



THE SORGHUM TRUST
(Registration number IT9221/97)
Annual financial statements
for the year ended 28 February 2025

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended 28 February 2025

General Information

Country of incorporation and domicile

South Africa

Trustees

Mr WJ Groothof (Chairperson)
Mr D Beets (Vice-Chairperson)
Dr A van der Vyver
Mrs T Mugonda
Mr RE Pholo

Registered office

Grain Building
477 Witherite Road
The Willows
Pretoria
0040

Auditors

The Ashton CA (SA) Group
Chartered Accountants (SA)
Registered Auditors

Trust registration number

IT9221/97

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Annual Financial Statements for the year ended 28 February 2025

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Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS for Small and Medium Sized Entities, modified for entity specific accounting policies. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS for Small and Medium Sized Entities, modified for entity specific accounting policies and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 28 February 2026 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 5 - 6.

The annual financial statements set out on page 7 - 13, which have been prepared on the going concern basis, were approved by the board on 19 September 2025 and were signed on its behalf by:


Trustee


Trustee

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2025

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of The Sorghum Trust and its associates for the year ended 28 February 2025.

1. Trustees

Trustees

Mr WJ Groothof (Chairperson)

Mr D Beets (Vice-Chairperson)

Dr A van der Vyver

Mrs T Mugonda

Mr RE Pholo

2. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

3. Going concern

The trustees have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the trust and believe that the trust has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly been prepared on the going concern basis.

4. Auditors

The Ashton CA (SA) Group continued in office as auditors for the trust for 2025.

5. Contingencies

The trustees acknowledge the responsibility of the Sorghum Trust towards any shortage of funds by the Sorghum Cluster Initiative NPC. The Sorghum Cluster Initiative NPC was the vehicle used by the Sorghum Trust in terms of the funding agreement entered into by the Sorghum Trust with the Technology Innovation Agency (TIA).

Correspondence received from the Technology Innovation Agency (TIA) during the 2025 financial year, indicated a breach of the funding agreement entered into by the Sorghum Trust, with a possible contingent liability for the Sorghum Trust. The trustees have decided to provide for an amount of R 1 362 424 in this regard, of which R 300 000 has already been paid as at 28 February 2025.

Independent Auditor's Report

To the trustees of The Sorghum Trust

Opinion

We have audited the annual financial statements of The Sorghum Trust set out on pages 7 to 15, which comprise the statement of financial position as at 28 February 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Sorghum Trust as at 28 February 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS for Small and Medium Sized Entities, modified for entity specific accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 11 to the annual financial statements which indicates uncertainties relating to a contingent liability. Our opinion is not modified in respect of this matter.

Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS for Small and Medium Sized Entities, modified for entity specific accounting policies and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent Auditor's Report

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

W Delpoit
The Ashton CA (SA) Group
Willie Delpoit
Director
Chartered Accountants (SA)
Registered Auditor

28 November 2025

The Sorghum Trust

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Annual Financial Statements for the year ended 28 February 2025

Statement of Financial Position as at 28 February 2025

Figures in Rand	Note(s)	2025	2024
Assets			
Non-Current Assets			
Investments	2	24 430 140	25 030 832
Current Assets			
Trade and other receivables		5 982	191 913
Cash and cash equivalents	3	2 445 581	5 491 744
		2 451 563	5 683 657
Total Assets		26 881 703	30 714 489
Equity and Liabilities			
Equity			
Accumulated surplus		22 863 495	23 368 990
Liabilities			
Current Liabilities			
Trade and other payables	4	2 152 730	5 289 379
Provisions	7	1 865 478	2 056 120
		4 018 208	7 345 499
Total Equity and Liabilities		26 881 703	30 714 489

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Annual Financial Statements for the year ended 28 February 2025

Statement of Comprehensive Income

Figures in Rand	Note(s)	2025	2024
Investment income	9	2 521 816	2 133 186
Operating expenses		(1 978 575)	(750 944)
Operating surplus before interest, dividends, allocations to beneficiaries and asset management fees		543 241	1 382 242
Interest and dividend revenue		1 147 560	828 526
Allocations to beneficiaries	6	(1 984 186)	(1 768 434)
Asset management fees		(212 110)	(208 625)
(Deficit) surplus for the year		(505 495)	233 709
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(505 495)	233 709

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Annual Financial Statements for the year ended 28 February 2025

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at 01 March 2023	23 135 281	23 135 281
Surplus for the year	233 709	233 709
Other comprehensive income	-	-
Total comprehensive income for the year	233 709	233 709
Balance at 01 March 2024	23 368 990	23 368 990
Deficit for the year	(505 495)	(505 495)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(505 495)	(505 495)
Balance at 28 February 2025	22 863 495	22 863 495

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Cash (used in) generated from operations	10	(4 929 293)	4 346 927
Interest income		57 958	16 903
Net cash from operating activities		(4 871 335)	4 363 830
Cash flows from investing activities			
Investment withdrawals		4 000 000	2 150 000
Net cash from investing activities		4 000 000	2 150 000
Cash flows from financing activities			
Payments to beneficiaries		(2 174 828)	(1 540 726)
Total cash movement for the year		(3 046 163)	4 973 104
Cash at the beginning of the year		5 491 744	518 640
Total cash at end of the year	3	2 445 581	5 491 744

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Annual Financial Statements for the year ended 28 February 2025

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with IFRS for Small and Medium Sized Entities, modified for entity specific accounting policies. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

1.2 Provisions and contingencies

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event; it is probable that the trust will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

1.3 Revenue

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Gains on disposal of investments are calculated on a historical cost basis.

Fair Value adjustments are calculated after taking into account gains on disposal of investments, as per the basis described above.

Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

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Annual Financial Statements for the year ended 28 February 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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2. Investments

Investments managed by Nedbank Private Wealth

Listed Securities	23 574 908	24 208 533
Fixed Capital Funds	855 232	822 299
	24 430 140	25 030 832

Book value of listed securities on 28 February 2025 - R16 333 568 (2024 - R16 735 547)

Non-current assets

At fair value	24 430 140	25 030 832
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3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	7 592	83 965
Short-term deposits	1 347 683	143 439
* Sorghum Cluster Initiative NPC - 48 Hour Cash accelerator	891 424	4 522 317
* Sorghum Cluster Initiative NPC - Enterprise Business Account	198 882	742 023
	2 445 581	5 491 744

* Cash and cash equivalents held by The Sorghum Trust on behalf of Sorghum Cluster Initiative NPC and are only available for Sorghum Cluster Initiative NPC operations.

The total amount of undrawn facilities available for future operating activities and commitments	24 430 140	25 030 832
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4. Trade and other payables

Trade payables	-	25 039
* Accrued Contribution Costs - Sorghum Cluster Initiative NPC	1 062 424	-
** Sorghum Cluster Initiative NPC	1 090 306	5 264 340
	2 152 730	5 289 379

* The accrued expense payable includes a portion of the establishment costs incurred by the Sorghum Cluster Initiative NPC, as well as the interest earned by the Sorghum Cluster Initiative NPC since establishment. As at 28 February 2025, an amount of R 300 000 was already paid by the Sorghum Trust to the Sorghum Cluster Initiative NPC in this regard.

** The Sorghum Cluster Initiative NPC amount payable relates to the cash and cash equivalents held by The Sorghum Trust on behalf of Sorghum Cluster Initiative NPC.

5. Taxation

No provision has been made for taxation as the Trust is exempt from income tax.

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
6. Allocations approved during the year		
Agricultural Research Council	(55 779)	-
Grain SA	(23 680)	55 347
SA Grain Laboratory	1 190 663	651 171
National Agricultural Marketing Council	-	16 728
SA Grain Information Services	826 079	904 991
University of Free State	22 903	140 197
PGP - Emerging Farmer assistance	24 000	-
	1 984 186	1 768 434

The payment of the allocations as approved by the Board of Trustees during the period are subject to certain terms and conditions as set out in the Trust Deed and the Norms and Procedures Document of the Trust.

Reconciliation of approved payments and amounts outstanding is as follows:

Nett allocations approved during the period (as above)	1 984 186	1 768 434
Add: Unpaid allocations carried over from previous period	2 056 120	1 828 412
Less: Allocations paid during the year (as per note 8)	(2 174 828)	(1 540 726)
	1 865 478	2 056 120

7. Provisions

The following allocations were approved by the trustees but have not been paid at the end of the period and is made up as follows:

Agricultural Research Council	112 558	168 337
Grain SA	34 500	90 004
PGP	24 000	-
SA Grain Laboratory	743 712	474 069
SA Grain Information Services	590 811	905 171
University of Free State	11 446	70 089
SA Grain Farmers Association	348 450	348 450
	1 865 478	2 056 120

8. Actual payments to beneficiaries

Grain SA	31 825	62 697
National Agricultural Marketing Council	-	16 728
SA Grain Laboratory	921 019	626 250
SA Grain Information Services	1 140 439	699 440
University of Free State	81 545	135 611
	2 174 828	1 540 726

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Notes to the Annual Financial Statements

Figures in Rand	2025	2024
9. Investment Income		
Gains on disposal of investments	3 203 273	350 530
Fair Value adjustments	(681 457)	1 778 293
	2 521 816	2 128 823

Gains on disposal of investments are calculated on a historical cost basis.

Fair Value adjustments are calculated after taking into account gains on disposal of investments, as per the basis described above.

10. Cash (used in) generated from operations

Surplus/(Deficit) for the period	(505 495)	233 709
Adjustments for:		
Allocations to beneficiaries	1 984 186	1 768 434
Dividends received	(608 880)	(802 290)
Interest received	(538 680)	(26 236)
Fair value adjustments	681 457	(1 778 293)
(Gains)/Losses on disposal of assets	(3 203 273)	(350 530)
Asset management fees	212 110	208 625
Changes in working capital:		
Trade and other receivables	185 931	(191 917)
Trade and other payables	(3 136 649)	5 285 425
	(4 929 293)	4 346 927

11. Contingencies

The trustees acknowledge the responsibility of the Sorghum Trust towards any shortage of funds by the Sorghum Cluster Initiative NPC. The Sorghum Cluster Initiative NPC was the vehicle used by the Sorghum Trust in terms of the funding agreement entered into by the Sorghum Trust with the Technology Innovation Agency (TIA).

Correspondence received from the Technology Innovation Agency (TIA) during the 2025 financial year, indicated a breach of the funding agreement entered into by the Sorghum Trust, with a possible contingent liability for the Sorghum Trust. The trustees have decided to provide for an amount of R 1 362 424 in this regard, of which R 300 000 has already been paid as at 28 February 2025.

12. Related parties

Relationships

Sorghum Cluster Initiative NPC

Shares key management with significant influence

Related party balances and transactions with entities over which the trust has control, joint control or significant influence

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Sorghum Cluster Initiative NPC	(1 090 306)	(5 264 340)
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13. Comparative figures

Certain comparative figures in the Statement of Comprehensive Income have been reclassified, with no effect on the surplus for the period.

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Annual Financial Statements for the year ended 28 February 2025

Notes to the Annual Financial Statements

Figures in Rand	2025	2024
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14. Funding recovered from beneficiaries

Grain SA	-	4 363
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15. Trustees fees

Trustees - 2025

	Net fees	Net travel	PAYE	Total
André van der Vyver	15 922	836	2 494	19 252
Willem Groothof	13 505	4 124	4 108	21 737
Ramoso Pholo	27 224	22 715	12 599	62 538
Thato Moagi-Mugonda	10 031	18 681	4 998	33 710
	66 682	46 356	24 199	137 237

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Annual Financial Statements for the year ended 28 February 2025

Detailed Income Statement

Figures in Rand	Note(s)	2025	2024
Income			
Funding recovered from beneficiaries	14	-	4 363
Investment income	9	2 521 816	2 128 823
Dividends received		608 880	802 290
Interest received		538 680	26 236
		3 669 376	2 961 712
Operating expenses			
Administration fees		(266 794)	(264 790)
Auditors remuneration		(34 155)	(31 625)
Bank charges		(2 015)	(1 827)
Conference expenses		-	(189 762)
Meeting costs		(16 276)	(25 859)
Printing and stationery		-	(150)
Professional fees		(118 998)	(77 018)
Sorghum Cluster Initiative NPC contribution	4	(1 362 424)	-
Sorghum forum costs		(28 566)	(27 584)
Trustees fees	15	(137 237)	(126 596)
Website, marketing & gratuity		(12 110)	(5 733)
		(1 978 575)	(750 944)
Operating surplus before allocations to beneficiaries and asset management fees		1 690 801	2 210 768
Allocations to beneficiaries	6	(1 984 186)	(1 768 434)
Asset management fees		(212 110)	(208 625)
		(2 196 296)	(1 977 059)
(Deficit) surplus for the year		(505 495)	233 709