

MEDIA RELEASE

THE MAIZE TRUST

FORENSIC AUDIT BY THE TRUST AT GRAIN SOUTH AFRICA

The Maize Trust over time compiled a set of Norms and Procedures that apply to a beneficiary when the Trust financially assists that beneficiary in accordance with the provisions of the Trust Deed. One of the requirements in terms of these Norms is that the Trust could, at its discretion, visit the premises or projects of a beneficiary to ascertain whether the funds of the Trust have been utilised in terms of the funding application that was approved by the Trustees. Such visits are regularly undertaken by the Trust to its beneficiaries in order to protect the interests of the Trust within the fiduciary responsibilities of the Trustees.

The Trustees decided to bring a visit to Grain South Africa on 4 February 2005, as one of the beneficiaries of the Trust, because the Trustees became concerned about certain problems that were encountered with the progress report that was submitted by Grain South Africa in respect of the 2004 funding year. During this visit Grain South Africa stated a saving in respect of a particular project, which fact was not previously disclosed to the Trust. The Trustees therefore, at the meeting of the Trust on 17 March 2005, unanimously resolved to have an external audit done at Grain South Africa with regard to the utilisation of Trust funding by that organisation over a five year period, i.e. from 2000 to 2005.

The audit was performed for the Trust by DeLoitte auditors and the audit report, as presented to the Trust, was accepted. Due to concerns about matters that were raised in the report, the Trust decided to first request the parties involved to respond thereto. These responses were duly submitted to the Trust and the Trustees considered the responses in conjunction with the findings in the audit report. The Trustees have throughout this exercise maintained the principle that all unspent and misdirected funds have to be repaid to the Trust.

The result of the investigation is that the Trust, in respect of the years 2000 to 2004, resolved to request Grain South Africa to repay to the Trust before or on 31 August 2005, an amount of R5 620 023,00 plus interest thereon, at the average rate of earnings by the Trust over the respective periods involved. As far as the 2005 year of funding is concerned, Grain South Africa was requested to repay an amount of R1 501 816,00 at the end of the funding year, i.e. by 1 October 2005. The Trust has also resolved to institute additional measures and corporate governance requirements that will apply to future funding that is granted by the Trust to all beneficiaries.

In reaching the final decisions with regard to this matter, due cognisance was taken of the fact that the composition of the Trustees of the Trust lends itself to an inherent institutional conflict of interest. The Trustees, however, have taken firm resolutions to address this situation with regard to future funding by the Trust. It was also decided to table this matter for discussion at the Trust's next Annual General Meeting.

The Trustees are committed to continue protecting the interests of the Maize Trust. For this reason forensic audits at other beneficiaries of the Trust have and will be commissioned when it is deemed necessary by the Trustees.

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Pretoria

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