

MEDIA RELEASE

THE MAIZE TRUST

FORENSIC AUDIT BY THE TRUST AT GRAIN SOUTH AFRICA

The forensic audit that was done for the Maize Trust at Grain South Africa, by Deloitte auditors, enjoyed extensive media coverage over the past few weeks. The Trustees of the Trust, however, became increasingly concerned as the facts were not always correctly reported, which leads to misinterpretation and confusion about the matter. Accordingly a special meeting of the Trustees was convened on 24 August 2005 to reflect on the situation.

The Trustees decided to reiterate that the Trust has requested Grain South Africa to repay to the Trust all the amounts, which were found by the auditors not to have been spent by Grain South Africa, or that have been spent by that organisation in relation to other commodities than maize, plus interest at the average rate of earnings by the Trust over the period concerned. The total amount involved is approximately R9 million, interest included. Grain South Africa has already responded by accepting all the requests of the Trust for repayment and stated in its letter: "Graan SA bied weereens verskoning aan vir die onakkurate rapportering en administrasie van fondse soos in die verlede plaasgevind. Daar word vertrou dat 'n vertrouensverhouding met die Mielietrust herstel kan word, ten einde 'n verskeidenheid projekte in belang van die breë mieliebedryf te bestuur".

The Chairperson of the Trust, Mr. Andrew Makenete, says on behalf of the Trust that "the Trustees further reflected on the media statements that were made by Mr. Bully Botma, Chairman of Grain South Africa, over the past weeks". He says that, "the Trust wishes to strongly disagree with Mr. Botma in stating that nothing was wrong and that the rules of the Trust have been changed, which is the reason for the majority of the money to be repaid to the Trust". The Deed of the Trust has always stipulated that funds have to be utilised for maize and not for any other commodity.

The auditors found that Maize Trust funds were indeed, either not utilised by Grain South Africa for the projects intended, or used by it for purposes of projects relating to other commodities than maize. The recommendation of the auditors on how to calculate these amounts was accepted by the Trustees and also by Grain South Africa in their letter to the Trust. The statements by Mr. Botma in the press have lead to a further breakdown in the relationship of trust between Mr. Botma, as a Trustee of the Maize Trust, and the other Trustees. Mr. Makenete says that, "the Trustees are of the opinion that Mr. Botma has brought the Trust into disrepute and they have lost faith and trust in him as a Trustee of the Trust".

"The Trustees have consequently decided to dismiss Mr. Botma as a Trustee with immediate effect", says Mr. Makenete, "and nominations for the vacancy on the Trust will now be invited from the Directly Affected Groups in the maize industry, as is required in the Trust Deed".

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