2010		**1**	**67**	**-**	**968**	**2**	**1 038**
Total comprehensive income		-	-	-	219	(1)	218
Profit for the year		-	-	-	219	-	219
Other comprehensive income		-	-	-	-	(1)	(1)
Dividends	22.2	-	-	-	(45)	-	(45)
Balance at 30 April 2011		**1**	**67**	**-**	**1 142**	**1**	**1 211**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 April 2011

	Notes	Group 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Cash flows from operating activities					
Cash from operating activities	24	**547**	516	**538**	509
Other operating income		**1**	2	**7**	2
Finance costs paid	19.2	**(113)**	(79)	**(113)**	(79)
Tax paid	26	**(92)**	(110)	**(89)**	(108)
Operating cash profit		**343**	329	**343**	324
Dividends paid	27	**(45)**	(280)	**(45)**	(280)
Changes in operating capital	25	**(290)**	52	**(284)**	58
Net cash flows from operating activities		**8**	101	**14**	102
Net cash flows from investing activities		**(31)**	(46)	**(49)**	(46)
Purchase of property, plant and equipment	28	**(38)**	(48)	**(37)**	(48)
Proceeds from the disposal of property, plant and equipment	29	**3**	3	**3**	3
Proceeds from the sale of subsidiary		**9**	-	**9**	-
(Increase)/decrease of investments in subsidiaries and associates		**(2)**	-	**3**	-
Decrease in current interest-bearing loans	30	**(3)**	(1)	**(27)**	(1)
Net cash flows before financing activities		**(23)**	55	**(35)**	56
Net cash flows from financing activities		**-**	-	**-**	-
Net (decrease)/increase in cash and cash equivalents		**(23)**	55	**(35)**	56
Cash and cash equivalents – beginning of the period		**40**	(15)	**35**	(21)
Cash and cash equivalents – end of the period	4.1.3	**17**	40	**-**	35

1. Segment information

1.1 Segmental revenue and results

	Group Segmental revenue		Group Segmental profit	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Credit extension *(Senwes Credit)*	**126**	139	**50**	58
Input supply *(Senwes Village)*	**1 770**	1 943	**65**	96
Market access *(Senwes Grainlink)*	**5 567**	6 895	**252**	236
Sundry operations	**76**	54	**4**	6
Normal operational activities	**7 539**	9 031	**371**	396
Income/(corporate costs)	**11**	8	**(56)**	(66)
Other operating income	**-**	-	**4**	2
Total revenue	**7 550**	9 039		
Profit before tax			**319**	332
Taxation			**(100)**	(123)
Profit for the year			**219**	209

1.2 Net segment assets

	Group Assets		Group Liabilities		Group Net	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Credit extension	**1 414**	1 398	**(754)**	(738)	**660**	660
Input supply	**366**	473	**(283)**	(358)	**83**	115
Market access	**1 153**	729	**(641)**	(446)	**512**	283
Sundry operations	**3**	3	**(5)**	(7)	**(2)**	(4)
Total operations	**2 936**	2 603	**(1 683)**	(1 549)	**1 253**	1 054
Corporate	**121**	147	**(107)**	(105)	**14**	42
Investment in associates	**10**	7	**(5)**	(4)	**5**	3
	3 067	2 757	**(1 795)**	(1 658)	**1 272**	1 099
Deferred tax	**39**	39	**-**	-	**39**	39
Provision for post-retirement liabilities	**-**	-	**(81)**	(79)	**(81)**	(79)
Total	**3 106**	2 796	**(1 876)**	(1 737)	**1 230**	1 059

1.3 Segment disclosable items

	Group Capital expenditure		Group Depreciation		Group Non-cash transactions	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Credit extension	**1**	-	**-**	-	**8**	10
Input supply	**5**	9	**5**	5	**16**	(4)
Market access	**17**	20	**18**	17	**7**	15
Sundry operations	**-**	1	**-**	1	**-**	2
Corporate	**15**	18	**14**	15	**55**	51
Total	**38**	48	**37**	38	**86**	74

1.4 For management purposes, the Group is divided into business units based on their products and services and consists of the following five reportable segments:

Credit extension *(Senwes Credit)* — Credit extension to agricultural producers and grain buyers. It also includes a joint venture with a financier which extends term credit. Agri-services were moved to Senwes Credit during the year to align with the client base to a larger extent.

Input supply *(Senwes Village)* — Sales at retail outlets, direct sales of farming inputs and sales of mechanisation goods and parts.

Market access *(Senwes Grainlink)* — Income received from the handling and storage of agricultural produce. Commission earned on grain trading. 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 — 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 not allocated to operating segments. Services rendered between related parties as reflected in operating segments are on arm's length basis in a manner similar to transactions with third parties.

Management monitors the operational results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

2. Property, plant and equipment

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Cost price	**643**	609	**614**	582
Land	**5**	2	**2**	2
Buildings and improvements	**228**	221	**211**	201
Plant and equipment	**358**	340	**351**	334
Vehicles	**52**	46	**50**	45
Accumulated depreciation and impairments	**(412)**	(378)	**(402)**	(369)
Land	**-**	-	**-**	-
Buildings and improvements	**(114)**	(104)	**(111)**	(102)
Plant and equipment	**(266)**	(246)	**(260)**	(240)
Vehicles	**(32)**	(28)	**(31)**	(27)
Total carrying value	**231**	231	**212**	213

2.1. Registers of land and buildings are available for inspection at the registered offices of the relevant companies.

2.2 Certain assets are encumbered as set out in note 4.2.3.

2.3 The capital commitments of the Group are set out in note 18.

Reconciliation of the movement on property, plant and equipment – 2011

	Carrying amount at beginning of period	Purchases	Disposals	Impairment	Deprecia-tion	Carrying amount at end of period
	R'm	R'm	R'm	R'm	R'm	R'm
Group – 2011						
Land	2	3	-	-	-	5
Buildings and improvements	117	7	-	-	(9)	115
Plant and equipment	95	20	(1)	-	(22)	92
Vehicles	17	8	-	-	(6)	19
Total carrying value	**231**	**38**	**(1)**	**-**	**(37)**	**231**
Company – 2011						
Land	2	-	-	-	-	2
Buildings and improvements	99	10	-	-	(9)	100
Plant and equipment	95	19	(1)	-	(22)	91
Vehicles	17	8	-	-	(6)	19
Total carrying value	**213**	**37**	**(1)**	**-**	**(37)**	**212**

Reconciliation of the movement on property, plant and equipment – 2010

	Carrying amount at beginning of period	Purchases	Disposals	Impairment	Deprecia-tion	Carrying amount at end of period
	R'm	R'm	R'm	R'm	R'm	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**

3. Investment in companies

3.1 Business combinations and acquisition of non-controling interest

2011

Bunge Senwes Africa (Pty) Ltd

Bunge Europe, the European operating arm of Bunge Limited (NYSE: BG), a leading global agri-business and food company, and Senwes Limited, announced during the year under review (1 April 2011) that they have entered into a joint venture agreement to develop grain and oil-seeds operations in South Africa, which will supply the domestic market and export products to other countries in Africa. The agreement is expected to become effective during the latter part of 2011, subject to receipt of regulatory clearance, which include the South African Competition Commission.

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.

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.

3.2 Shares held in subsidiaries

Company – 2011	Total shares in issue	% interest	Shares	Shares provision	Total net investment
			R'm	R'm	R'm
Charel de Klerk Street Properties (Pty) Ltd	100	100	**25**	**(5)**	**20**
Senwes Graanmakelaars (Pty) Ltd	100	100	**-**	**-**	**-**
Senwes International Holdings (Pty) Ltd	100	100	**-**	**-**	**-**
Senwes Ltd – incorporated in Malawi	100 000	100	**-**	**-**	**-**
Univision Financial Services (Pty) Ltd	100	100	**-**	**-**	**-**
Total carrying value			**25**	**(5)**	**20**

Company – 2010	Total shares in issue	% interest	Shares	Shares provision	Total net investment
			R'm	R'm	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	-	-	-
Senwes International Holdings (Pty) Ltd	100	100	-	-	-
Senwes Ltd – incorporated in Malawi	100 000	100	-	-	-
Univision Financial Services (Pty) Ltd	100	100	-	-	-
Total carrying value			25	(5)	20

3.3 Short term loans from subsidiaries

	Company	
	2011 R'm	2010 R'm
Charel de Klerk Street Properties (Pty) Ltd	**(2)**	(3)
Senwes Graanmakelaars (Pty) Ltd	**-**	(1)
Univision Broker Services (Pty) Ltd	**(14)**	(7)
Univision Financial Services (Pty) Ltd	**-**	(6)
Total carrying value	**(16)**	(17)

- As specifically indicated in note 4.2.1, the short term loans are unsecured, bear interest at varying market related rates with an applicable rate of 6,85% at year-end (2010 – 7,76%) and have no fixed repayment terms.

3.4 Results of subsidiaries after tax (100%)

	Company 2011 R'm	Company 2010 R'm
Hartswater Wynkelder (Pty) Ltd*	**2**	1
Univision Financial Services (Pty) Ltd	**2**	2

* The result is only for 8 months as the company was sold on 5 January 2011

3.5 Nature of business and directors' valuation

		Company 2011 R'm	Company 2010 R'm
Charel de Klerk Street Properties (Pty) Ltd	- Property company	**20**	20
Hartswater Wynkelder (Pty) Ltd	- Wine cellar	**-**	8
Senwes Graanmakelaars (Pty) Ltd	- Option writing – financial instruments	**-**	-
Senwes International Holdings (Pty) Ltd	- Dormant	**-**	-
Senwes Ltd – incorporated in Malawi	- Trading of agricultural commodities	**-**	-
Univision Financial Services (Pty) Ltd	- Insurance broker and administrative services	**11**	8

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 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Financial investment available-for-sale				
Public companies				
Quoted equity shares	**3**	4	**3**	4
Total non-current financial assets	**3**	4	**3**	4

Financial investments available-for-sale: Unlisted public and other companies

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

	Group Directors' valuation 2011 R'm	Group Directors' valuation 2010 R'm	Company Directors' valuation 2011 R'm	Company Directors' valuation 2010 R'm
Financial investment available-for-sale				
Public companies:				
Quoted equity shares	**3**	4	**3**	4
Total non-current financial assets	**3**	4	**3**	4

Investments in and loans to/from private companies

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

4.1.2 Other financial assets

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Interest-bearing loans to related parties				
Grasland Ondernemings (Pty) Ltd	**3**	-	**3**	-
Senwes Ltd – incorporated in Malawi	**-**	-	**17**	-
Univision Financial Services (Pty) Ltd	**-**	-	**6**	-
Univision Broker Services (Pty) Ltd	**-**	-	**1**	-
Non-interest-bearing loans to related parties				
Silo Certs (Pty) Ltd	**-**	-	**-**	-
	3	-	**27**	-

- The loan to Grasland Ondernemings (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan to Senwes Ltd – incorporated in Malawi is unsecured, has no fixed repayment terms and bears interest at Jibar linked rate.
- The loan to Univision Financial Services (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan to Univision Broker Services (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan to Silo Certs (Pty) Ltd is unsecured, interest free and has no fixed repayment terms. The total loan is subordinated to the claims of other creditors.

4.1.3 Cash and short term deposits

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Cash and short term deposits	**17**	40	**-**	35

Cash bears interest at a prime-linked rate 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	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Interest-bearing loans from related parties				
Senwesbel Ltd	**28**	69	**28**	69
Univision Financial Services (Pty) Ltd	**-**	-	**-**	6
Univision Broker Services (Pty) Ltd	**6**	4	**14**	7
Non-interest-bearing loans from related parties				
Charel de Klerk Street Properties (Pty) Ltd	**-**	-	**2**	3
Senwes Graanmakelaars (Pty) Ltd	**-**	-	**-**	1
	34	73	**44**	86

- The loan of Senwesbel Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- The loan of Univision Broker Services (Pty) Ltd is unsecured, has no fixed repayment terms and bears interest at a prime-linked rate.
- Non-interest-bearing loans are unsecured, bear no interest and have no fixed repayment terms.

4.2.2 Current interest-bearing loans

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Interest-bearing loans	**502**	446	**502**	446
Commodity finance	**519**	327	**519**	327
Total	**1 021**	773	**1 021**	773

Interest-bearing current loans
As continuing security for Senwes' current facilities with Absa Bank Ltd ("Absa"), 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 31 July 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.

4.2.3 Non-current interest-bearing loans

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Interest-bearing loans	**350**	350	**350**	350

The facility for a non-current loan was negotiated with Land Bank, effective from 3 May 2010. The non-current 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 a joint venture*

5.1 Silo Certs (Pty) Ltd

	Group	
	2011	**2010**
Interest in Silo Certs (Pty) Ltd	**42,50%**	42,50%

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

The year-end of the joint venture is 30 April and the financial statements at year-end were 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	
	2011 R'm	2010 R'm
Assets	**1**	1
Liabilities	**(3)**	(3)
Equity	**(2)**	(2)

The proportional interest of the Group in the revenue and expenditure of the joint venture included in the consolidated financial statements is as follows:

	Group	
	2011 R'm	2010 R'm
Revenue	**2**	1
Net profit	**1**	-

5.2 Investment in Silo Certs (Pty) Ltd

	Company	
	2011 R'm	2010 R'm
Shares	**2**	2
Provision for write-off of shares	**(2)**	(2)
Loan	**3**	3
Provision for write-off of loan	**(3)**	(3)

6. Investments in associates

		Group		Company	
	Notes	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Grainovation (Pty) Ltd	6.1	**1**	-	**-**	-
Grasland Ondernemings (Pty) Ltd	6.2	**9**	7	**2**	1
		10	7	**2**	1

6.1 Grainovation (Pty) Ltd

The Group has a 50% interest in Grainovation (Pty) Ltd, the core business activity of which is the transportation of grain commodities. The company's financial year-end is the same as the Senwes Group financial year-end.

The following is the summarised financial information of the Group's interest in Grainovation (Pty) Ltd:

Share in the associate's statement of financial position:	*2011 R'm*	*2010 R'm*
Current assets	**3**	-
Non-current assets	**7**	1
Current liabilities	**(2)**	-
Non-current liabilities	**(7)**	(1)
Equity	**1**	-
Revenue and profit of the associate are as follows:		
Revenue	**95**	13
Profit	**1**	-
Carrying amount of the investment	**1**	-

6.2 Grasland Ondernemings (Pty) Ltd

The Group increased its interest in Grasland Ondernemings (Pty) Ltd to 50% on 24 June 2010. The company's main business objective is the mining and distribution of agricultural lime. The company's financial year-end is 31 December. The financial information as at 30 April 2011 was used in the compilation of the Group financial statements.

The following is the summarised financial information of the Group's interest in Grasland Ondernemings (Pty) Ltd:

Share in the associate's statement of financial position:	*2011 R'm*	*2010 R'm*
Current assets	**4**	5
Non-current assets	**10**	5
Current liabilities	**(2)**	(2)
Non-current liabilities	**(3)**	(1)
Equity	**9**	7
Revenue and profit of the associate are as follows:		
Revenue	**11**	11
Profit	**2**	2
Carrying amount of the investment	**9**	7

7. Loans and other receivables

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

		Group		Company	
	Notes	*2011 R'm*	*2010 R'm*	*2011 R'm*	*2010 R'm*
Gross investment in instalment sales agreements and mortgage loans		**459**	405	**459**	405
Less: Unearned finance income		**(125)**	(126)	**(125)**	(126)
Carrying amount		**334**	279	**334**	279
Less: Current portion		**(69)**	(52)	**(69)**	(52)
Total loans and other receivables	7.1, 7.2	**265**	227	**265**	227

7.1 Mortgage loans

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Within one year	**69**	51	**69**	51
After one year but not more than five years	**174**	139	**174**	139
More than five years	**89**	87	**89**	87
Carrying value	**332**	277	**332**	277
Less: Current portion	**(68)**	(51)	**(68)**	(51)
Total	**264**	226	**264**	226

7.1.1 Terms and conditions

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

7.1.2 Fair value

The Board is of the opinion that the carrying amount of the mortgage loans is a reasonable approximation of the fair value thereof.

7.2 Instalment sale agreements

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Within one year	**1**	1	**1**	1
After one year but not more than five years	**1**	1	**1**	1
Carrying value	**2**	2	**2**	2
Less: current portion	**(1)**	(1)	**(1)**	(1)
Total	**1**	1	**1**	1

7.2.1 Term and conditions

Instalment sale 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 a bank and future transactions will be financed through this finance alliance called Senwes Asset Financing.

7.2.2 Fair value

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

8. Inventory

		Group		Company	
	Notes	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Raw materials and work in progress		**-**	4	**-**	-
Merchandise	8.1, 8.3	**268**	393	**268**	392
Consumables		**1**	2	**1**	1
Grain commodities	8.4, 8.5	**715**	436	**713**	436
Total carrying value	8.2	**984**	835	**982**	829

8.1 Included in merchandise is floor plan inventory of R19,4 million (2010 – R47,2 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		
	2011 R'm	**2010 R'm**	**Valuation method**
Inventory and merchandise	**188**	202	Weighted average cost price
Mechanisation whole goods	**81**	192	Unit price
Grain commodities	**715**	436	Initial contract price and fair value thereafter
Other inventory	**-**	5	First in, first out (FIFO)
Total carrying value	**984**	835	

8.3 Included in merchandise of the company and group is a provision for slow-moving and obsolete inventory of R24,9 million (2010 – R 13,6 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 R519 million (2010 – R327 million).

8.5 Grain commodities 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 Inventory with a carry value of R3 million (2010 – R2,6 million) was written off during the financial year. The expense was recognised in cost of sales.

9. *Trade and other receivables*

		Group		Company	
	Notes	**2011 R'm**	**2010 R'm**	**2011 R'm**	**2010 R'm**
Trade receivables		**1 265**	1 079	**1 254**	1 078
Production accounts	9.1	**1 023**	936	**1 023**	936
Current accounts	9.2	**242**	143	**231**	142
Loans and other receivables – current portion	7.1, 7.2	**69**	52	**69**	52
Sundry receivables	9.3	**76**	230	**75**	230
Less: Provision for impairment	9.4	**(44)**	(45)	**(44)**	(45)
Total carrying value	9.5	**1 366**	1 316	**1 354**	1 315

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

9.2 Current accounts consist of 30-day monthly accounts, silo cost accounts and other accounts for specific products.

These accounts bear interest at the following rates:

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 on arrear accounts is levied at guideline rates as determined by the National Credit Act.

9.3 Sundry receivables consist of accounts for corporate and statutory services as well as deposits held for trading purposes (Safex).

9.4 At year-end, a provision of R44 million (2010 – R45 million) was made for the impairment of trade and other receivables, the details of which are as follows:

	Group 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Specific impairment	**(11)**	(23)	**(11)**	(23)
Balance at the beginning of the year	**(23)**	(22)	**(23)**	(22)
Provision for the year	**(2)**	(3)	**(2)**	(3)
Utilised during the year	**14**	2	**14**	2
Portfolio impairment	**(33)**	(22)	**(33)**	(22)
Balance at the beginning of the year	**(22)**	(26)	**(22)**	(26)
Reversal/(provision) for the year	**(11)**	4	**(11)**	4
Total provision for impairment	**(44)**	(45)	**(44)**	(45)

9.5 Trade and other receivables can be summarised as follows:

	Group 2011 Current R'm	Group 2011 Debt in arrears R'm	Group 2011 Total R'm	Group 2010 Current R'm	Group 2010 Debt in arrears R'm	Group 2010 Total R'm
Trade receivables	**1 213**	**52**	**1 265**	1 008	71	1 079
Production accounts	**992**	**31**	**1 023**	887	49	936
Current accounts	**221**	**21**	**242**	121	22	143
Loans and receivables – current portion	**62**	**7**	**69**	51	1	52
Sundry receivables	**73**	**3**	**76**	227	3	230
Less: Provision for impairment	**(33)**	**(11)**	**(44)**	(22)	(23)	(45)
Total carrying value	**1 315**	**51**	**1 366**	1 264	52	1 316

9.5.1 Current receivables are classified as receivables within current credit terms.

9.5.2 Receivables in arrears are classified as receivables outside current credit terms.

9.6 As security for Senwes' short term facilities with Absa, all rights and interests in producer debtors and their underlying securities have been ceded and pledged to Absa. The support value of security ceded amounts to R1 146 million (2010 – R1 272 million) at year-end.

10. Agency grain debtors

	Notes	Group 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Agency grain debtors	10.1, 10.2	**173**	110	**173**	110
Impairment reconciliation		**(13)**	(13)	**(13)**	(13)
Balance at the beginning of the year		**(13)**	(13)	**(13)**	(13)
Provision for the year		**1**	1	**1**	1
Utilised during the year		**(1)**	(1)	**(1)**	(1)
Total agency grain debtors		**160**	97	**160**	97

10.1 Agency grain debtors represent agricultural produce sold to third parties. The produce is stored for the third party and serves as security for the outstanding debt. A provision for impairment of R12,6 million (2010 – R12,8 million) is included in the balance.

10.2 No agency grain debtors were encumbered (2010 – R Nil million) at year-end.

11. Issued capital

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Authorised				
581 116 758 (2010 and 2011) ordinary shares of 0,516 cents each	**3**	3	**3**	3
Issued				
180 789 308 (2010 and 2011) ordinary shares of 0,516 cents each	**1**	1	**1**	1

Reconciliation of issued shares

	Group Number of shares		Company Number of shares	
	2011	**2010**	**2011**	**2010**
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	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Issue of shares	**67**	67	**67**	67
Total carrying value	**67**	67	**67**	67

12.2 Non-distributable reserves

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Opening balance	**-**	66	**-**	66
Unutilised deferred tax assets	**-**	(66)	**-**	(66)
Total carrying value	**-**	-	**-**	-

The 2010 opening balance relates to uncertain historic events which resulted in unrealised deferred tax assets and were recognised in reserves. The reserve was transferred to retained earnings.

12.3 Other reserve

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Net unrealised reserve:				
Opening balance	**2**	2	**2**	2
Fair value adjustment	**(1)**	-	**(1)**	-
Total carrying value	**1**	2	**1**	2

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

13. Employee benefits

13.1 Incentive bonuses

	2011			2010		
Group and Company	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	**46**	**7**	**53**	87	7	94
Increase in provision for the year	**27**	**12**	**39**	36	10	46
Utilised during the year	**(47)**	**-**	**(47)**	(87)	-	(87)
	26	**19**	**45**	36	17	53
Short term portion	**6**	**(6)**	**-**	10	(10)	-
Balance at the end of the year	**32**	**13**	**45**	46	7	53

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 in which 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 due to growth in the share price and net asset value.

The table below indicates the number of shares, weighted average vested price and movement:

	Group 2011		Group 2010	
	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	**3 462 868**	1 956 831	**3 575 284**	1 818 222
Allocated during the year	**1 425 000**	1 425 000	**1 345 000**	1 345 000
Forfeited during the year	**(45 000)**	(45 000)	**(735 000)**	(735 000)
Exercised during the year	**(1 982 868)**	(476 831)	**(722 416)**	(471 391)
Outstanding at the end of the year	**2 860 000**	2 860 000	**3 462 868**	1 956 831

Date of grant	1 May 2010		1 May 2009		1 May 2008	
	Market value	*Net asset value*	*Market value*	*Net asset value*	*Market value*	*Net asset value*
Issue price of phantom shares	R7,44*	R5,86	R5,54*	R6,23	R5,57*	R4,66
Expiry date	30/04/2013	30/04/2013	30/04/2012	30/04/2012	30/04/2011	30/04/2011
Market price of underlying shares as at 30 April 2011	R10,08*	R6,80	R10,08*	R6,80	R10,08*	R6,80
Accumulated dividends per share	-	R0,25	-	R1,80	-	R2,26

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

553 936 shares traded during this period in 2011.

The calculation of the liability was based on the following assumptions:

- Risk free rate: 5,8%
- Dividend yield: 4%
- Volatility: 30%

At year-end, the carrying value of the cash-settled share-based liability amounted to R18,2 million (2010 – R16,9 million).

13.2 Post-retirement liabilities

13.2.1 Pension

The Group has a defined contribution plan which essentially covers all employees in the Group. For contributions to the pension fund, refer to note 19.4.

13.2.2 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 2011.

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.

The movement in the post-retirement health care liability is as follows:

	Group		Company	
	2011 R'm	*2010 R'm*	*2011 R'm*	*2010 R'm*
Opening balance	**79**	75	**79**	75
Net provision created	**8**	11	**8**	11
Contributions paid	**(6)**	(7)	**(6)**	(7)
Total carrying value	**81**	79	**81**	79

In determining the liability, the calculation was based on an assumed rate of return (discount rate) of 8% (2010 – 8%) on investments and an escalation of 6% (2010 – 6%) which will yield a real rate of return of 5,4% (2010 – 5,2%) 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%	**8,40%**
Subsidy decrease	**(1%)**	(7,10%)	**(7,50%)**
Discount rate increase	**1%**	(6,70%)	**4,60%**
Discount rate decrease	**(1%)**	7,60%	**(5,50%)**

14. Trade and other payables

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Trade payables*	183	210	182	205
Other amounts payable	100	115	96	114
Leave and thirteenth cheque provision	24	24	24	23
Total carrying value	307	349	302	342

Terms and conditions in respect of trade and other payables:
- Trade payables are payable on different terms from 30 days after date of statement and are not interest-bearing.
- Other amounts payable have varying payment dates.
- Leave and thirteenth cheque bonus provisions are provided for on a monthly basis.

** 2010 figures were restated due to the reclassification of derivative financial instruments.*

15. Income tax

15.1 Tax expense

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
SA normal tax – current year	(95)	(93)	(93)	(91)
Increase in deferred tax	-	(2)	-	(3)
Capital gains tax	(1)	-	(1)	-
Secondary tax on companies	(4)	(28)	(4)	(28)
Total tax expense	(100)	(123)	(98)	(122)

15.2 Deferred tax asset

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
The main temporary differences against the statutory rate are:				
Property, plant and equipment	(17)	(13)	(17)	(13)
Inventory	8	8	8	8
Trade and other receivables	13	8	13	8
Provisions	35	36	35	36
Total carrying value	39	39	39	39
Reconciliation of deferred tax balance:				
Opening balance	39	66	39	66
Temporary differences – movements during the period	-	(27)	-	(27)
Total carrying value	39	39	39	39

15.3 Tax payable

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Income and capital gains tax payable	15	7	15	6

15.4 Reconciliation of the tax rate

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Standard tax rate	**28,0**	28,0	**28,0**	28,0
Adjusted for:				
Non-taxable income	**(2,2)**	(0,3)	**(2,2)**	(0,3)
Non-deductable items	**3,4**	0,3	**3,4**	0,3
Other	**0,3**	0,4	**(0,1)**	1,1
Capital gains tax	**0,4**	-	**0,4**	-
Secondary tax on companies	**1,4**	8,7	**1,4**	8,7
Effective tax rate	**31,3**	37,1	**30,9**	37,8

15.5 Unutilised assets – income tax

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Unutilised estimated assessed losses available for set-off against income at the beginning of the year	**2**	3	**-**	-
Utilised during the year	**(2)**	(1)	**-**	-
Net unutilised amounts at year-end	**-**	2	**-**	-

16. Provisions

Group and Company	Grain risk	Straight-line recognition of operating leases	Total
	R'm	R'm	R'm
Balance at 30 April 2009	**16**	**6**	**22**
Decrease in provision for the year	(1)	-	(1)
Utilised during the year	(1)	-	(1)
Balance at 30 April 2010	**14**	**6**	**20**
Decrease in provision for the year	-	-	-
Utilised during the year	(8)	(1)	(9)
Balance at 30 April 2011	**6**	**5**	**11**

16.1 Grain risks

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 a 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.

17. Derivative financial instruments

	Notes	Group 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Current assets		**28**	-	**28**	-
- Forward purchase contracts	21.1.1.2	**23**	-	**23**	-
- Foreign currency futures	21.1.1.3	**5**	-	**5**	-
Current liabilities		**(10)**	(33)	**(10)**	(33)
- Forward purchase contracts	21.1.1.2	**(2)**	(27)	**(2)**	(27)
- Forward sales contracts	21.1.1.2	**(2)**	-	**(2)**	-
- Interest rate swap	21.1.1.4	**(6)**	(6)	**(6)**	(6)
Non-current liabilities		**(2)**	-	**(2)**	-
- Interest rate swap	21.1.1.4	**(2)**	-	**(2)**	-

The abovementioned amounts are reclassified in order to ensure disclosure relating to comparative figures.

18. Capital obligations and contingent liabilities

18.1 Contingent liabilities

Investigation into the Grain Silo Industry ("GSI"-matter)

Senwes was notified by the Competition Commission ("CC") on Friday, 12 March 2010 that an investigation has been launched into role-players in the Grain Silo Industry in respect of alleged contraventions of section 4(1) of the Competition Act, in that they allegedly colluded in determining grain silo tariffs. These alleged contraventions carry substantial fines with concomitant reputational risks.

A settlement proposal was made to the CC, which offer is subject to a process of negotiation and the matter is still pending.

Mashike & Ross (Trustees of the Treacle Fund II Trust) ("Treacle") against Senwesbel and Senwes

Treacle, one of the minority shareholders in Senwes and party to the Bafokeng Consortium, served an application upon Senwes and Senwesbel (as second and first respondents) in terms of which it is alleged that the acquisition of Senwes shares by Senwesbel was invalid. Senwes would be required to rectify its share register should the application succeed. Senwes is opposing the application as it is submitted that it is without merit.

The trial took place during May and June 2011 and judgement was reserved.

18.2 Commitments in respect of capital projects

	Group 2011 R'm	Group 2010 R'm	Company 2011 R'm	Company 2010 R'm
Already contracted	**18**	16	**18**	16
Authorised by the Board but not yet contracted	**3**	-	**3**	-
Total future capital projects	**21**	16	**21**	16

18.3 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	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Within one year	**6**	4	**6**	4
More than one year and within five years	**18**	13	**18**	13
More than five years	**3**	3	**3**	3
Operating lease obligation	**27**	20	**27**	20

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

19. Operating profit

19.1 Disclosable items included in operating profit

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Profit from operations is stated after having taken the following into account:				
Operating lease expenses	**(7)**	(5)	**(7)**	(5)
Property	**(5)**	(3)	**(5)**	(3)
Plant and equipment	**(2)**	(2)	**(2)**	(2)
Depreciation	**(37)**	(38)	**(37)**	(38)
Net profit on realisation of property, plant and equipment	**2**	2	**2**	2
Auditors' remuneration – audit services	**(5)**	(5)	**(5)**	(5)
– other services	**(1)**	-	**(1)**	-
Bad debt written-off	**(5)**	(3)	**(5)**	(3)
Bad debt recovered	**-**	2	**-**	2
Reversal of doubtful debt	**2**	-	**2**	-
Reversal/(provision) for grain risk	**-**	1	**-**	1
Reversal of agency grain provision	**-**	1	**-**	1
Profit from pension fund surplus distribution	**1**	1	**1**	1

19.2 Finance costs

	Group		Company	
	2011 R'm	**2010 R'm**	**2011 R'm**	**2010 R'm**
Loans from commercial banks	**(41)**	(51)	**(41)**	(51)
Commodity finance	**(67)**	(23)	**(67)**	(23)
Other	**(5)**	(5)	**(5)**	(5)
Total finance costs paid	**(113)**	(79)	**(113)**	(79)
Interest rate swap	**(2)**	(6)	**(2)**	(6)
Total finance costs	**(115)**	(85)	**(115)**	(85)

19.3 Finance income

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Finance income – loans and other receivables	31	24	31	24
Finance income – trade receivables	99	117	99	117
Total finance income	130	141	130	141

19.4 Employee costs

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Net remuneration	380	360	363	343
Remuneration and benefits	345	326	328	309
Incentive schemes	35	34	35	34
Pension costs – defined contribution plan	25	23	24	22
Total employee costs	405	383	387	365
	Number	Number	Number	Number
Permanent employees	2 014	2 039	1 941	1 953
Temporary employees	187	238	185	234
Employees at the end of the year	2 201	2 277	2 126	2 187

20. Other operating income

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Dividends received	-	2	7	2
Sundry income	4	-	8	-
Total other operating income	4	2	15	2

21. 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.

21.1 Financial risks

21.1.1 Market risks

21.1.1.1 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 2011 amounted to R4,6 million (2010 – R53,2 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 is also included in the statement of financial position.

21.1.1.2 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 via forward purchase and sales contracts.

Forward purchase contracts represent contracts with producers for the procurement of physical commodities in the future. The forward sale contracts represent contracts with clients for the sale of physical commodities in the future.

21.1.1.3 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 R53,2 million (2010 – R9,5 million) were entered into as a hedge against expected payments. The fair value adjustment on foreign exchange contracts is recognised through profit and loss.

Contracts were concluded in order to hedge expected cash flows of R58,7 million (2010 – R10,8 million). The hedged cash flows are expected to occur at various dates during the 12 months following the balance sheet date.

21.1.1.4 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.

	2011		
Interest rate risk	***Total current assets R'm***	***Non-interest earning assets R'm***	***Interest earning assets R'm***
Inventory	**984**	**984**	**-**
Debtors	**1 366**	**57**	**1 309**
Agency grain	**160**	**-**	**160**
Bank	**17**	**-**	**17**
Other	**31**	**31**	**-**
Total	**2 558**	**1 072**	**1 486**
Interest-bearing liabilities			**(1 405)**
Net exposure to interest rate risk (limited to R nil)			**-**

	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 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)			-

Interest costs are naturally hedged 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.

As at 11 November 2009, the Group entered into an interest rate swap agreement with a notional value of R250 million (2010 – R250 million) at a fixed rate of 8,15%. A variable rate equal to the 3 month Jibar rate applies 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 statement of comprehensive income.

Sensitivity of interest rates

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

	2011	
	Increase/(decrease) %	***Increase/(decrease) interest expenses before tax R'm***
Commodity financing	**2%**	**(20,7)**
	1%	**(10,4)**
	(1)%	**10,4**
	(2)%	**20,7**
Short term rate	**2%**	**(4,7)**
	1%	**(2,4)**
	(1)%	**2,4**
	(2)%	**4,7**
Long term rate	**2%**	**(7,0)**
	1%	**(3,5)**
	(1)%	**3,5**
	(2)%	**7,0**

	2010	
Commodity financing	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

21.1.2 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 debtor 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.

	2011 R'm	2010 R'm
Gross exposure	**548**	436
Concentration decreased due to better distribution	**(231)**	(164)
Value at risk of producer debtors (VaR)	**317**	272

The value at risk of R317 million (2010 – R272 million) was calculated before taking into account the balance sheets of clients.

The above values at risk are 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 an extensively spread geographic area, mainly the Free State, Northwest and Northern Cape.

Stratification and arrears

	2011		2010	
Stratification of the client base to the extent of credit extended	% exposure of book	% arrears	% exposure of book	% arrears
R1 - R500 000	**5,84%**	**16,79%**	6,99%	15,01%
R500 000 - R1 250 000	**9,72%**	**3,16%**	10,13%	7,45%
R1 250 000 - R3 000 000	**20,26%**	**1,36%**	23,13%	4,15%
R3 000 000 - R5 000 000	**23,71%**	**1,58%**	19,56%	4,41%
Above R5 000 000	**37,92%**	**2,80%**	35,87%	3,26%
Legal clients	**2,55%**	**61,51%**	4,32%	57,13%
	100,00%	**4,57%**	100,00%	7,27%

A fair distribution of client size and arrears is applicable.

Categorisation

Distribution of debtors by category	2011 *Trade debtors*	2010 *Trade debtors*
Category 1	**28,78%**	29,93%
Category 2	**58,67%**	51,56%
Category 3	**7,06%**	10,76%
Category 4	**0,40%**	0,08%
Other	**2,54%**	3,35%
Legal clients	**2,55%**	4,32%
	100,00%	100,00%

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' 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 and Land Bank as key financiers are regarded as excellent counter-parties, and therefore fall 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.

21.1.3 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 – 2011	Total	Due within 1 month	Due within 1 - 2 months	Due within 2 - 6 months	Due within 6 - 12 months	Due after 1 year
	R'm	*R'm*	*R'm*	*R'm*	*R'm*	*R'm*
Non-current liabilities						
Long term loans	**350**	**-**	**-**	**-**	**-**	**350**
Long term employee benefits	**13**	**-**	**-**	**-**	**-**	**13**
Post-retirement liabilities	**81**	**-**	**-**	**-**	**-**	**81**
	444	**-**	**-**	**-**	**-**	**444**
Current liabilities						
Short term loans	**1 021**	**352**	**-**	**669**	**-**	**-**
Creditors	**307**	**84**	**199**	**5**	**11**	**8**
Other	**104**	**35**	**29**	**17**	**13**	**10**
	1 432	**471**	**228**	**691**	**24**	**18**
Total liabilities	**1 876**	**471**	**228**	**691**	**24**	**462**

Debt – 2010	Total	Due within 1 month	Due within 1 - 2 months	Due within 2 - 6 months	Due within 6 - 12 months	Due after 1 year
	R'm	*R'm*	*R'm*	*R'm*	*R'm*	*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

21.1.4 Capital maintenance guidelines

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

	2011	2010
Capital maintenance	*Own capital ratio (total assets)*	*Own capital ratio (total assets)*
Total assets	**3 106**	2 796
Equity	**1 230**	1 059
Liabilities	**1 876**	1 737
Total equity and liabilities	**3 106**	2 796
Calculated rate (%)	**40%**	38%
Set target band (%)	**35% - 45%**	35% - 45%

The own capital ratio has increase with 2% and the ratio is still within the set target band and considered to be at conservative levels.

	2011	2010
Interest cover	*Interest cover R'm*	*Interest cover R'm*
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**471**	455
Finance costs	**115**	85
Calculated interest cover (times)	**4,1**	5,4
Set target (times)	**>3**	>3

The interest cover exceeds the minimum set target.

21.2 Business risks

21.2.1 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.
- Droughts – Climate change 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.
- 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.
- Improper management of transformation and land reform could have a significant impact on production. Senwes works in conjunction with all government departments concerned 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 metropolis 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.

21.2.2 Legal risks

Non-compliance with contracts

Senwes contracts with both producers and buyers which presents a risk when prevailing conditions create circumstances of inability or the temptation not to comply with contractual obligations. These conditions could arise due to drought or significant price movements. Proper evaluation and accreditation of clients as well as the monitoring of the flow of the harvest play important roles in addressing this risk. Limiting contract volumes per counter party further reduces the risk. Market trends that might lead to non-compliance with contracts are monitored closely and strategies to hedge this risk on the Safex market are used when deemed necessary. These instruments are included with the values indicated in note 17.

Lawsuits

Senwes is involved in certain legal actions as discussed in note 18.1.

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 continued basis and reported to the Risk and Sustainability Committee and the Board.

21.2.3 Strategic risk

Sustainability and reputation risk

The possibility exists that certain events or perceptions could lead to uncertainty among 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 this 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.

21.2.4 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.

21.3 Environmental risks

21.3.1 Weather and climate risks

Refer to paragraph 21.2.1

21.3.2 Political risks

Refer to paragraph 21.2.1

21.4 Fair value

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

21.4.1 Fair value hierarchy

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 that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Notes	30 April 2011 R'm	Level 1 R'm	Level 2 R'm	Level 3 R'm
Assets measured at fair value		**31**	**3**	**28**	**-**
Quoted equity shares	4.1.1	3	3	-	-
Forward purchase contracts	17	23	-	23	-
Foreign currency futures	17	5	-	5	-

	Notes	30 April 2011 R'm	Level 1 R'm	Level 2 R'm	Level 3 R'm
Liabilities measured at fair value		12	-	12	-
Forward purchase contracts	17	2	-	2	-
Forward sales contracts	17	2	-	2	-
Interest rate swap	17	8	-	8	-

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

During the reporting period ending 30 April 2011, 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.

22. Earnings per share and dividends

22.1 Earnings per share

The following calculations are based on a weighted average number of 180 789 308 (2010 – 180 789 308) shares in issue. The earnings were calculated on profit attributable to shareholders.

22.1.1 Earnings per share is based on a profit of R219 million (2010 – R209 million) attributable to ordinary shares.

22.1.2 Earnings per share from continuing operations is based on a profit of R219 million (2010 – R209 million).

22.1.3 Headline earnings per share is based on a profit of R210 million (2010 – R207 million).

22.1.4 Reconciliation between earnings and headline earnings is as follows:

	Group 2011 R'm	2010 R'm
Earnings per statement of comprehensive income	**219**	209
Adjustments:		
Profit from sale of property, plant and equipment	**(1)**	(1)
Provision for actuarial profit on pension fund contributions	**(1)**	(1)
Profit from sale of investments	**(7)**	-
Headline earnings	**210**	207
Earnings per share (cents)	**121,1**	115,6
Headline earnings per share (cents)	**116,2**	114,4

All adjustments are stated on an after tax basis.

22.2 Dividends paid and proposed

	Company 2011 R'm	Company 2010 R'm
Declared and paid during the year:		
Dividends on ordinary shares:		
Final dividend 2010 – 15 cents (2009 – 30 cents)	**27**	54
Interim dividend 2011 – 10 cents (2010 – 25 cents)	**18**	45
Special dividend 2011 – nil cents (2010 – 100 cents)	**-**	181
Total dividends paid	**45**	280
Proposed for approval at the annual general meeting (not recognised as a liability as at 30 April)		
Dividends on ordinary shares:		
Final dividend 2011 – 25 cents (2010 – 15 cents)	**45**	27

23. Related party transactions

23.1 Subsidiaries

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

2011	% interest	Income received from subsidiaries R'm	Amounts owed (to)/ by subsidiaries R'm
Charel de Klerk Street Properties (Pty) Ltd	**100%**	**-**	**(2)**
Senwes Graanmakelaars (Pty) Ltd	**100%**	**-**	**-**
Senwes Ltd – incorporated in Malawi	**100%**	**-**	**17**
Senwes International Holdings (Pty) Ltd	**100%**	**-**	**-**
Univision Broker Services (Pty) Ltd	**100%**	**1**	**(8)**
Univision Financial Services (Pty) Ltd	**100%**	**5**	**1**

2010	% interest	Income received from subsidiaries R'm	Amounts owed to subsidiaries R'm
Charel de Klerk Street Properties (Pty) Ltd	100%	-	(3)
Hartswater Wynkelder (Pty) Ltd	100%	-	-
Senwes Graanmakelaars (Pty) Ltd	100%	-	-
Senwes Ltd – incorporated in Malawi	100%	-	-
Senwes International Holdings (Pty) Ltd	100%	-	-
Univision Broker Services (Pty) Ltd	100%	1	(7)
Univision Financial Services (Pty) Ltd	100%	3	(6)

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.

23.2 Associates

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

	% interest		Payments to related parties	
	2011	2010	2011 R'm	2010 R'm
Grainovation (Pty) Ltd	**50%**	50%	**(183)**	(23)
Grain Silo Industry (Pty) Ltd	**26%**	26%	**(1)**	(1)
Grasland Ondernemings (Pty) Ltd	**50%**	44%	**(2)**	(2)

23.3 Investment in a joint venture

Particulars of related party transactions are as follows:

	% interest		Expenses paid to joint ventures		Amounts owed by joint ventures	
	2011	2010	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Silo Certs (Pty) Ltd	**42,50%**	42,50%	**-**	-	**3**	2

23.4 Significant influence

Senwesbel Ltd, which holds 41,16% and the Bafokeng Consortium and related parties which holds 34,69% of the company's shares, exerted significant influence.

	Management fees received		Interest paid		Loan payable	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Senwesbel Limited	**1**	1	**4**	4	**28**	69

- Dividends paid to Senwesbel Ltd amounted to R18 million (2010 – R110 million).
- Dividends paid to the Bafokeng Consortium amounted to R16 million (2010 – R97 million).

23.5 Trade receivables – 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	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Related parties – trade receivables	**24**	14	**24**	14

23.6 Directors' remuneration (executive & non-executive)

	Company	
	2011 R'm	2010 R'm
Salaries	**4**	10
Short term incentive	**2**	6
Long term incentive	**2**	6
Executive directors	**8**	22
Non-executive directors	**3**	2
Directors' remuneration	**11**	24

The directors' remuneration is not included in the employee costs as stated in note 19.4.

23.7 Other key management personnel

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Salaries	**20**	21	**19**	19
Incentive schemes	**8**	11	**8**	10
Total remuneration to key management personnel	**28**	32	**27**	29
Number of key management personnel at year-end	**17**	22	**16**	19

The remuneration of these employees is included in employee costs as stated in note 19.4.

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

23.8 Cash-settled share-based transaction

Refer to note 13.1.2 for information regarding the cash-settled share-based transactions of directors.

23.9 Information on directors' terms of office

For information regarding the non-executive directors refer to the statutory directors' report (note 6)

Executive directors

Director	*Service contract expiry date*	*Position held*
F Strydom	31 July 2013	Managing Director
CF Kruger	31 Augustus 2013	Financial Director

Interest of the directors in the company:

	Company			
	2011		2010	
	Number of shares	% of total shares	Number of shares	% of total shares
Direct				
Non-executive directors	**533 731**	**0,29%**	633 731	0,40%
Executive directors	**21 570**	**0,01%**	396 657	0,20%
Indirect				
Non-executive directors	**19 340 967**	**10,70%**	17 967 366	9,90%
Executive directors	**397 634**	**0,22%**	481 686	0,30%
Total direct and indirect interest	**20 293 902**	**11,22%**	19 479 440	10,80%

Refer to the Corporate Governance report for information regarding interest held.

24. Reconciliation of profit before tax to cash generated from operations

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Profit before tax	319	332	317	322
Non-cash adjustments to reconcile profit before tax to net cash flows:	228	184	221	187
Depreciation	37	38	37	38
Profit on disposal of property, plant and equipment	(2)	(2)	(2)	(2)
Profit on disposal of subsidiary	(3)	-	(7)	-
Other operating income	(1)	(2)	(7)	(2)
Finance costs	113	79	113	79
Profit from associates	(2)	(2)	-	-
Increase in provisions and non-cash items	86	73	87	74
Cash generated from operations	547	516	538	509

25. Changes in operating capital

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Increase in inventory	(152)	(209)	(157)	(208)
Increase in trade and other receivables	(117)	(110)	(106)	(113)
(Increase)/decrease in agency grain debtors	(63)	64	(63)	64
Decrease in trade and other payables	(159)	(192)	(158)	(192)
Increase in interest-bearing current loans	248	438	248	438
(Decrease)/increase in interest-bearing loans from related parties	(47)	61	(48)	69
Changes in operating capital	(290)	52	(284)	58

26. Tax paid

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Tax payable at the beginning of the period	(7)	(20)	(6)	(20)
Deferred tax receivable at the beginning of the period	39	65	39	66
Amounts debited in the statement of comprehensive income	(100)	(123)	(98)	(121)
Deferred tax receivable at the end of the period	(39)	(39)	(39)	(39)
Tax payable at the end of the period	15	7	15	6
Tax paid	(92)	(110)	(89)	(108)

27. Dividends paid

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Amounts debited against equity	**(45)**	(280)	**(45)**	(280)
Dividends paid	**(45)**	(280)	**(45)**	(280)

28. Acquisition of property, plant and equipment

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Land	**(3)**	-	**-**	-
Buildings and improvements	**(7)**	(14)	**(10)**	(14)
Plant and equipment	**(20)**	(26)	**(19)**	(26)
Vehicles	**(8)**	(8)	**(8)**	(8)
Total acquisition of property, plant and equipment	**(38)**	(48)	**(37)**	(48)
Represented by:	**(38)**	(48)	**(37)**	(48)
Acquisition to increase operating capacity	**(21)**	(32)	**(20)**	(32)
Acquisition to maintain operating capacity	**(17)**	(16)	**(17)**	(16)

29. Proceeds from disposal of property, plant and equipment

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 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

30. Current loans receivable

	Group		Company	
	2011 R'm	2010 R'm	2011 R'm	2010 R'm
Increase in current loans receivable	**(3)**	(1)	**(27)**	(1)

31. Unutilised funding facilities

The Group has unutilised short-term loan facilities of R200 million, which facilities are secured by means of sessions and pledges of production credit debtors as well as silo storage and handling debtors. The Group also has an unutilised finance (SPV) position to the amount of R615 million, which is secured by a first bond over silo assets. 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.

32. Events after the reporting period

The Competition Commission of South Africa vs. Senwes Limited

The Competition Commission ('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 2005. In a judgment on 3 February 2009, the Tribunal ruled that Senwes is not guilty of the two complaints referred for trial by the Commission.

However, during the course of the trial, the Tribunal on its own accord came to the conclusion and found that Senwes was placing the margins of competitors in the grain trading market under pressure, despite the fact that this complaint was not investigated or supported with proper evidence. This contravention was dealt with by the Tribunal in terms of section 8(c) of the Competition Act as a so-called "margin squeeze". The finding did not carry a penalty.

Senwes then appealed against the ruling to the Competition Appeal Court and subsequently to the Appellate Division of the High Court. The latter ruled on 1 June 2011 that the margin squeeze complaint was never investigated or referred by the Competition Commission and that the Tribunal was not competent to make a ruling in respect thereof. In addition the Tribunal did not take to heart Senwes' objections in considering this complaint at the time of the trial and that Senwes was never in a position to defend itself against the complaint in a fair and comprehensive manner.

Thus Senwes was not guilty of the alleged contravention. An award of cost of the appeal was also granted against the Commission.

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 Senwes Limited and all its subsidiaries and associates (Senwes Group) have been prepared in accordance and in compliance with the requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and with those requirements of the South African Companies Act, 1973 (as amended) applicable to companies reporting under IFRS.

1.2 Change in accounting policy and disclosures

The accounting policy adopted in the preparation of the consolidated financial statements is consistent with the policy followed in the preparation of the Group's annual financial statements for the year ended 30 April 2011, except for the adoption of new standards and interpretations as of 1 May 2010, noted below:

- *IFRS 3 Business Combinations (Revised)*
  IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. The changes by IFRS 3 (Revised) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 May 2010.
- *IAS 27 Consolidated and Separate Financial Statements (Amended)*
  IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The changes to IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 May 2010. The amendment did not have any impact on the financial position or performance of the Group.

- *IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (Amended)*
  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. This also covers the designation of inflation as a hedged risk or portion in particular situations. The amendment did not have any impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.
- *IFRIC 17 Distributions of Non-Cash Assets to Owners*
  This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no impact on either, the financial position or performance of the Group.
- *IFRIC 18 Transfers of Assets from Customers*
  The interpretation provides guidance on how and when an entity should recognise an item of property, plant and equipment received from customers or cash for the acquisition or construction of such items. These assets must then be used to connect the customer to a network or to provide ongoing access to a supply of goods or services, or both. The interpretation has no impact on the financial position or performance of the Group.
- *Improvements to IFRS (issued in April 2009)* In April 2009 the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the amendments did not have any impact on the financial position or performance of the Group.
- *IFRS 2 Share-based payments: Group cash-settled share-based payment transactions (Amended)*
  The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for Group cash-settled share-based payment transactions. This amendment is effective for financial years beginning on or after 1 May 2010. It did not have an impact on the financial position or performance of the Group.
- *IAS 32 - Classification of rights issues denominated in a foreign currency (Amended)*
  The amendment to IAS 32 is effective for annual periods beginning on or after 1 May 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment did not have any impact on the financial position or performance of the Group.

1.3 New standards, interpretations and amendments:

Standards already issued but which were not effective upon the issuing of the Group's financial statement, are listed below. The list contains standards and interpretations issued which are expected to be applicable at a future date. The intention of the Group is to adopt the standards when they become effective.

- *IAS 24 – Related party disclosures (Amendment)*
  The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.
- *IFRS 9 Financial Instruments Classification and Measurement*
  IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013.
  In October 2010 the IASB issued additions to IFRS 9 Financial Instruments in relation to financial liabilities that an entity has elected to measure at fair value. The amendments also incorporate in IFRS 9 the current derecognition principles of IAS 39. Those improvements have an effective date of 1 January 2013, with earlier application permitted. In subsequent phases, the IASB will address Impairment methodology and hedge accounting. The completion of this project is expected in early 2011. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets and financial liabilities. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.
- *IFRIC 14 Prepayments of a minimum funding requirement (Amendment)*
  The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the financial statements of the Group.
- *IFRIC 19 Extinguishing financial liabilities with equity instruments*
  IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss. The adoption of this interpretation will have no effect on the financial statements of the Group.
- *Improvements to IFRSs (issued in May 2010)*
  The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011. The amendments are listed below.
  - IFRS 3 Business Combinations
  - IFRS 7 Financial Instruments: Disclosures
  - IAS 1 Presentation of Financial Statements
  - IAS 27 Consolidated and Separate Financial Statements
  - IFRIC 13 Customer Loyalty Programmes

  The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.
- *IFRS 1 Severe Hyperinflation and removal of fixed dates for First-time adopters (Amended)*
  Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards was issued in December 2010. The amendments replace references to a fixed transition date with 'the date of transition to IFRSs' and set out the requirements for how an entity resumes presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are effective from 1 July 2011, with earlier application permitted. The Group does not expect any impact on its financial position or performance.
- *IFRS 7 Financial Instruments: Disclosures (Amended)*
  The amendments improve the disclosure requirements for derecognition of financial assets. Users of financial statements are expected to evaluate the risk exposures relating to transferred financial assets and the effect of the risks on an entity's financial position, particularly those that involve securitisation of financial assets. The Group, however, expects no impact from the adoption of the amendments on its financial position or performance.

- *IAS 12 Deferred Tax: Recovery of underlying assets (Amended -Previously ED 2010/11)*
  The amendment to IAS 12 Income Taxes was issued in December 2010. The amendment provides a practical solution to the problem of determining whether assets measured using the fair value model in IAS 40 Investment Property are recovered through use or through sale. The amendment is effective for annual periods beginning on or after 1 July 2011, with earlier application permitted. The amendment is deemed to have no impact on the financial statements of the Group.
- *IFRS 9 Financial Instruments*
  The new standard introduces new requirements for classifying and measuring financial assets. The new standard forms part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. The Group plans to adopt the standard only once the other parts of the project are available to enable the Group to adopt them simultaneously. The Group is in the process of evaluating the impact on the financial statements.
- *IFRS 10 Consolidated Financial Statements*
  IFRS 10 Consolidated Financial Statements establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation—Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is in the process of evaluating the impact on the financial statements.
- *IFRS 11 Joint Arrangements*
  IFRS 11 Joint Arrangements provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The Group is in the process of evaluating the impact on the financial statements.
- *IFRS 12 Disclosure of Interests in Other Entities*
  IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is in the process of evaluating the impact on the financial statements.
- *IFRS 13 Fair Value Measurement*
  IFRS 13 Fair Value Measurement establish a single source of guidance under IFRS for all fair value measurement that will improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and disclosure requirements for use across IFRSs. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure fair value under IFRS when fair value is required or permitted by IFRS. The Group is in the process of evaluating the impact on the financial statements.

2. Significant accounting policies

2.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of Senwes Limited and its subsidiaries and associates as at 30 April 2011.

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.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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.

Any provisions for investment write-offs on account of 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.

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 change 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.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intra-group balances, transactions and unrealised gains and losses on such transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

2.1.3 Investments in an associate

The Group's investments in its associates are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence. Acquisitions of shares in investments can be 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 statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The statement of comprehensive income 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 statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling 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 statement of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

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 other comprehensive income. Once the investment is sold or disposed of, the cumulative profit of loss previously adjusted to other comprehensive income is included as part of profit or loss in the statement of comprehensive income.

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 rand at spot rates applicable at the reporting date. Profits and losses arising on settlement or recovery of such transactions are recognised in the statement of comprehensive income.

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 comprehensive income. Upon disposal of the entity the disclosure will be reclassified to the statement of comprehensive income.

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 as an individual asset with specific useful life and depreciation.

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

2.4 Inventory

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

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

Cost of inventory items is determined in accordance with the weighted average cost method, unless it is more 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 conclude 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 represents 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 Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

In accordance with this method, the Group has to provide for deferred income tax on the revaluation of certain non-current assets and on the difference between fair values and the tax base of assets 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.

Value added tax

Revenue, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

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 statement of comprehensive income 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 additional exposure in respect of the retirement liability.

2.7.2 Post-retirement medical care liability

Provision for future costs of post-retirement medical care is made against income, based on an annual independent actuarial valuation. Actuarial profits and losses are recognised in the year they originated. At 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

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 the statement of comprehensive income.

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 statement of comprehensive income.

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

2.9 Revenue recognition

Revenue represents the net invoiced value of goods and services and any commission received from activities as a grain handler and provider of insurance and financial services. Interest received as a result of credit extension is also stated as 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. intra-group 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 are recognised in the statement of comprehensive income. 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 greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables and or trade and other receivables financed by a commercial financier in the statement of financial position. Loans and receivables are initially at fair value. The following measurement is at immortalised 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 agreement 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 statement of financial position at cost (which is the fair value on that date) and are thereafter premeasured 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 statement of comprehensive income 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 statement of comprehensive income. 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 statement of comprehensive income and classified as revenue or expenditure during the same period as the hedged fixed commitment or forward transaction has an influence on the statement of comprehensive income.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting with reference to in IAS 39, are immediately recognised in the statement of comprehensive income. 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 statement of comprehensive income. If it is expected that the forward transaction will no longer realise, the reported cumulative profit or loss is immediately transferred to the statement of comprehensive income.

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).

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 21.

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 statement of comprehensive income 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.

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 statement of comprehensive income.

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 statement of financial position.

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 18.)

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 statement of comprehensive income.

2.17 Segment 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 statement of comprehensive income when the liabilities are derecognised as well as through an amortisation process.

3. Significant accounting judgement and estimates

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

3.1 Estimates and assumptions

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

3.2 Share-based payments

The Group measures the cost of cash settled transactions with certain employees by reference to the fair value at the grant date using an economic forecasting model. 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-retirement medical obligations 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 statement of financial position 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 inventory according to the age and net realisable value of inventory.

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:

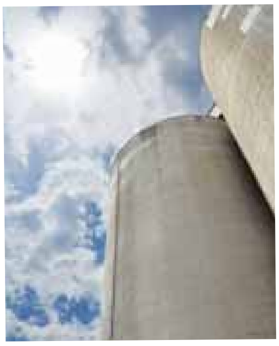
- Default rate on current deliveries extrapolated to the total extrapolated;
- A fixed recovery rate on defaults; and
- Compensating financial instruments.

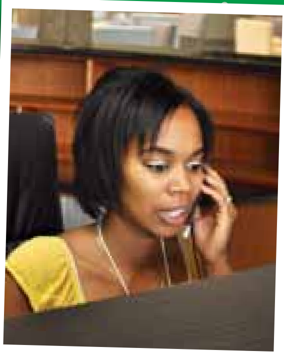
3.9 Impairment of non-financial assets

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 transactions 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 purpose.

Senwes

SECTION 4
SHAREHOLDER MATTERS





Anton Botha and his wife, Lucia, from the farm *Mc Graths Park* at Bultfontein. Anton says that co-operation of agricultural producers in making their infrastructure available, will solve the problems of rural communities. The Bultfontein district agricultural union has completed a number of successful community projects in this manner.

NOTICE OF THE ANNUAL GENERAL MEETING

SENWES LIMITED

(Registration number 1997/005336/06)
("THE COMPANY")

Important record dates for all shareholders:	**2011**
Submission of proxy forms for voting at the annual general meeting (also electronic submission)	**24 August at 11:00**
To qualify for dividend	**26 August at 11:00**
Date of annual genereral meeting	**26 August at 11:00**

A shareholder, who is unable to attend the meeting, may appoint a proxy to represent him/her at the meeting and to vote and speak thereat on his/her behalf.

The proxy form as contained herein must be used for this purpose and must be handed in at the registered office of the company by means of mail, telefax or electronic submission in accordance with the requirements contained in the notice, on or before 24 August 2011 at 11:00.

NOTICE IS HEREBY GIVEN that the fifteenth 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 Friday, 26 August 2011 at 11:00 to dispose of the matters indicated below:

Important definitions:

Shareholders are advised that in this notice, the following means:

"the Act"	The Companies Act 71 of 2008, as amended;
"the Articles"	The Memorandum of Association and Articles of Association of the Company, as amended and adopted on 25 August 2005;
"the Board"	The board of directors of the Company;
'the Company"	Senwes Limited;
"the Shareholders"	The registered shareholders or members of the Company as reflected in the shareholders register from time to time.

A. Presentation of directors report and annual financial statements as supported by the audit commitee report

To present to the meeting –

- The directors report and audited annual financial statements of the Company for the period ended 30 April 2011*, and
- The audit committee's report

as approved by the Board of Directors.

(* a copy of the complete annual report for the preceding financial year is available upon request from the Company Secretary at the registered office of the Company)

B. Ordinary resolutions

(Ordinary resolutions require approval of 50% (fifty percent) of the voting rights exercised on each 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 84).

3. **Ordinary resolution number 3: Appointment of the Audit Committee**
Resolved to appoint the following non-executive directors as members of the company's Audit Committee, which will comprise of the following five non-executive directors, of which three are independent non-executive directors as required by the Act:

*Names**	*Qualifications*
Z (Zarina) Bassa**	B.Acc, CA (SA)
SF (Steve) Booysen**	M Compt (UNISA), Dcom (Accounting) UP, CA (SA)
JBH (James) Botha**	BLC, LLB, Dip (Tax)
AJ (Dries) Kruger	Hons.B.Compt, CA (SA)
JDM (Danie) Minnaar	B.Com

(*in alphabetical order)
(**Independent non-executive directors)

4. **Ordinary Resolution Number 4: General Authority to allot and issue shares**
Resolved that, as a general authority 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 such time that the authority is revoked by means of a further resolution, 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 25 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).

(Note: Dividends will be paid to on 9 September 2011 to shareholders registered as such on the record date of 26 August 2011)

Ordinary resolutions 6 and 7: Election of directors and confirmation of appointments

6. **Election of non-executive directors**
The Board currently comprise of 13 board members. Shareholders are therefore requested 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 appointments of Zarina Basssa and Steve Booysen as additional non-executive directors.

In terms of the Articles, Messrs Johan Alberts, Dries Kruger, Danie Minnaar and WH van Zyl have to retire by rotation. Both Messrs Alberts and van Zyl are not available for re-election and will retire from the board permanently. Messrs Dries Kruger and Danie Minnaar are available for re-election for a further term of office and are, as retiring directors, automatically nominated for the existing vacancies on the board.

Shareholders are also entitled to nominate persons other than the retiring directors in terms of article 30.7 of the Articles. In this regard Mr Jaco Minnaar has thus been nominated by shareholders.

In terms of article 30.7 Shareholders have to elect **3 (three)** directors for the three vacancies on the board.

The nominated candidates *(in alphabetical order)* are as follows:

i) Dries Kruger
ii) Danie Minnaar
iii) Jaco Minnaar

6.1 **Resolution number 6.1**: Resolved that Mr AJ Kruger be re-elected as non-executive director.

Abridged curriculum vitae:

Full names and surname:	Andries Jacobus Kruger (Dries)
Address:	41 President Street, PO Box 206, Kroonstad, 9500
Date of birth and age:	1 June 1951, 60 years
Years of service:	3 Years and 7 months
Qualifications:	Hons. B Compt, GR/CA(SA), Professional Valuer
Experience/previous positions:	Registered Auditor and Accountant, who has been practicing in Kroonstad since 1976. Dries specialises in farming enterprises and estate planning. Dries was a member of the City Council of Kroonstad from 1988 to 2000. During this period he served as Mayor and Chairman of the Executive Committee of the

Senwes

	Kroonstad City Council and Trustee of the Free State Municipal Pension Fund. He was also an executive member of the National Municipal Employers Organisation.
Current directorships and other positions:	Senwes Limited, Senwesbel Limited, trustee of the Reformed Churches of SA Pension Fund. Director of Companies and Trustee of various Trusts.
Board committees:	Member of the Senwes Audit and Remuneration Committees.
Additional information:	Dries farms on a part time basis with his son.
Contact details:	Tel no: (056) 212-3184 Cell no: 083 443 8053 Email: *dries@smitkruger.co.za*

6.2 **Resolution number 6.2:** Resolved that Mr JDM Minnaar be re-elected as non-executive director.

Abridged curriculum vitae:

Full names and surname:	Jan Daniël Marquard Minnaar (Danie)
Address:	Springboklaagte, PO Box 7165, Kroonpark, 9502
Date of birth and age:	30 January 1965, 46 years
Years of service:	11 Years and 5 months
Qualifications:	B Comm.
Experience/previous positions:	As former Chairman of the Free State Agricultural Union Young Farmer Committee, Danie was involved with the introduction and promotion of grain marketing on SAFEX. He is currently a member of GSA and Free State Agriculture. Danie has been part of the agricultural sector for many years and represents white maize producers on the Maize Trust. Danie is currently the Chairman of Senwesbel Limited.
Current directorships and other positions:	Senwes Limited, Senwesbel Limited, and Trustee of the Maize Trust.
Board committees:	Member of the Senwes Audit-, Nomination-, Investment Committees as well as Chairman of the Remuneration Committee.
Additional information:	None
Contact details:	Tel nr: (056) 212-4007 Cell nr: 082 411 9979 Email: *danie@compuking.co.za*

6.3 **Resolution number 6.3:** Resolved that Mr JJ Minnaar be elected as non-executive director.

Abridged curriculum vitae:

Full names and surname:	Jacobus Johannes Minnaar (Jaco)
Address:	Botesrust, PO Box 322, Hennenman, 9445
Date of birth and age:	2 September 1976, 34 years
Years of service:	None
Qualifications:	B.Ing. Agriculture (UP) 1998
Experience/previous positions:	Jaco has been involved with various organised agricultural management structures since 2000. He has been serving on the executive management of Free State Agriculture since 2004 and forms part of the financial steering committee and Executive Committee. For the past three years he has been part of the Grain South Africa management teams and is a member of, inter alia, the Audit Committee and Executive Committee. He is also a member of some of AgriSA's policy committees and the commodity chamber.
Current directorships and other positions:	He is a director of various family entities and has been elected to the Senwesbel board during 2011.
Additional information:	He farms in the Henneman district and was elected as The Free State Young Farmer of the year in 2011.
Contact details:	Tel nr: (057) 573-2211 Cell nr: 083 626 7000 Email: *jaco@compuking.co.za*

7. Confirmation of appointment of additional non-executive directors

7.1 Resolution number 7.1: Resolved that the appointment of SF Booysen as an additional non-executive director be confirmed.

Abridged curriculum vitae:

Full names and surname:	Stefanes Francois Booysen (Steve)
Address:	17 Pencarrow Lane, Cornwall Hill Country Estate, Irene, Pretoria, 2520
Date of birth and age:	17 June 1962, 49 years
Years of service:	6 months
Qualifications:	CA (SA), B Com Accounting, PhD Commerce
Experience/previous positions:	Former Group Chief Executive of the Absa Group Limited and director of several of its entities.
Current directorships and other positions:	Senwes Limited, Director of the Efficient Group Ltd, director of Steinhoff Limited, and Clover Ltd SA. Council member of the University of Pretoria and Chairman of the Aardklop Art Festival. Representative of various personal family interests.
Board committees:	Member of the Senwes Audit Committee and Chairman of the Investment Committee.
Contact details:	Tel nr: (012) 667-6959 Cell nr: 082 453 5517 Email: *stevebooysen@telkomsa.net*

7.2 Resolution number 7.2: Resolved that the appointment of Z Bassa as an additional non-executive director be confirmed.

Abridged curriculum vitae:

Full names and surname:	Zarina Bassa
Address:	52 Louw Geldenhuys Drive, Emmerentia, Johannesburg, 2195
Date of birth and age:	24 May 1964, 47 years
Years of service:	None
Qualifications:	B.Acc, Post Graduate Diploma in Accounting, CA (SA), various leadership and advanced leadership programmes and strategic management in banking.
Experience/previous positions:	Executive Chairman, Zarina Bassa Investments (Pty) Ltd, extensive experience as Executive of Absa Bank Limited and partner of Ernst & Young
Current directorships and other positions:	Director, Vodacom South Africa and Chairman Yebo Yethu Limited, Director and Chairman of the Audit and Risk Committees, Kumba Iron Ore Ltd Director and Member of Audit and Remuneration Committees, Lewis Group Director and Member of Audit and Remuneration Committees, Sun International Limited Director and Member of Audit Committee, Woolworths Financial Services Director and member of the Audit Committee of Oceana Limited Non Executive Director, Financial Services Board, Advisory Board of the University of Stellenbosch Business School, National Business Initiative, FAIS Ombudsman.
Board committees:	None
Additional information:	Zarina is the Executive Chairman of Songhai Capital, a majority black owned and managed Investment Company.
Contact details:	Cell nr: 082 824 6508 Email: *Zarina@zarinabassainvestments.com*

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 resolutions

(Special resolutions require approval of 75% (seventy five percent) of the voting rights exercised on each resolution)

1. Special resolution number. 1: Acquisition of company's shares from directors or prescribed officers

"Resolved that, as required in terms of section 48(8)(a) of the Act, and as a standing authority and until revoked by another subsequent special resolution, the Board is hereby authorised to acquire any of its shares from a director or prescribed officer (as defined in the Act) of the Company, or a person related to a director or prescribed officer as shareholders, 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, and on the same basis from all shareholders (if applicable), provided that such terms shall be and remain subject to the Articles of the Company and provisions of the Act."

Explanation for proposing the special resolution:
Special resolution no. 1 is to provide the authority to the Board, to acquire the company's shares from the directors or prescribed officers of the company in future and in the event that the Company makes such an offer in terms of its existing authorities, section 48(2) of the Act and/or the provisions of the Articles of the Company. Therefore, this proposed special resolution will enable directors and/or prescribed officers to also participate in the said offers according to the terms proposed to all shareholders, on the same terms, albeit always subject to the provisions of the Act as stipulated in sections 46 and 48.

2. Special resolution number 2: Authority to allot and issue shares to directors and prescribed oficers

"Resolved that, as a standing and general authority in terms of section 41 of the Act, and as contemplated in article 3.2 of the Articles, the directors are authorised to issue shares, securities, options or rights attached thereto, to any directors, prescribed officers or person related or inter-related to the Company, or to a director, or prescribed officer of the Company as contemplated in section 41(1) of the Act."

Explanation for proposing the special resolution:
The Company's Articles require that authority be granted by shareholders to the Board to issue shares. In terms of the previous Companies Act, No. 61 of 1973, this was an authority granted at the annual general meeting and valid only until the next annual general meeting. The new Act also now requires that shareholders grant authority by means of special resolution when shares are to be issued to directors and/or prescribed offices and or related parties.

It is, therefore, necessary to request this authority as proposed in ordinary resolution no. 4 above, but also to expand this authority to directors, officers and related parties as stipulated in the new Act.

It is furthermore proposed that only 10% of the unissued shares are placed under the control of the board as any new shares issued will have the effect that existing shareholding will dilute. The authority is, however, required as to enable the Board to be in a position to execute the Company's strategies in terms of growth, to issue shares to possible new business partners and/ or to existing shareholders, to raise further capital, or to issue shares for the purposes of Black Economic Empowerment or staff incentives initiatives.

3. Special resolution number 3: Loans and financial assistance

"Resolved that, as a general approval and in terms of section 45 of the Act, any direct or indirect financial assistance granted or about to be granted by the Company to any related or inter-related company of the Company as authorised by the Board in terms of section 45(2) of the Act is hereby approved, which approval specifically includes that the Board may make such arrangements on behalf of the Company as they think advisable for financing, assisting or subsidising any of the Company subsidiary companies and/or associate companies and/or entities, in which the Company has an interest, and for guaranteeing its contracts, obligations or liabilities, in whatsoever manner, for a period as from date of this resolution being taken until 31 October 2013".

Explanation for proposing the special resolution:
Section 45 of the Act requires that financial assistance for related or inter-related companies may only be provided by the Company if the shareholders, by means of special resolution adopted within the previous two years, have approved such financial assistance. Previously this authority was granted in the Articles, but the Act specifically requires a special resolution which takes precedence over the Articles. In practice, this entails that Senwes may not provide new funding to its subsidiaries or associated companies unless approved by shareholders.

The effect of this resolution will be that the Company be authorised in general, subject to the provisions of the Act, to provide funding to its subsidiaries and related parties, by shareholders rather than by means of the standing authority in the Articles. This authority is granted for a period of two years as from date of the special resolution.

4. Special resolution number. 4: Directors' remuneration to non-executive directors

4.1 Special resolution number 4.1

"Resolved to approve the remuneration of the non-executive directors in terms of Article 28.5 of the Articles, read together with section 66(8) of the Act, as amended, effective as from 1 September 2011, as follows:

Category	Proposed Remuneration** 2011	Retainer per annum	Per meeting attended
	R		
Chairman (per annum)*	**360 000**	180 000	30 000
Vice-chairman (per annum)*	**252 000**	126 000	21 000
Directors (per annum)*	**180 000**	90 000	15 000
Chairman			
Audit Committee			25 000
Chairmen other board committees			18 800
Members of Committees			
Members of Audit committee			15 000
Members of board Committees			12 600
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 R4,49 per km**		
Other travelling and accommodation	**Actual expenses**		
* assuming six meetings per annum			
** Remuneration per annum divided in 50% annual retainer and then per meeting attended			

4.2 Special resolution number 4.2

"Resolved that, should the non- executive directors' remuneration as proposed in special resolution number 4.1 not be approved, these directors shall be entitled receive such remuneration as they are currently being paid in accordance with the ordinary resolution adopted by shareholders at the 2010 annual general meeting, and until such time as the shareholders resolve otherwise."

Explanation for proposing the special resolution:

*Shareholders are requested to consider and approve the proposed remuneration payable to non-executive directors with effect from **1 September 2011** as determined in the special resolution nr. 4.1. The proposed annual remuneration entails an average increase of 7% for the directors on the previous year's annual remuneration, whilst a further adjustment was also proposed and recommended as to align the remuneration of, specifically the board committees with the rest of the market, based on existing and well researched benchmarks.*

In accordance with the provisions of article 28.5 of the Articles, non-executive directors are entitled to such remuneration as the company may determine from time to time in general meeting by means of ordinary resolution. However, section 66(9) of the Act also now requires a special resolution to be adopted by shareholders to approve the remuneration.

In accordance with the recommendations of King III, the annual remuneration per annum is divided into a 50% retainer, whilst the remaining 50% will then be paid per meeting attended. It is also proposed that the members of the Audit Committee be paid more as the other committees as the workload requires more time for preparation and attendance of such meetings.

Shareholders are advised that executive directors, appointed by the Board, in terms of the Articles, are remunerated in accordance with the provisions of their respective service agreements.

Important general notes

- All shareholders are entitled to attend the meeting and to vote thereat. The share register of the Company as at Tuesday, 24 August 2011 will, for the purpose of the meeting, determine who the eligible members are.
- A shareholder, 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 shareholder of the Company.
- **A proxy form is included herewith. Shareholders may also elect to submit proxy forms electronically.**
- Shareholders 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 2011 at 11:00**. Postal address: PO Box 31, Klerksdorp, 2570. Fax numbers (018) 464-2228 or 086 680 3124.

or

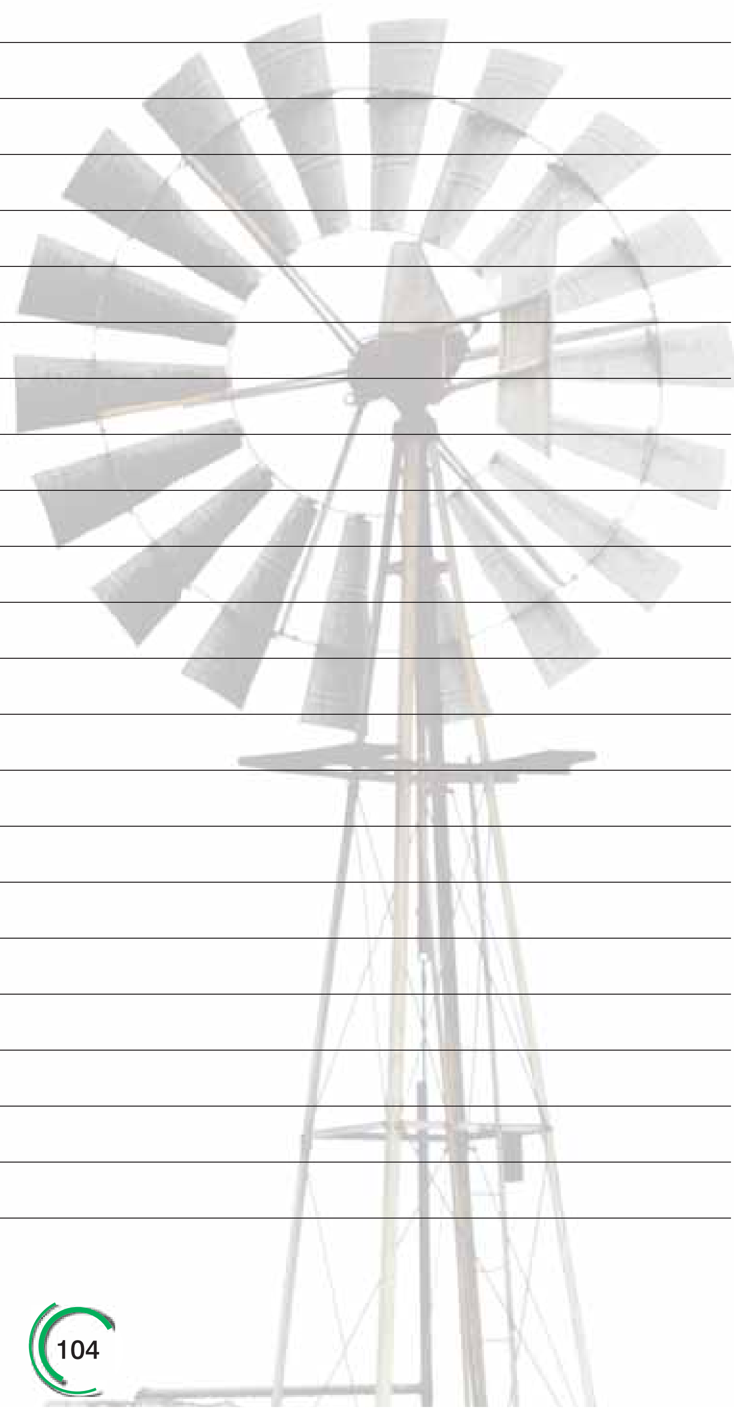
  ii) **May participate electronically by submitting proxies electronically via the Internet.** For this purpose the following website should be accessed: ***www.senwes.co.za.*** The notes regarding the completion of proxies contained at the reverse of the proxy form hereby included, apply mutatis mutandis to electronic proxies.
- Nomination forms for the election of directors will be available and can be obtained from the Company Secretary as from 24 June 2011.

By order of the Board of Directors of the Company.

EM Joynt (Mrs)
COMPANY SECRETARY
Klerksdorp
22 June 2011

Tel no. (018) 464-7104

NOTES



PROXY

SENWES LIMITED

Registration number 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 ____ 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 2011, or any adjournment thereof, to vote as follows on my behalf:

		In favour of	Against	Abstain
1.	Ordinary resolution no. 1 (re-appointment auditors)			
2.	Ordinary resolution no. 2 (auditors' remuneration)			
3.	Ordinary resolution no. 3 (appointment of Audit Committee)			
4.	Ordinary resolution no. 4 (authority to issue shares)			
5	Ordinary resolution no. 5 (confirmation of final dividend)			
6.	Ordinary resolution no. 6 (election of non-executive directors):			
	6.1 Ordinary resolution no. 6.1 (Mr AJ Kruger)			
	6.2 Ordinary resolution no. 6.2 (Mr JDM Minnaar)			
	6.3 Ordinary resolution no. 6.3 (Mr JJ Minnaar)			
7.	Ordinary resolution no. 7.1 (confirmation of appointment: Mr SF Booysen)			
8.	Ordinary resolution no. 7.2 (confirmation of appointment: Ms Z Bassa)			
9.	Special resolution no. 1 (acquisition of shares from directors and officers)			
10.	Special resolution no. 2 (authority to issue shares to directors and officers)			
11.	Special resolution no. 3 (loans and financial assistance)			
12.	Special resolution no. 4.1 (directors' remuneration new year)			
13.	Special resolution no. 4.2 (directors' remuneration)			

(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 ______________________________ 2011.

____

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 2011. Proxy forms can also be faxed to the Company Secretary (018) 464 2228, (018) 464 7228 or 086 680 3124 or submitted via the internet by no later than the above date.**

The new Companies Act 71 of 2008, as amended ("the Act") has introduced a new disclosure requirement for acquisitions and disposals of shares in companies regulated by the Takeover Regulations Panel (previously known as the Securities Regulation Panel or "SRP").

Obligation imposed on party disposing of or acquiring shares in a regulated company

Section 122 of the Act now applies whenever a shareholder acquires or disposes of shareholding:

1. in a regulated company (such as Senwes)

   And

2. in the case of an acquisition, the shareholder's total percentage shareholding in the regulated company increases to any multiple of 5% (i.e. 5%, 10%, 15% etc.) of the issued share capital of the company.

   For example:
   - a shareholder holds 3,5% of the shares in the regulated company and acquires 1,6% shares so that its shareholding increases to 5,1%;
   - a shareholder holds 8,9% of the shares in the regulated company and acquires 4,6% shares to that its shareholding increases to 13,5%;
   - a shareholder holds 13,5% of the shares in the regulated company and acquires 8,6% shares so that its shareholding increases to 22,1%.

   Or

   In the case of a disposal, the shareholder's total percentage shareholding in the regulated company decreases to a multiple of 5% (or under).

   For example:
   - a shareholder holds 5,1% of the shares in a regulated company and disposes of 0,2% shares so that its shareholding decreases to 4,9%;
   - a shareholder holds 28% of the shares in a regulated company and disposes of 3,5 %shares so that its shareholding decreases to 24,5%;
   - a shareholder holds 22% of the shares in a regulated company and disposes of 4,5% shares so that its shareholding decreases to 17,5%.

3. The aforesaid requirements apply to a shareholder irrespective of whether -

   3.1 the shareholder acquires or disposes of any shares directly or indirectly, or whether individually or in concert with any other person/s; or

   3.2 the stipulated percentage of issued shares held by that shareholder alone, or in the aggregate by that person together with any (i) related or inter-related person and (ii) person who has acted in concert with any other person.

In such event, section 122 requires that the shareholder notify the regulated company within 3 business days of the acquisition or disposal using the form attached hereto as **Annexure A.**

Obligation imposed on a regulated company receiving a notice from a shareholder in terms of section 122

1. If the regulated company receives a notice from a shareholder as set out above it must:

   1.1 file a copy of the notice with the Takeover Regulation Panel ("TRP"), using a prescribed form within 3 business days of receipt of the notice; and

   1.2 report the information to its shareholders, in the form of an announcement, unless the transaction relates to a disposal of less than 1% of the issued share capital of the regulated company.

   - In other words:
     - the announcement must be made in respect of ALL acquisitions, irrespective of the size of the acquisition;
     - for disposals, the announcement need not be made if the disposal is less than 1% of the issued share capital of the company.

Practical guidelines for the application of these new legislative requirements:

Practical implications for shareholders when acquiring or disposing of shares in a company

The following questions should therefore be asked when shareholders acquire or dispose of shares in a company

1. **Is the company a regulated company?**

   A regulated company is:
   - a public company (whether unlisted or listed); and
   - a private company in respect of which:
     - there have cumulatively been transfers of shares between shareholders in the previous 24 months which cumulatively exceed 10 % of the total issued shares of the company (excluding transfers between related or inter-related persons); or
     - if the memorandum of incorporation expressly provides that the company will be subject to the regulations of the TRP

2. **If yes, have you acquired or disposed of shares to the extent that your shareholding is in a multiple of, or has crossed any multiple of 5%?**

   - In making this determination, you must include:
     - shares that are being acquired/disposed of directly and indirectly (e.g. where the shares are being acquired or disposed of indirectly through a trust where you are a beneficiary);
     - shares acquired/disposed of individually by you or in concert with any other person;
     - shares in the regulated company that are held individually by you and by a related or inter-related person as defined in the Act;
     - shares in the regulated company that are held individually by you and held by concert parties.

     For example:
     - Shareholder A individually holds 2% of the shares and related Shareholder B holds 2% in a regulated company. Shareholder A acquires a further 1% of the shares in the regulated company, increasing its individual shareholding to 3%. In determining whether specified percentage is achieved:

     Shareholder A's existing shareholding (2%) is aggregated with Shareholder B's shareholding, being a related party (2%) plus the additional shares being acquired by Shareholder A (1%) = 5% resulting in a notifiable transaction

     - Shareholder A individually holds 2% of the shares in a regulated company and acquires an additional 1% of the shares. Shareholder B is a concert party to Shareholder A in terms of the Act and holds 24% of the shares in the regulated company. In determining whether the specified percentage is achieved:

     Shareholder A's existing shareholding (2%) is aggregated with Shareholder B's shareholding, being a concert party (24%) plus the additional shares being acquired (1%) = 27% resulting in a notifiable transaction.

3. **If yes, you must notify the company concerned within 3 business days using the form as per annexure A.**

TAKEOVER REGULATION PANEL
REPUBLIC OF SOUTH AFRICA

FORM TRP 121.1

About this Form

- This form is issued in terms of section 122 of the Companies Act, 2008, and Regulation 121 of the Companies Regulations, 2011.
- This form must be completed and delivered to the company concerned within 3 business days after any transaction that results in the total beneficial interest in a class of securities crossing any multiple of 5% of the issued securities of the class.
- The company to whom this Notice is delivered must file a copy of the notice with the Panel, and deliver a copy of it to all holders of beneficial interests in the class of securities concerned, unless the transaction amounted to less than 1% of the issued securities of the class.

Contacting the Panel

Takeover Regulation Panel

Postal Address
PO Box 91833
Auckland Park
2006
Republic of South Africa
Tel: +27 011 642 1301

www.trpanel.co.za

Disclosure of acquisition or disposal of securities

Date: ______________________________

From:

(Name and Identity or Registration Number of the person making the disclosure)

Name: ______________________________

ID/Registration No: ______________________________

Concerning:

(Name and Registration Number of the regulated company whose securities are the subject of the disclosure)

Name: ______________________________

Registration No: ______________________________

The above person advises that it has

☐ acquired

☐ disposed of

a beneficial interest in securities of the company, such that the total of all beneficial interests of the securities of that class held by the person making the declaration are now ________________% of the total issued securities of the class.

Name and Title of person signing:

____

Authorised Signature:

____

This form is prescribed by the Minister of Trade and Industry in terms of section 223 of the Companies Act, 2008 (Act No. 71 of 2008).

CORPORATE INFORMATION

Senwes Ltd
Reg nr: 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)
WesBank
The Land and Agricultural Development Bank of South Africa

Website: Electronic version at
www.senwes.co.za

Tol free number
080 941 4011

http://www.facebook.com/senwes

http://twitter.com/senwes