

OVK Jaarverslag / Annual Report

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— VISIE —

OVK is 'n welvaartskeppende landboubesigheid.

— MISSIE —

OVK is 'n suksesvolle landboubesigheid wat welvaartskepping en volhoubaarheid nastreef deur:

Die verskaffing van kompeterende insette
aan die landbouprodusent

•

Aankope, bemarking en verwerking van
landbouverwante produkte

•

Die verskaffing van verwante produkte en dienste
aan die breër publiek

— KERNDOEEL —

OVK se bestaansrede is om welvaart en volhoubaarheid
te verseker aan landbouprodusente, aandeelhouders
en alle belangegroepe.

— VISION —

OVK is a prosperity creating agricultural business.

— MISSION —

**OVK is an agricultural business that strives to
create prosperity and sustainability through:**

Supply of competitive inputs to agricultural producers

•

Acquisition, marketing and processing
of agricultural products

•

Supply of products and services to the
broader public

— CORE PURPOSE —

OVK exists to ensure prosperity and sustainability
for agricultural producers, shareholders and all
stakeholders.

Direkteure van OVK

Directors of OVK



VOORSITTER /
CHAIRMAN:

■ **Gilly Scheepers**

Lid van die Dagbestuur /
Member of Management
Committee

Lid van Raad van Trustees - OVK
Aftreefonds / Member of Board of
Trustees - OVK Retirement Fund

Lid van Vergoedingskomitee
/ Member of Remuneration
Committee

Wyk / Ward 1

*Fouriesburg, Frankfort,
Paul Roux & Steynsrus*



ONDERVOORSITTER /
VICE CHAIRMAN:

■ **Joël le Roux**

Lid van die Dagbestuur /
Member of Management
Committee

Lid van Raad van Trustees - OVK
Aftreefonds / Member of Board of
Trustees - OVK Retirement Fund

Lid van Vergoedingskomitee
/ Member of Remuneration
Committee

Wyk / Ward 13

*Douglas, Hopetown-Noord,
Jacobsdal, Rietrivier*



■ **Jacques Moll**

Wyk / Ward 2

*Arlington, Ficksburg, Rosendal,
Senekal & Ventersburg*



■ **Chris Bender**

Lid van die Dagbestuur / Member
of Management Committee

Lid van Vergoedingskomitee
/ Member of Remuneration
Committee

Lid van Oudit & Risiko Komitee
/ Member of Audit & Risk
Committee (Voorsitter / Chairman)

Lid van Sosiale & Etiese Komitee
/ Member of Social & Ethics
Committee

Wyk / Ward 3

Clocolan & Marquard



Direkteure van OVK

Directors of OVK



■ Frans Nel

Wyk / Ward 4 - Bloemfontein, Excelsior, Tweespruit, Thaba Nchu, Verkeerdelei, Westminster & Winburg



■ Quentin de Bruyn

Wyk / Ward 5 - Hobhouse, Ladybrand, Marseilles & Modderpoort



■ Manie Botha

Wyk / Ward 6 - Bethulie, Boesmanskop, Dewetsdorp, Edenburg, Fauresmith, Reddersburg, Rouxville, Smithfield, Trompsburg, Van Stadensrus, Wepener & Zastron



■ Mike Dobrowsky

Lid van Oudit & Risiko Komitee
/ Member of Audit & Risk Committee

Lid van Sosiale & Etiese Komitee
/ Member of Social & Ethics Committee

Wyk / Ward 7 - Aliwal Noord, Barkly-Oos, Burgersdorp, Dor-drecht, Elliot, Indwe, Jamestown, Lady Grey, Maclear, Molteno, Queenstown, Rhodes, Ugie



Direkteure van OVK

Directors of OVK



■ **Pieter Erasmus**

Lid van die Dagbestuur / Member of Management Committee
Lid van die Vergoedingskomitee / Member of Remuneration Committee
Lid van Raad van Trustees – OVK Aftreefonds / Member of Board of Trustees – OVK Retirement Fund

Wyk / Ward 8 - Colesberg, Cradock, Graaff-Reinet, Hofmeyer, Middelburg, Mortimer, Noupoot, Steynsburg, Venterstad & Willowmore



■ **Franz Terblanche**

Lid van Oudit & Risiko Komitee / Member of Audit & Risk Committee
Lid van Sosiale & Etiese Komitee / Member of Social & Ethics Committee (Voorsitter / Chairman)

Wyk / Ward 11 - Britstown, Hopetown- Suid, Prieska, Strydenburg



■ **Jacques du Plessis**

Lid van Oudit & Risiko Komitee / Member of Audit & Risk Committee (Ondervoorsitter / Vice Chairman)
Lid van Sosiale & Etiese Komitee / Member of Social & Ethics Committee

Wyk / Ward 12 - Koffiefontein, Luckhoff, Orania, Petrusville & Vanderkloof





STÉFAN OBERHOLZER

Besturende Directeur

*Besturende Directeur
Managing Director*

Hoofbestuur / General Managers



CONRAD CRONJE

*Hoofbestuurder: Finansies
General Manager: Finance*



DIRK DU PLESSIS

*Hoofbestuurder: Interne Regsdienste
en Maatskappy Sekretaris
General Manager: Legal Services
and Company Secretary*



FRANS DU PLESSIS

*Hoofbestuurder: Handel
en Meganisasie
General Manager: Trade
and Mechanisation*



NUNO GOMES

*Hoofbestuurder: CMW
General Manager: CMW*



MALCOLM JAFTA

*Hoofbestuurder: Korporatiewe Dienste
General Manager: Corporate Services*



RUDOLPH VAN WYK

*Hoofbestuurder: Graan
General Manager: Grain*

VERLAAG JOU KOSTE VAN EIENAARSKAP

- ▶ Nuutste enjintegnologie – doeltreffende kraglewering, 16% laer brandstofverbruik
- ▶ Beste transmissiekeuse vir presisiewerk in strawwer toepassings
- ▶ Gereed vir integrering met enige presisieboerderyproduk
- ▶ 7 modelle van 96 tot 177 kW
- ▶ Ook met Row Crop-bande: MF 7615 van 103 kW (enkelwiele); MF 7624 van 162 kW (dubbelwiele); MF 7626 van 177 kW (dubbelwiele)

KONTAK JOU MF HANDELAAR NOU!
Of skakel 011 898 0474 vir jou naaste handelaar



MF 7600-REEKS NOU OOK BESKIKBAAR MET ROW CROP-OPSIES

VAN MASSEY FERGUSON

► *Voorsittersverslag / Chairman's Report*

As landbouers, saam met ons landboumaatskappy, het ons 'n baie uitdagende 2015/2016 beleef, volgens statistieke die droogste in 104 jaar. Die diversifikasie van OVK en die geografiese ligging van ons besigheid het nogtans daartoe gelei dat OVK vanjaar die hoogste omset sowel as die hoogste wins in sy geskiedenis behaal het. Alle eer aan ons Hemelse Vader daarvoor.

During the year in review a few critical issues emerged which had to be addressed. We regret to report a loss of R9.4 million in the Mechanisation division, as well as losses in the Industries (wheat mill) and the Livestock division in the Northern district. As a result of the above mentioned losses, restructuring was unavoidable and in the best interest of our company.

Soos aangedui in die finansiële resultate hierin vervat, het baie afdelings in OVK uiters goed presteer. Ek wil graag spesiaal melding maak van die Handelsafdeling en al ons gewaardeerde klante asook die personeel van Handel bedank. Wat die prestasie van Handel nog meer merkwaardig maak, is dat hierdie afdeling se wins behaal is nadat ongeveer R30 miljoen se handelskorting toegestaan is aan klante.

Another success story is the CMW division. The exchange rate favoured the mohair and wool industry and we are thankful that our farmers also benefit from the highest prices in history. Management must be congratulated with the turnaround of this division - from a loss of R25 million a couple of years ago to a profit of R43 million for this financial year.

OVK se bestuurspan is 'n span van jong, energieke, dinamiese, gedissiplineerde en hardwerkende mense met hoë waardes en integriteit. Ons is met reg trots op die spesiale span, wat ook in hul syfers sigbaar is. Namens die aandeelhouders ons dank aan al die lojale OVK amptenare, vanaf die stoor regdeur tot by die hoofkantoor.

To the Board of Directors, thank you for the way in which we collaborated this year, for your commitment and all the efforts you've put in to serve OVK and its shareholders. As the Board, we are proud of the results.

Die jaar in oorsig was 'n jaar wat met politiek belaaï was: grondplafonne, die onteieningswet, korrupsie, nuwe grondeise, kabinetskommeling en die krediet afgradering wat steeds soos 'n wolk oor Suid-Afrika hang. Die verswakking van die Rand en die ekonomie het wel sekere van ons produkte soos vesel, graan en vrugte positief beïnvloed en het daartoe gelei dat wol, sybokhaar, mielies, koring, ensovoorts rekordpryse behaal het. Aan die ander kant het die pryse van heelgoedere, voertuie, onderdele, toerusting en ander insette net soos rentekoerse die hoogte ingeskiet wat volhoubare landbou onder geweldige druk plaas. Die huidige hoë graanpryse plaas alle vee-bedrywe onder stremming en veroorsaak dat intensiewe veebedrywe se winsgewendheid onder geweldige druk verkeer wat op die langtermyn nie volhoubaar kan wees nie.

As **OVK**aners moet ons ons nie van stryk laat bring deur negatiewe politieke uitsprake, ekonomiese onstabiliteit en natuurrampe wat buite ons beheer is nie. Ons moet fokus op dit wat ons wel beheer oor het en dit nog beter doen, want ons weet uit ondervinding hoe vinnig landboustoestande kan verander en verbeter. Ons as aandeelhouders moet in hierdie dae karakter wys, vasbyt en sterk staan.

Sterkte vir die volgende seisoen en ons gebed is dat die Vader ons sal sien met krag, wysheid en 'n goeie, voorspoedige volgende seisoen.

HGN Scheepers
Voorsitter / Chairman



► *Verslag van die Besturende Direkteur*

Hoe lewer 'n mens verslag oor 'n rekordwins in seker die moeilikste jaar in die geskiedenis van Landbou in Suid-Afrika?

Ek kan nie anders as om te begin deur alle eer en lof aan ons Hemelse Vader te gee nie. Oor 'n periode van 97 jaar het ons Hemelse Vader die visie vir ons en ons voorgangers gegee om hierdie besigheid te vorm tot dit wat OVK vandag is.

OVK se diversifikasie maak dit een van die mees stabiele landboubesighede in Suid-Afrika. Geografies is ons handels-tak-netwerk versprei oor 'n groot gebied van ongeveer 900km van Noord na Suid en 600km van Wes na Oos, tesame met ons CMW verteenwoordiging oor bykans die hele Suid-Afrika. Die geografiese verspreiding asook die diversifikasie binne ons besigheid bring mee dat daar altyd sekere gebiede en afdelings is waar daar steeds goed presteer word al ervaar ander gebiede ongunstige toestande soos die afgelope jaar se erge droogtes.

Die besigheid se winsgewendheid en gunstige eie kapitaal posisie stel OVK in staat om deurlopend sy lede wat finansiële teëspoed ervaar, by te staan. Verskeie meganismes (konsolidasie, oorbrugging, ensovoorts) is jare lank reeds in plek, dus kon die effek van die afgelope droogte en ook ander gevalle hierdeur aangespreek word om ons lede in staat te stel om volgende jaar steeds te produseer.

OVK het vandag meer as 10 000 boere-aandeelhouders oor die hele Suid-Afrika. Dit is vir my aangenaam om te kan rapporteer dat OVK die afgelope 2 jaar meer as R320 miljoen se waarde vir aandeelhouders toegevoeg het deur middel van die lojaliteitskema, dividende en groei in OVK se aandeelpryse. OVK is 'n besondere besigheid deurdat sy kliënte ook sy aandeelhouders is en as bestuur streef ons daarna om daardie verhouding te koester tot voordeel van ons kliënte en die besigheid. Baie dankie vir u lojale ondersteuning. U is vir ons baie belangrik en sonder u sal ons nie 'n besigheid hê nie.

Dankie aan die Direksie vir die leiding en ondersteuning. OVK is die resultaat van u en u voorgangers se insig en visie. Baie dankie aan my ongelooflike Hoofbestuurspan. Julle is puik. Baie dankie aan OVK se bestuurskomiteelede en elke personeelid vir julle lojaliteit en harde werk. Julle maak my werk maklik, want julle maak OVK 'n reuse suksesverhaal. Dankie daarvoor en kom ons neem OVK na nog groter hoogtes, want daar is steeds heelwat geleenthede wat ons kan benut. Dankie aan ons verskaffers, bankiers en elke ander

► *Report of the Managing Director*

How does one begin to report on a record profit in surely the most difficult year in the history of Agriculture in South Africa?

I cannot but begin by giving thanks to our Heavenly Father. Over a period of 97 years the Lord has given us and our predecessors the vision to turn OVK into the business that it is today.

The diversification of OVK makes it one of the most stable agricultural businesses in South Africa. Geographically our trade branch network is distributed across an area of some 900km from North to South and some 600km from West to East, together with our CMW representation across virtually all of South Africa. Our geographic distribution, coupled to the diversification of business within OVK, ensures that there are always certain areas and divisions which prosper despite unfavourable circumstances in other areas – such as the severe drought conditions of the past year.

Its profitability and favourable own capital position enables OVK to support its members who experience financial hardship. To this avail various mechanisms (consolidation, bridging, etc) have been in place for many years to address the effects of drought and other adverse conditions, enabling our members to continue with production.

OVK today boasts a membership of more than 10 000 farmer-shareholders across South Africa. It gives me great pleasure to report that OVK has added value for shareholders over the past two years of more than R320million by way of our loyalty scheme, dividends and growth in OVK share prices. What makes OVK unique as a business is that its clients are also its shareholders. As management we cherish that relationship and will endeavour to nurture it to the benefit of both our business and our clients. We are much obliged to you for your support – you are important to us and without you we have no business.

A huge thank you to our Board of Directors for their support and guidance. OVK is the culmination of the insight and vision of you and your predecessors. Thank you also to my Executive committee – you are outstanding. Thank you to the OVK management team and each staff member for your loyalty and dedication. You make my task an easy one, because you make OVK a success story. Thank you for that and let's set our sights even higher – there are plenty more opportunities out there. Thank you to our suppliers, bankers

persoon wat betrokke is by OVK. Sonder u deelname sou ons nie die sukses kon behaal nie.

Daar was afdelings binne ons besigheid wat nie presteer het nie en ek wil u die versekering gee dat dit ons ernstige aandag geniet. Aksies sluit in die herstrukturering van Meganisasie wat amper afgehandel is, die herstrukturering van Lewendehawe-Noord waar meer bestuursbeheer geïmplementeer word, die eiendomsafdeling wat nuwe fokus kry, ensovoorts.

Ek wil afsluit deur u as aandeelhouders nogmaals te bedank vir die besigheid met ons gedoen. U stel die voorbeeld van: "Saam bereik ons meer", want dit is u besigheid. Praat asseblief met ons daar waar ons nog meer besigheid met u kan doen. Ons wil OVK nog 'n groter deel van u besigheid maak, want OVK is u besigheid.

Alle sterkte en voorspoed aan u, een en almal, vir die uitdaginge van die dag. Ek glo en vertrou dat Landbou die regte sektor is om in te wees, ongeag sy uitdaginge. Kom ons wees positief en weet ons het 'n Hemelse Vader wat na ons omsien.

Stéfan Oberholzer
Trotse OVKaner

and every other person who are involved with OVK. Without your contribution we could not achieve success.

There have been divisions within our business which have not thrived. I want to assure that we are scrutinising these. Actions to remedy these include the restructuring of Mechanisation which has nearly been completed, the restructuring of Livestock-North where strict management control will be implemented, a new focus for the Property division, etc.

Let me conclude by thanking you as our shareholders once again for the business you've done with us. You set the example of: "Together we achieve more", as it is your business. Please do not hesitate to approach us for further business – we want to make OVK a greater part of your business, because OVK is your business.

We wish you all the best for the challenges of the day. I believe that Agriculture is the right sector to be in, despite all its challenges. Let's remain positive in the knowledge that the Lord will provide for us.

Stéfan Oberholzer
Proudly OVK





***Saam bereik ons meer
Together we achieve more***

DIENSTE / SERVICES:

Volledige bemarkingsdiens aan produsente /
Complete marketing services to producers

Gradering en berging van graan / Grading and marketing of grain

Droging en sif van graan / Drying and sifting of grain

Versakking van graan / Bagging of grain

Graanbemarking met verskeie opsies / Grain marketing with several options

Bemarkingskantore in Bloemfontein, Cradock, Hopetown en Ladybrand /
Marketing offices in Bloemfontein Cradock, Hopetown and Ladybrand

15 Silo's

OVK • Tel 051 923 4500, web: www.ovk.co.za, e-pos / e-mail: ovk@ovk.co.za

CMW • Tel 041 406 7500, Faks / Fax 041 486 1325, e-pos / e-mail: info@cmw.co.za

GRAAN • GRAIN



► *Korporatiewe Bestuursverslag*

■ INLEIDING

Die raad van direkteure hanteer die sake van die OVK groep met integriteit. Die direksie is verbind tot goeie korporatiewe bestuurpraktyke deur die hele groep.

Die aanbevelings van King III word verwelkom en word sover moontlik toegepas. Etiese optrede en integriteit is ononderhandelbaar en effektiewe leierskap met 'n strategie vir volhoubaarheid word nagestreef.

Bestuur doen hulle take met verantwoordelikheid en deursigtigheid, sosiale verantwoordelikheid en onpartydigheid, tot voordeel van alle belanghebbendes in die maatskappy.

■ DIE RAAD VAN DIREKTEURE

Die raad bestaan uit 11 nie-uitvoerende direkteure wat op 'n wyksbasis verkies word en sodanige hoeveelheid uitvoerende direkteure as wat die raad op besluit. Die direksie vergader ten minste 10 keer per jaar. Die agenda van die raad fokus op finansiële resultate, kapitale besteding, bestuur van menslike hulpbronne en korporatiewe bestuur asook groei geleenthede en die bepaling van strategieë. Die komitees van die raad bestaan uit die oudit- & risiko komitee, die dagbestuur, die vergoedingskomitee en die sosiale & etiese komitee.

■ OUDIT- & RISIKOKOMITEE

Die oudit & risikokomitee bestaan uit 4 nie-uitvoerende direkteure onder voorsitterskap van mnr Chris Bender. Die ander lede is mnre Jacques du Plessis, ondervoorsitter, Mike Dobrowsky en Franz Terblanche. Die komitee vergader ten minste 3 keer per jaar en het onbeperkte toegang tot die eksterne ouditeure en die Bestuurder: Interne oudit.

■ DIE DAGBESTUUR

Die dagbestuur bestaan uit die voorsitter, mnr Gilly Scheepers, die ondervoorsitter, mnr Joël le Roux, en twee lede mnre Chris Bender en Pieter Erasmus. Die dagbestuur vergader om besluite van dringende aard te neem asook om die Besturende Direkteur te adviseer oor belangrike aangeleenthede.

■ VERGOEDINGSKOMITEE

Die vergoedingskomitee bestaan uit die dagbestuurslede en die komitee vergader een maal per jaar ten einde die vergoeding van uitvoerende direkteure en hoofbestuur goed te keur. Die komitee maak ook aanbevelings aan die direksie met betrekking tot die vergoeding van nie-uitvoerende direkteure.

► *Corporate Management Report*

■ INTRODUCTION

The board of directors handles the business of the OVK group with integrity. The directors are committed to good corporate governance practices throughout the group.

The recommendations of King III are welcomed and are applied as far as possible. Ethical conduct and integrity are non-negotiable and effective leadership with a strategy for sustainability are pursued.

Management fulfil their tasks with responsibility and transparency, social responsibility and impartiality, to the advantage of all stakeholders in the company.

■ THE BOARD OF DIRECTORS

The board consists of 11 non-executive directors who are elected on a ward basis and as many executive directors as the board of directors decide on. The directors meet at least 10 times per annum. The agenda of the board focuses on financial results, capital expenditure, management of human resources and corporate governance as well as growth opportunities and the formulation of strategies. The committees of the board consist of the audit & risk committee, the management committee, the remuneration committee and the social & ethical committee.

■ AUDIT & RISK COMMITTEE

The audit & risk committee consists of 4 non-executive directors under the chairmanship of Mr Chris Bender. The other members are Messrs Jacques du Plessis, vice chairman, Mike Dobrowsky and Franz Terblanche. The committee meets at least 3 times per annum and has unrestricted access to the external auditors and the Manager: Internal audit.

■ MANAGEMENT COMMITTEE

The management committee consists of the chairman, Mr Gilly Scheepers, the vice chairman, Mr Joël le Roux and two members, Messrs Chris Bender and Pieter Erasmus. The management committee meets to take urgent decisions as well as to advise the Managing Director in respect of important aspects.

■ REMUNERATION COMMITTEE

The remuneration committee consists of the members of the management committee and the committee meets once per annum to approve the remuneration of the executive directors and executive management. The committee also makes recommendations to the directors in respect of the remuneration of non-executive directors.

■ SOSIALE EN ETIESE KOMITEE

Die sosiale en etiese komitee bestaan uit 4 nie-uitvoerende direkteure onder voorsitterskap van mnr Franz Terblanche.

Die ander lede van die komitee is mnrre Mike Dobrowsky, Chris Bender en Jacques du Plessis, Besturende Direkteur Stefan Oberholzer en die Hoofbestuurder: Korporatiewe dienste.

Die komitee se funksies is om die maatskappy se aktiwiteite, met betrekking tot enige relevante wetgewing, ander statu-têre vereistes of bestaande kodes van goeie praktyk, te monitor ten opsigte van aangeleenthede verbandhoudend tot –

- sosiale en ekonomiese ontwikkeling, insluitende die maatskappy se status in terme van die doelwitte en oog-merke van:
 - * die Wet op Gelyke Indiensneming; en
 - * die Breë Basis Swart Ekonomiese Bemagtigings Wet; en
- goeie korporatiewe bestuur, insluitende die maatskappy se:
 - * bevordering van gelykheid, voorkoming van onbillike diskriminasie en bekamping van korrupsie;
 - * bydrae tot die ontwikkeling van gemeenskappe waarin die maatskappy hoofsaaklik sy besigheid bedryf of waarin sy produkte of dienste hoofsaaklik bemark word; en
 - * rekord van borgskappe, donasies en liefdadigheidsaksies;
- die omgewing, gesondheid en openbare veiligheid, insluitende die impak van die maatskappy se aktiwiteite en / of sy produkte of dienste;
- verbruikersverhoudinge, insluitende die maatskappy se advertensies, openbare verhoudinge en voldoening aan Verbruikersbeskermingswet; en
- arbeid en indiensneming, insluitende:
 - * die maatskappy se status in terme van die Internasionale Arbeids Organisasie se protokol met betrekking tot redelike werk en werksomstan-dighede; en
 - * die maatskappy se indiensneming-verhoudings, en die maatskappy se bydrae tot die opvoedkundige ontwikkeling van sy werknemers.

■ SOCIAL AND ETHICAL COMMITTEE

The social and ethical committee consists of 4 members under the chairmanship of Mr Franz Terblanche.

The other members of the committee are Messrs Mike Dobrowsky, Chris Bender and Jacques du Plessis, Managing Director Stefan Oberholzer and the General Manager: Corporate services.

The functions of the committee are to monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to –

- social and economic development, including the com-pany's standing in terms of the goals and purposes of:
 - * the Employment Equity Act; and
 - * the Broad-Based Black Economic Empowerment Act; and
- good corporate citizenship, including the company's:
 - * promotion of equity, prevention of unfair discrimina-tion, and reduction of corruption;
 - * contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed, and
 - * record of sponsorship, donations and charitable giving;
- the environment, health and public safety, including the impact of the company's activities and of its products or services;
- consumer relationships, including the company's adver-tising, public relations and compliance with Consumer Protection Act; and
- labour and employment, including:
 - * the company's status in terms of the International Labour Organization Protocol on decent work and working conditions; and
 - * the company's employment relationships, and its contribution towards the educational development of its employees.

■ AANSTELLING VAN DIREKTEURE

Direkteure word op wyksbasis verkies deur aandeelhouders van OVK Beherend (Edms) Bpk in daardie spesifieke wyk. Daar bestaan 'n formele prosedure waardeur voornemende kandidate genomineer kan word en indien meer as een nominasie ontvang word, word sodanige direkteure deur stemming verkies. Die dienstermyn van 'n verkose direkteur is 3 jaar waarna hy hom weer herkiesbaar kan stel met geen beperking op die aantal jare wat 'n direkteur mag dien nie. Direkteure is egter nie weer verkiesbaar wanneer hulle die ouderdom van 65 bereik nie.

■ VERGOEDING VAN DIREKTEURE

Die vergoeding van direkteure word geopenbaar in die finansiële state. Direkteure ontvang 'n vaste bedrag vir dienste gelewer deur die jaar. Die oudit- en risikokomitee en direkteure van filiale word addisioneel vir die dienste vergoed. Die vergoeding van direkteure word markverwant vasgestel in lyn met die bevindinge van PricewaterhouseCoopers Geïnk. se mededingings-analise wat tussen landboubesighede gedoen word, asook 'n opname onder landboubesighede ten opsigte van die vergoeding van nie-uitvoerende direkteure.

■ VERGOEDING VAN PERSONEEL

OVK maak gebruik van die Peromnes posgraderingstelsel waarvolgens poste in verskillende kategorieë ingedeel word. Die opnames van Deloitte word gebruik vir die vasstelling van salarisse in die verskillende posgrade. Die direksie streef daarna dat OVK se personeel billik en markverwant vergoed word volgens die verantwoordelikhede van die spesifieke pos.

Die maatskappy beskik ook oor 'n addisionele vergoedingskema waar personeel in die sukses van die maatskappy kan deel indien voorafgestelde doelwitte behaal word. Die aansporingskema word deurlopend hersien en lewer die gewenste resultate.

■ POLITIEKE PARTY ONDERSTEUNING

Die Raad van Direkteure het 'n beleid dat geen politieke party finansiële ondersteun word nie en geen sodanige borge word aan enige politieke partye gegee nie.

■ EKSTERNE OUDITEURE

Die eksterne ouditeure van die maatskappy is PricewaterhouseCoopers Geïnk. en die audit word hanteer deur die Bloemfontein kantoor onder leiding van mnr Louis Rossouw. Die ouditeure woon gereeld die direksie asook oudit- en risikokomitee vergaderings as waarnemers by. Die eksterne ouditeure is onafhanklik van die maatskappy. Die eksterne ouditeure word jaarliks aangestel deur die aandeelhouders op die Algemene Jaarvergadering.

■ APPOINTMENT OF DIRECTORS

Directors are elected on a ward basis by shareholders of OVK Holdings (Pty) Ltd in that specific ward. There is a formal procedure whereby candidates are nominated, and if more than one nomination is received a director is elected by means of voting. The service period of an elected director is 3 years whereafter he can be available for re-election with no limit on the number of years that can be served as a director. However directors are not available for re-election once they have reached the age of 65.

■ REMUNERATION OF DIRECTORS

The remuneration of directors is disclosed in the financial statements. Directors receive a fixed amount for services rendered through the year. The audit- and risk committee and directors of subsidiaries are remunerated additionally for services rendered. The remuneration of directors is market related in accordance with the findings of the competitive analysis of PricewaterhouseCoopers Inc. done amongst agricultural businesses, as well as a survey amongst agricultural businesses in respect of the remuneration of non-executive directors.

■ REMUNERATION OF PERSONNEL

OVK makes use of the Peromnes grading system whereby posts are classified in various categories. The survey by Deloitte is used for the determination of salaries in the various post categories. The directors aspire to remunerate OVK personnel fairly, at market- related salaries, according to the responsibilities of the specific post.

The company also manages an additional remuneration scheme whereby personnel can share in the success of the company, should predetermined targets be achieved. The incentive scheme is reviewed on a continuous basis, and delivers the desired results.

■ POLITICAL PARTY SUPPORT

The Board of Directors has a policy that no political party will be financially supported and no sponsorships are given to any political parties.

■ EXTERNAL AUDITORS

PricewaterhouseCoopers Inc. are the external auditors of the company and the audit is carried out by their Bloemfontein office under the guardianship of Mr Louis Rossouw. The auditors frequently attend the meetings of the directors as well as the audit and risk committee meetings as observers. The external auditors are independent of the company. The external auditors are appointed annually by the shareholders at the Annual General Meeting.

■ VOLHOUBAARHEID

Een van die kern fokus areas van die direksie is dat OVK so bestuur word dat dit volhoubaar oor die langtermyn dienste aan sy aandeelhouders en landbouprodusente kan lewer. OVK lewer sy dienste hoofsaaklik in die platteland en dit is uiters belangrik vir die landbou omgewing dat OVK voortgesette dienste op die platteland moet lewer. Om besigheid op die platteland te doen bied verskeie uitdagings ten opsigte van die werwing en behoud van personeel en om billike opbrengs op kapitaalinvestering te verkry. OVK spandeer dan ook heelwat geld in die vorm van borgskappe aan instansies soos skole, Hospice, ouetehuse, kinderhuise en ander sosiale instellings op die platteland. OVK erken dat hy, as 'n belangrike rolspeler in die platteland, 'n sosiale verantwoordelikheid het teenoor die breër gemeenskap.

■ AANVAARDE ROL VAN DIE DIREKSIE

DIE DIREKSIE:

- ◆ bepaal die maatskappy se visie en missie en gee strategiese rigting aan die aktiwiteite.
- ◆ sien toe dat 'n waardesisteem in stand gehou word.
- ◆ evalueer en keur die jaarlikse begroting goed wat deur bestuur voorgelê word.
- ◆ evalueer bestuur op grond van die goedgekeurde begroting en besigheidsplan.
- ◆ stel die besturende direkteur en hoofbestuur aan en sien toe dat opvolgbeplanning in plek is.
- ◆ keur die maatskappy se finansiële state goed en lê dit voor aan die aandeelhouders.
- ◆ evalueer die lewensvatbaarheid van die maatskappy en beoordeel die lopendesaak beginsel.
- ◆ maak seker dat die maatskappy die nodige risikobestuur implementeer, dat interne beheermaatreëls in plek is en dat die interne ouditafdeling gemagtig word om sy funksie te doen; en
- ◆ stel die subkomitees aan.

Daar bestaan 'n geslote periode waartydens direkteure en personeel nie 'n aanbod mag maak vir die koop of verkoop van OVK aandele nie. Die tydperk strek vanaf 1 Maart jaarliks tot 'n week nadat die finansiële jaarstate aan die aandeelhouders gepos is, asook gedurende tydperke waar wesenlike verkrygings ter sprake is.

■ SUSTAINABILITY

One of the core focus areas of the directors is that OVK be managed in such a way that it must be sustainable in delivering long term services to its shareholders and agricultural producers. OVK delivers its services mainly in rural areas and it is of the utmost importance for agriculture that OVK continues to deliver these services. To do business in rural areas presents several challenges in so far as the recruitment and retention of personnel is concerned and to realise a fair return on capital investment. OVK has spent a good deal of money in the form of sponsorships for institutions such as schools, Hospice, retirement villages, children's homes and other social establishments in rural areas. OVK recognises that it, as an important role-player in rural areas, has a social responsibility towards the broader community.

■ ACCEPTED ROLE OF THE DIRECTORS

THE DIRECTORS:

- ◆ determine the vision and mission and provide strategic direction towards activities.
- ◆ ensure that a value system is in place.
- ◆ evaluate and authorise the annual budget which is provided by management.
- ◆ evaluate management according to the authorised budget and business plan.
- ◆ appoint the managing director and executive management and foresee that succession plans are in place.
- ◆ authorise the company's financial statements and present it to the shareholders.
- ◆ evaluate the feasibility of the company and the going concern principle.
- ◆ ensure that the company implements the necessary risk management, that internal control systems are in place and that the internal audit division is authorised to function properly; and
- ◆ appoint the sub-committees.

Directors and personnel are not allowed to make an offer to buy or sell OVK shares during a prescribed closed period. This period extends from 1 March annually until a week after the financial statements of the company have been posted to shareholders, as well as any period when substantial acquisitions are under consideration.

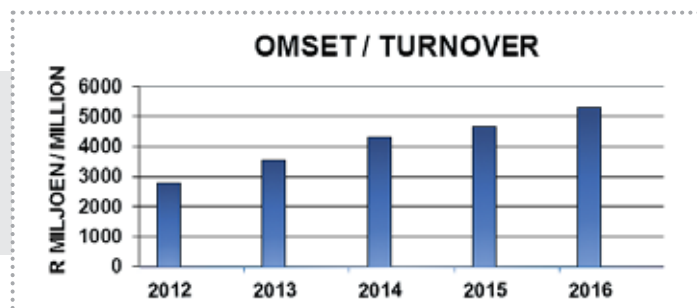
► *Finansiële Oorsig / Financial Review*

1. STAAT VAN OMVATTENDE INKOMSTE ♦ STATEMENT OF COMPREHENSIVE INCOME

1.1 OMSET / TURNOVER

Die Groepsomset het gestyg met 13.93% vanaf R4,67 miljard na R5,32 miljard (Graanomset ingesluit).

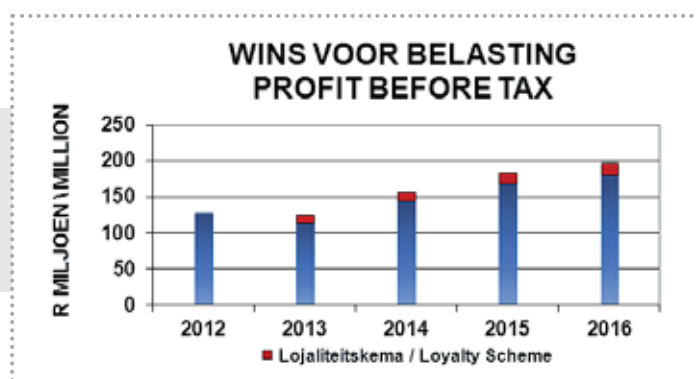
Turnover of the Group increased by 13.93% from R4,67 billion to R5,32 billion (Grain turnover included).



1.2 WINS VOOR BELASTING / PROFIT BEFORE TAX

Die Groepswins voor belasting styg met 7,5% van R168,3 miljoen na R181,0 miljoen na lojaliteitskema uitkering van R16,6 miljoen.

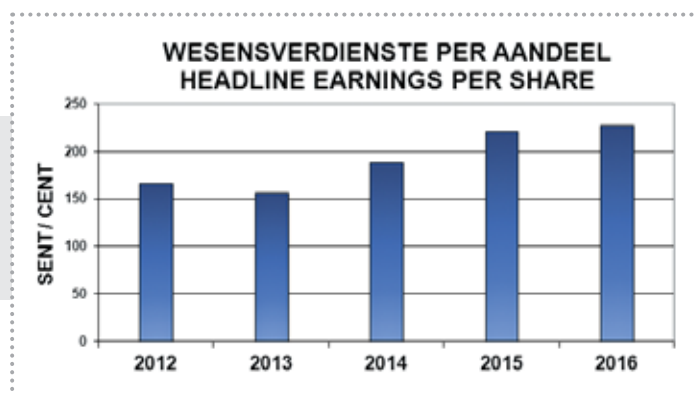
The profit of the Group before before tax increased by 7,5% from R168,3 million to R181,0 million after loyalty scheme distribution of R16,6 million.



1.3 WESENSVERDIENSTE PER AANDEEL / HEADLINE EARNINGS PER SHARE

Die Groep se wesensverdiens te per aandeel, voor rente aan aandeelhouders, styg met 2,7% van 221,5 sent tot 227,5 sent.

The headline earnings per share of the Group, before interest to shareholders, increased by 2,7% from 221,5 cents to 227,5 cents.

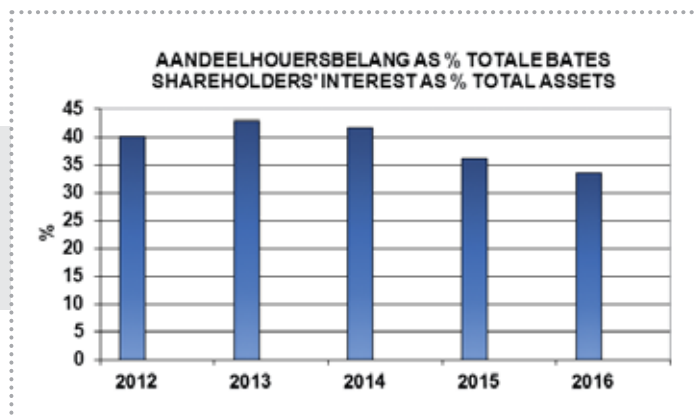


2. STAAT VAN FINANSIËLE STAND ♦ STATEMENT OF FINANCIAL POSITION

2.1 TOTALE AANDEELHOUSERSBELANG / TOTAL MEMBERS' INTEREST

Die aandeelhoudersbelang van die groep as persentasie van totale bates daal vanaf 36,2% na 33,5%.

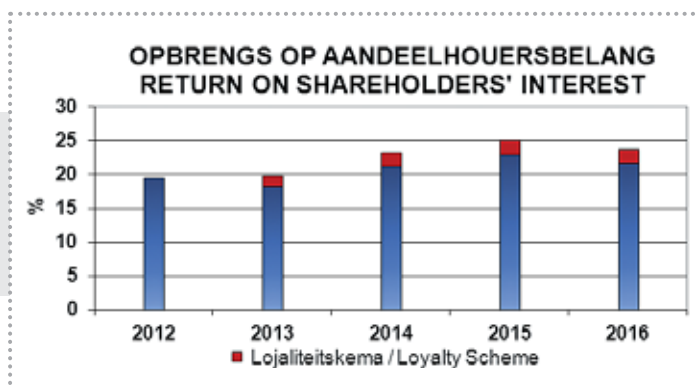
The members' interest of the group as percentage of total assets decreased from 36,2% to 33,5%.



2.2 OPBRENGS OP AANDEELHOUSERSBELANG / RETURN ON SHAREHOLDERS' INTEREST

'n Opbrengs van 21,7% (23,7% voor lojaliteitskema uitkering) is op aandeelhoudersbelang van die groep behaal teenoor 22,9% (25,2% voor lojaliteitskema uitkering) van die vorige jaar.

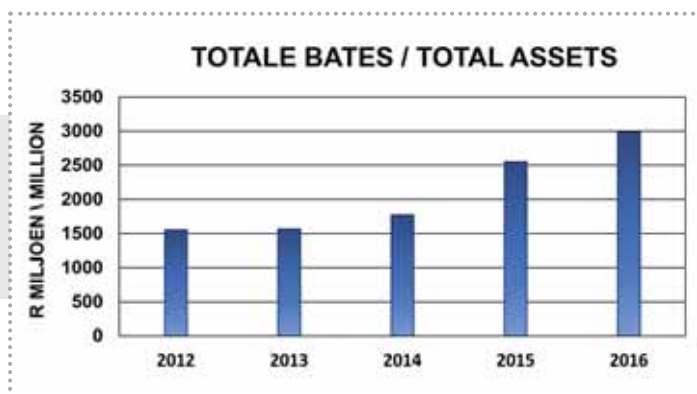
A return of 21,7% (23,7% voor loyalty scheme distribution) on shareholders' interest of the group was achieved, compared to 22,9% (25,2% before loyalty scheme distribution) of the previous year.



2.3 TOTALE BATES / TOTAL ASSETS

Die totale bates van die Groep het gestyg tot R2,99 miljard teenoor R2,56 miljard die vorige jaar.

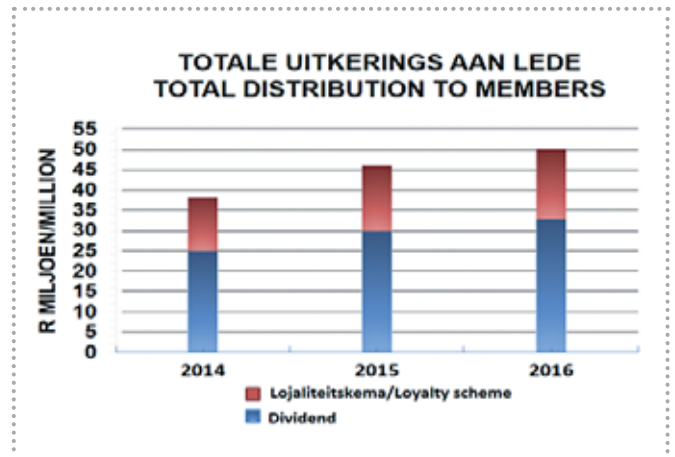
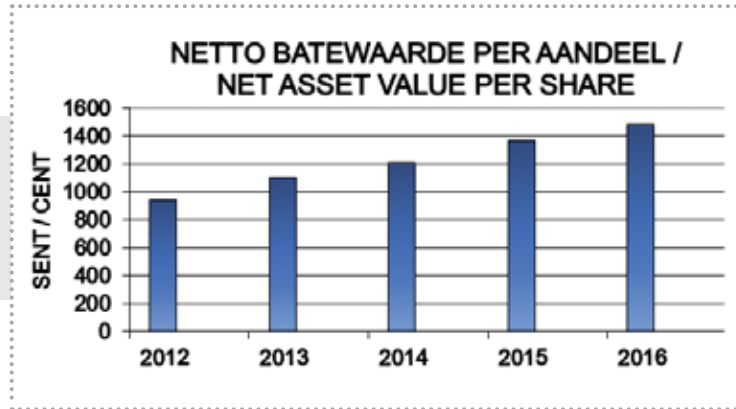
The total assets of the Group increased to R2,99 billion compared to R2,56 billion the previous year.



2.4 NETTO BATEWAARDE PER AANDEEL / NET ASSET VALUE PER SHARE

Die netto batewaarde per aandeel van die Groep styg vanaf 1371,4 sent per aandeel na 1493,0 sent per aandeel. Aandele het op jaareinde teen 'n gemiddelde prys van R13,90 per aandeel verhandel.

The net asset value per share of the Group increased from 1371,4 cents per share to 1493,0 cents per share. As at yearend shares traded at an average price of R13,90 per share.



2.5 ANDER FINANSIËLE VERHOUDINGS / OTHER FINANCIAL RATIOS

VERHOUDING	2016	2015	RATIO
Bedryfskapitaal	114,7	114,6	Operating capital
Vuurproefverhouding	74,6	78,8	Acid ratio
Kontantvloei per aandeel	3,7	4,3	Cash flow per share
Solvabiliteit	1,5	1,5	Solvency
Volhoubare groeiakoers	4,2	4,7	Sustainable growth
Bedryfswins tot bates	9,8	9,3	Operating profit to assets
Dividenddekking	4,0	4,0	Dividend cover
Prys/verdiensle	6,8	6,3	Price/earnings

3. STAAT VAN TOEGEVOEGDE WAARDE / VALUE ADDED STATEMENT

VERDELING VAN WELVAART	R MIL	%	DISTRIBUTION OF WEALTH
Vergoeding aan personeel	310	50,3	Remuneration to personnel
Voorsieners van kapitaal	111	18,0	Providers of capital
Belasting	57	9,3	Taxation
Behou vir investering	91	14,7	Retained for investment
Aandeelhouders (2015 dividend)	30	4,9	Shareholders (2015 dividend)
Lojaliteitskema	17	2,8	Loyalty Scheme
	616	100,0	

4. AANDEELVERHANDELINGS / SHARE TRADING

Die gemiddelde aandeelverhandelingsprys van OVK Bedryf Bpk het met 233 sent teenoor die vorige jaar gestyg na 1362 sent per aandeel, wat 'n verhoging van 20,64% behels. Die hoogste verhandeling in OVK Bedryf het plaasgevind teen 1415 sent per aandeel.

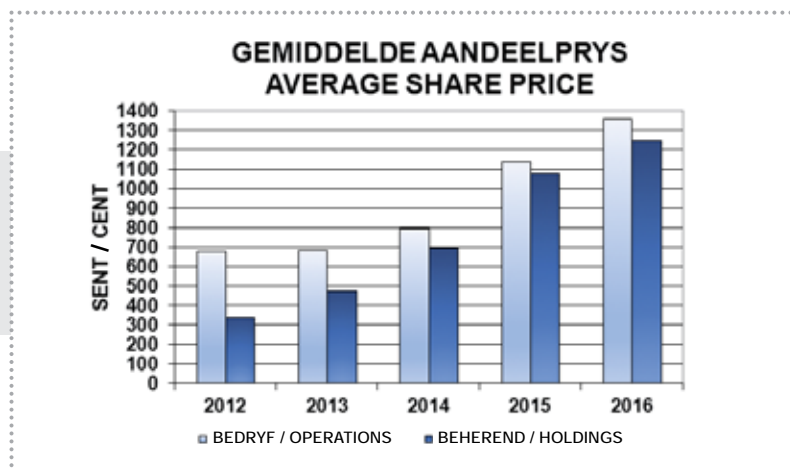
Die gemiddelde aandeelverhandelingsprys van OVK Beherend (Edms) Bpk het met 171 sent teenoor die vorige jaar gestyg na 1252 sent per aandeel, wat 'n verhoging van 15,81% behels. Die hoogste verhandeling in OVK Beherend het plaasgevind teen 1300 sent per aandeel.

1 800 795 aandele in OVK Beherend en 1 230 279 aandele in OVK Bedryf, het verhandel die afgelope finansiële jaar.

The average share trading price of OVK Operations Ltd increased by 233 cents from the previous year to 1362 cents per share, which represents an increase of 20,64%. The highest trading price in OVK Operations was 1415 cents per share.

The average share trading price of OVK Holdings (Pty) Ltd increased by 171 cents from the previous year to 1252 cents per share, which represents an increase of 15,81%. The highest trading price in OVK Holdings was 1300 cents per share.

1 800 795 shares in OVK Holdings and 1 230 279 shares in OVK Operations were traded during the past financial year.



► *Bedryfsoorsig*

■ 1. ALGEMENE HANDEL

Die Handelsdivisie het 'n uitsonderlike goeie jaar beleef en was hierdie prestasie 'n kombinasie van verskeie aspekte waarop daar gedurende die jaar gefokus was en wat reeds vrugte begin afwerp het. Die uitdagings met die droogte en laat reëns in groot dele van ons bedieningsgebied het aanleiding gegee tot 'n bo-gemiddelde vraag na veevoerprodukte wat ook 'n bydrae gelewer het tot groei in verkope.

Ander aspekte, waaronder 'n hernude fokus op ons verkrygingsfunksie, die bestuur van ons balansstaat, optimalisering van sekere prosesse en 'n dryf tot verhoogde marktaandeel het reeds korttermynvoordele begin realiseer, maar bly die fokus daarop vir volhoubare groei in verkope en winsgewendheid oor die langer termyn.

Verskeie bedryfspunte is gedurende die jaar opgradeer en is dit 'n besliste bevestiging van OVK se onderneming om terug te investeer in die gemeenskappe waar ons besigheid doen. Ons klantebasis geniet terselfdertyd 'n aangename inkopie-ervaring met nuwe produkte en reekse wat gekomplementeer word deur waardetoegevoegde diens. Hierdie opgraderingsproses sal volgens 'n geskeduleerde program voortduur en in tandem met die maatskappy se winsgewendheid en sikliese aard van landbou onderneem word ten einde omsigtig met ons aandeelhouers se belegging te handel en volhoubare groei en winsgewendheid te verseker.

Ons personeel en ons kliënte bly ons belangrikste bates en daar sal deurlopend gepoog word om die beste talent te ontwikkel, 'n omgewing te skep waarbinne personeel wil presteer en aan ons kliënte 'n wêreldklasdiens met waarde-toegevoegde diens te lewer. Eweneens is strategiese vennootskappe met geselekteerde verskaffers onlosmaaklik deel van ons sukses van die verlede, en dit sal met die nodige omsigtigheid tot wedersydse voordeel vir die toekoms bestuur word.

■ 2. BRANDSTOF VERSPREIDING

Brandstof verspreiding is een van ons strategiese fokusareas vir verdere uitbreiding.

Alhoewel die volumes die afgelope jaar weens 'n baie kompeterende mark onder druk verkeer het, het optimalisering van prosesse, strategiese vennootskappe en margebestuur ons in staat gestel om 'n beduidende bydrae tot die winsgewendheid van OVK te lewer.

► *Operations Overview*

■ 1. GENERAL TRADE

The Trade Division had an exceptional year. This achievement is the culmination of various factors on which the focus was concentrated during the year and which are beginning to bear fruit. Challenges, as a result of the drought and the late rains in large parts of our service area, resulted in an above average rise in demand for livestock feed products which in turn led to growth in sales.

Other aspects, some of which were a renewed focus on our procurement functions, the management of our balance sheet, optimising certain processes and a drive to grow market share, are already bearing fruit for the short term. It nevertheless remains our aim to sustain growth in sales and secure profitability for the long term.

By upgrading several trade branches during the year, OVK confirmed its commitment to plough back into the communities where we do our business. At the same time our clients are afforded excellent opportunities to acquire several new product ranges, to which further value is added by way of our excellent service and aftercare. This upgrading process will be maintained in accordance with a scheduled programme and in tandem with company profitability and the cyclical nature of the agriculture business. This to ensure the security of investment for shareholders, while promoting sustainable growth and profitability.

Our staff and clients remain our most important assets, hence we will continue to nurture and develop the best talent, while creating an environment in which staff can excel and afford our clients a world class and value added service. Likewise the strategic partnerships with a selected group of suppliers which have served us well in the past, will be managed to our mutual benefit for the future.

■ 2. FUEL DISTRIBUTION

Fuel distribution is one of our focal strategies targeted for expansion.

Although volumes came under pressure in a hugely competitive market this past year, our consistent optimising of processes, strategic partnerships and margin management enabled us to contribute significantly towards the profitability of OVK. Further opportunities for growth in partnership with strategic suppliers will be exploited.

Daar is reeds verdere groeielemente geïdentifiseer en sal ons in samewerking met strategiese verskaffers hierdie besigheid verder groei.

Die grootste enkele uitdaging is die beperkinge wat nuwe wetgewing op groeielemente plaas en verder gekompliseer word deur die uitdagings van tydige aflewering oor lang afstande vanaf die raffinaderye tot op die plaas. OVK speel egter 'n baie belangrike rol om hierdie uitdagings die hoof te bied en diens aan ons boere te verskaf in samewerking met strategiese vennote in die brandstofbedryf.

■ 3. MEGANISASIE

Dit is geen nuwe nuus dat die afgelope jaar 'n uiters uitdagende jaar was vir besighede wat in landboumasjinerie betrokke is nie en was dit dan ook geen uitsondering by OVK nie. Daar was verskeie uitdagings wat ons die hoof moes bied, en het ons voorsiening gemaak vir normale aanplantings gedurende die somer wat weens die droogte nie gerealiseer het nie. Die druk wat hierdie omstandighede op ons produsente geplaas het, het 'n direkte invloed op hulle meganisasiebeplanning veroorsaak. Die wesenlike afname in verkope het unieke uitdagings gebring om ons balansstaat weens optimistiese bevoorrading te likwideer en het uiteindelik negatief op ons renterekening ingewerk.

Die strategiese besluit om met Massey Ferguson, Challenger, Claas, Jupidex en verskeie ander geselekteerde verskaffers van landboumasjinerie en toerusting langtermyn vennootskappe te vestig, het sy eie unieke uitdagings, maar is daar goeie vordering gemaak. Alhoewel ons meganisasiebesigheid hoegenaamd nie na wense presteer het nie, is daar reeds verskeie strategiese inisiatiewe en aksies in plek gestel, waarvan die resultate eers in die medium-termyn sal realiseer.

Die Meganisasie-afdeling en gepaardgaande produkte en dienste bly 'n prioriteit vir die direksie en moet die besigheid sodanig gestruktureer word sodat dit enersyds waarde kan toevoeg vir ons boere, maar andersyds ook waarde kan bring vir ons aandeelhouers en as sulks na winsgewendheid getransformeer word.

Bestuur is oortuig dat die regte strategiese vennote in plek is en is daar reeds wesenlike kapitaal bestee om hierdie strategiese besigheidseenheid winsgewend te posisioneer. Verdere kapitaalbesteding word vir die toekoms beplan.

■ 4. MOTORS

Beide OVK se Toyota agentskappe is die afgelope jaar tot nuwe hoogtes geneem en het soos in die verlede goeie bydraes gemaak tot die winsgewendheid van OVK. Die

The single most challenging factor will be the limitations placed on growth opportunities by new legislation. The challenge of timeous deliveries over long distances from refineries to farms further complicates matters. Yet OVK, in co-operation with strategic partners in the fuel industry, is committed to meet these challenges head-on to serve our producers.

■ 3. MECHANISATION

It is common knowledge that the past year has been a challenging one for agri-machinery businesses, OVK being no exception. We had to counter several challenges, among which our normal provision for summer planting, which then didn't occur as a result of the drought. The pressure that these circumstances placed on our producers had a direct bearing on their mechanisation planning. The drop in sales posed unique challenges to liquidate our balance sheet in the wake of optimistic procurement, which eventually had a negative impact on our interest cost.

The strategic decision to enter into long term partnerships with Massey Ferguson, Challenger, Claas, Jupidex and various other select suppliers of agri-machinery and equipment brought about its own challenges, yet satisfactory progress has been made in this regard. Although our mechanisation business fell short of expectations by a long margin, various strategic initiatives and corrective measures have been put in place – the results of which should become evident in the medium term.

The Mechanisation division, with all of its products and services, remains a priority for the Board. The business nevertheless needs to be restructured in order to add value for clients by becoming profitable.

Management is convinced that the correct policy and strategic partners are lined up. Hence capital has been, and will continue to be, invested to turn around this business unit.

■ 4. VEHICLES

Both OVK Toyota agencies excelled this year and, as in the past, contributed significantly towards the profitability of OVK. Phasing out the previously held stock of the Hilux range, much of it at cost price, put profitability under pressure. Nevertheless both businesses performed satisfactorily and are well positioned to exploit opportunities with the new ranges. Growth in sales volumes and a renewed focus on the used vehicle market ameliorated the pressure of lower margins due to the phasing out of older ranges to some extent.

uitfasering van die vorige Hilux-reeks voorraad wat in baie gevalle teen kosprys gelikwider moes word, het die winsgewendheid van die besigheid onder druk geplaas. Ten spyte daarvan het beide die besighede baie bevredigend presteer en is tans baie goed geposisioneer om die geleentheid met die nuwe reekse te ontgin. Groei in verkoopsvolume en hernude fokus op die gebruikte voertuie het die druk van laer marges weens die uitfasering van die ou reekse in 'n mate mitigeer.

Strategiese uitbreidingsgeleentheid bly altyd deel van die prioriteite, en sal geleentheid om hierdie faset van ons besigheid uit te brei deurentyd ondersoek en oorweeg word.

■ 5. CLOCOLAN EN TWEESPRUIT MEULE

Die resultate van ons twee Meulens was teleurstellend en het nie hul regmatige bydrae gelewer tot die resultate van OVK nie. Dit is verblydend dat beide Meulens groei in hul verkoopsvolumes getoon het vir die jaar onder oorsig. Groei in verkope was uitdagend, veral as in ag geneem word dat die POWER handelsmerk nog relatief nuut is en die handelsmerk gevestig moes word. Die mark ontvang egter ons nuwe handelsmerk baie gunstig.

In die laaste kwartaal van die jaar was ook hondekos tot die POWER-reeks toegevoeg.

Sterk fokus gaan geplaas word op gesentraliseerde administrasie, bemaking, meer effektiewe diensleweringvlakke, grondstofaankope, logistiek en optimalisering van produksie in die komende jaar. Met hierdie daadwerklike fokus, gerugsteun deur ons reeds bestaande kwaliteit produkte, voorsien ons dat die Meulens weer hul regmatige deel tot die wins van OVK sal bydra.

■ 6. GRAANAFDELING

Die Graanafdeling het 'n moeilike jaar beleef weens bemarkingsuitdagings, wat veroorsaak was deur die plaaslike tekort aan geelmielies en die gevolglike invoer daarvan. Die wins het met 48,5% gedaal teenoor die vorige jaar. Totale tonne hanteer jaar op jaar daal met 12,5%, hoofsaaklik weens die erge droogte in die Oos-Vrystaat. Koringaanplantings het effens gestyg in die Oos-Vrystaat, maar opbrengste was baie swak.

Vir OVK in totaal het koringontvangstes gestyg met 1%, mielie-ontvangstes daal met 16,2%, sonneblomontvangstes daal met 29% en sojaboonontvangstes daal met 11%.

Elliot Maize se opbergkapasiteit is verhoog met die oprigting van vier addisionele graansilobuise weens die produksie wat 'n stygende tendens toon. Die innamekapasiteit by Modderpoort- en Marseilles Silo is verhoog. 'n

Strategic expansion of this business remains a priority and suitable opportunities will be pursued on an ongoing basis.

■ 5. CLOCOLAN AND TWEESPRUIT MILLS

The results of the two Mills were disappointing and did not make their anticipated contribution to the results of OVK. It is some consolation, however, that both Mills grew their sales volumes during the year. Growth in sales presented a challenge, especially due to the fact that the POWER trademark is still relatively new and will take time to establish itself. Market response to our new trademark is nevertheless favourable. During the last term of the year dog food was added to the POWER range.

Strict focus will be placed on centralised administration, marketing, more effective service delivery levels, logistics, raw materials procurement and optimal production during the next year. This dedicated focus, backed by our quality products already in use, should ensure that the Mills will soon regain their profitable status within OVK.

■ 6. GRAIN DIVISION

The Grain division experienced a difficult year due to marketing challenges caused by the local shortage of yellow maize, which necessitated imports. Profits dropped by as much as 48,5% compared to the previous year. The total tonnage handled, likewise decreased by some 12,5% year on year, largely due to the serious drought in the Eastern Free State. Wheat planting in the Eastern Free State escalated somewhat, but the yields were poor.

For OVK the total wheat received increased by 1%, maize received shed some 16,2%, sunflower deliveries were 29% down and soya beans received also decreased by 11%.

The storage capacity at Elliot Maize was increased by erecting four additional grain silos. This to provide for the trend of increasing production. The reception capacity at the Modderpoort- and Marseilles Silos was expanded. A new aeration system was installed at the Orange River Silo is an endeavour to assist producers with faster reception of grain with a high moisture content.

In order to focus more on grain marketing, the Grain Marketing division has been moved to Bloemfontein which is more central and better placed to provide expertise.

■ 7. GARIEP ABATTOIR

The slaughter volumes handled by the Gariep abattoir grew by 8.3% to reach 242 994 units.

Nuwe deurlugtingsstelsel was installeer te Oranjerivier Silo in 'n poging om produsente te help om meer graan met 'n hoër voghoud vinniger te ontvang.

Om meer te fokus op bemerking in die Graanafdeling, het die Graanbemarkingsafdeling Bloemfontein toe geskuif, wat makliker toegang bied tot kundigheid en ook meer sentraal geleë is.

■ 7. GARIEP ABATTOIR

Die volume slagtings deur Gariep abattoir het met 8.3% gestyg tot 242 994 slageenhede.

Die impak van stygende mielie- en lusernpryse op die koste van veevoere oor die afgelope jaar, het dit baie moeilik gemaak vir die winsgewendheid van voerkrale. Gariep abattoir met sy skaap- en beesvoerkrale het nie hierdie ongunstige omstandighede vrygespring nie en het die afgelope jaar, ten spyte van verhoogde slagtings, 'n verlies gemaak.

Komende uit 'n stygende winsgewendheidstendens oor die afgelope 3 jaar, is hierdie resultaat teleurstellend, maar glo ons nog steeds in die voerkraal se bydrae tot die abattoir se kapasiteitsbenutting en winsgewendheid. Daar is verbeterings aangebring in die voerproses, wat positief sal bydra tot margeverbetering en winsgewendheid.

■ 8. LANDBOUKUNDIGE DIENSTE

Landboukundige dienste se strategiese fokus bly steeds om onafhanklike advies aan ons boere te verskaf soos wat dit tradisioneel die gebruik was, maar met 'n baie groter fokus op waardetoevoeging aan ons boere. Daar is ook 'n baie groter fokus op ondersteuning aan die bedryfseenhede binne die OVK groep om daardeur retensie van ons kliënte-basis te verseker.

Die uitsluitlike doel moet wees om aan die voorpunt van die nuutste tegnologie te bly, die winsgewendheid van ons boere te verhoog deur beste praktyke toe te pas, presisieboerdery op 'n wyer front aan ons kliente bekend te stel en sodoende 'n ondersteunende rol te speel in die uitbreiding van ons marktaandeel en die volhoubaarheid van ons produsente.

Daar is die afgelope jaar ook baie gefokus op navorsing vir alternatiewe gewasse en sal die eerste proewe in die nuwe jaar geplant word waarna aanbevelings aan ons boere gedoen sal word.

Alhoewel hierdie afdeling binne OVK 'n kostesentrum is, word die strategiese waarde aan ons boere en die interne ondersteuning aan ons bedryfsdivisies baie belangrik geag en sal ons selfs oorweeg om verdere kapasiteit te skep met hierdie ondersteunende dienste.

The impact of rising maize and lucerne prices over the past year on the cost of livestock feed curtailed the profitability of feedlots significantly. The Gariep abattoir with its sheep and cattle feedlots did not escape these unfavourable conditions and reported a loss despite the increased slaughter volumes.

Coming in the wake of a rising profitability trend for the previous 3 years, this was a disappointing result. Yet the feedlots' potential to utilise the abattoir capacity and contribute to its profits remains positive. Improvements to the feeding process have been made which will further contribute towards margin growth and profitability.

■ 8. AGRICULTURE SERVICES

The strategic focus of this division remains its independent advice to producers, but with added emphasis on value added for farmers. In addition hereto there was a focus on better support for the trade units within the OVK Group to further enhance the retention levels of our client base.

The sole objective is to remain at the forefront of the latest technology, to enhance the profitability of producers by way of best practices and to introduce our clients to precision farming on a wider scale in order to grow our market share and ensure sustainability for our producers.

During the past year much emphasis was placed on research for alternative crops, of which the first experiments will be planted in the new year, after which recommendations will be made to producers.

Although this division is a cost centre within OVK, its strategic and supportive value to producers and our trade divisions is highly rated and its further expansion to create more capacity will be considered.

■ 9. INSURANCE

OVK Insurance brokers are a registered financial services provider. A variety of products, which include personal, farming, business and harvest insurance, are available not only to farmers but also to the wider public and corporate businesses.

The unique OVK insurance product, "OVK Advantage", was introduced during the year. Although the switch to "OVK Advantage" resulted in a lower profit, Management remains convinced that the strategy was the correct one in the long run and that the division is poised for further growth and expansion. We are proud of the personnel working in this division for their efforts to conclude the switch-over and deal with all the administration that it entailed.

■ 9. VERSEKERING

OVK Versekeringsmakelaars is 'n geregistreerde finansiële diensteverskaffer. 'n Verskeidenheid produkte wat insluit persoonlike-, boerdery-, besigheids- en oesversekering is nie net aan boere nie, maar ook aan lede van die breër publiek sowel as korporatiewe besighede beskikbaar.

Die unieke OVK versekeringsproduk, "OVK Advantage", is gedurende die jaar bekendgestel. Alhoewel die omskakeling na "OVK Advantage" 'n laer wins tot gevolg gehad het, is Bestuur oortuig dat die strategiese besluit oor die langtermyn die regte besluit was en dat die afdeling beter as ooit geposisioneer is vir verdere groei en uitbreiding. Ons is trots op die personeel binne die versekeringsafdeling wat hard gewerk het om hierdie oorskakeling en die administrasie wat daarmee gepaardgaan, afgehandel het.

Ons is terdeë bewus daarvan dat die afdeling binne 'n baie mededingende mark funksioneer maar is trots daarop dat ons 'n goeie geskiedenis het wat betref die verkryging van nuwe besigheid (waar ons kwoeter) sowel as die behoud van bestaande kliënte. Dit word moontlik gemaak deur mededingende premies, uitstekende diens, toepaslike dekking en die tydigse afhandeling van eise. Uitstekende verhoudings met versekeraars word gehandhaaf aangesien dit 'n belangrike komponent is om te alle tye die beste moontlike diens aan ons kliënte te verskaf.

Indien u nog nie met OVK Versekeringsmakelaars besigheid doen nie, wil ons u graag uitnoui om ons te skakel vir 'n kwotasie. Ons sien daarna uit om u tot diens te wees en kan u verseker wees dat u die ondersteuning van 'n sterk maatskappy het wanneer u dit nodig het.

■ 10. KLIËNTEFINANSIERING

OVK Kliëntefinansiering bied 'n verskeidenheid finansieringsprodukte aan kliënte, ten einde die Groep se onderskeie bedryfsaktiwiteite te ondersteun. Ons besef die kritieke rol wat finansiering in enige kliënt se besigheid speel.

Die totale debiteureboek van die Groep het met 'n verdere 4.2% gegroei teenoor die vorige jaar tot 'n saldo van R1.46 miljard. Agterstallige rekeninge beloop 8.2% van die totale debiteureboek en daarvan is 22.8% reeds voorsien as twyfelagtige skuld op jaareinde. Die afdeling se wins het met 15% gestyg teenoor die vorige jaar.

'n Opwindende verwikkeling gedurende die jaar was die opening van 2 nuwe kredietkantore te Bethlehem en Port-Elizabeth. Ons vertrou dat hierdie vergrote voetspoor wat finansiering betref, 'n bydrae sal lewer tot die verdere groei van OVK se besigheid in geheel. Die Groep se kredietbeleid is ook gedurende die jaar hersien. Dit posisioneer die

We are acutely aware that this division operates within a highly competitive market, yet we pride ourselves on our history of canvassing new business (where we quote), as well as retaining existing clients. This is made possible by competitive premiums, excellent service and the prompt completion of claims. Excellent relationships with insurers are maintained as this is a critical component to ensure the best possible service for clients at all times.

If you have not done any business with OVK Insurance brokers to date, we would like to invite you to contact us for a quote. We look forward to be of service to you and rest assured that you can count on the support of a strong company when you require it.

■ 10. CLIENT FINANCING

OVK Client Financing offers a variety of financing products, in order to support the various trade activities of the Group. This because we appreciate the critical role of financing within the business of all clients.

The total debtors book of the Group increased by 4.2% from the previous year to a balance of R1.46 billion. Accounts in arrears amount to 8.2% of the total debtors book, of which 22.8% have been provided for as doubtful debt at year end. The profit of this division increased by 15% compared to the previous year.

An exciting development during the year was the opening of two new branches – at Bethlehem and Port Elizabeth. We trust that this enlarged footprint as far as financing is concerned, will contribute to further growth of the OVK business in its entirety. The Group's credit policy was also revised during the year. This positions the Financing division, not only for further growth, but provides the necessary balance between potential growth and the mitigation of credit risk.

The OVK credit policy was formulated over many years and interest rates on accounts are based on the risk it entails. No initiation fees, unutilised facility fees or administration fees are levied to accounts. This, together with interest rates as low as prime less 0.5%, ensures that OVK Client Financing can offer farmers exactly what they need in their business.

■ 11. LOGISTICS DIVISION

The growth objectives as well as the budget for the year have been reached. The tonnage handled increased by 22% during the year. Internally this division provides excellent support to the Grain and Trade divisions. This division contributed towards the profits of OVK and was relocated

Finansieringsafdeling nie net vir verdere groei nie, maar verseker ook dat die nodige balans bestaan wat betref die moontlike groei en die beperking van risiko wat met krediet verband hou.

OVK se kredietbeleid is oor baie jare saamgestel en verfyn en rentekoerse word gekoppel aan die risiko verbonde aan 'n rekening. Geen aanvangsfooie, onbenutte fasiliteitsfooie of administrasiefooie word op rekeninge by OVK gehef nie. Dit, tesame met rentekoerse so laag as prima minus 0,5%, bring mee dat OVK Klëntefinansiering die bystand aan boere kan bied wat hulle in hul boerdery benodig.

■ 11. LOGISTIEKE AFDELING

Die groei-doelwitte sowel as die begroting vir die jaar is bereik. Die tonne hanteer het met 22% gedurende die jaar toegeneem. Die afdeling gee intern, goeie ondersteuning aan die Graan- en Handelsafdelings. Hierdie afdeling het 'n bydrae gelewer tot OVK se wins en het saam met die Graanbemarkingsafdeling gedurende die jaar Bloemfontein toe verskuif. Heelwat geleenthede bestaan steeds om die afdeling verder uit te brei.

■ 12. OOS VRYSTAAT KUNSMIS

Die besigheid waarin OVK 'n 51% belang het, het sy eerste volwaardige jaar beleef en het baie goed presteer. Die model wys dat vennootskappe saam met ons boere-aandeelhouers wel 'n sukses is en tot voordeel van beide partye kan wees.

Produksievolumes het nog heelwat geleentheid om te groei en sal markgeleenthede verder ontgin en gevestig word in die komende jaar. Hierdie besigheid vorm nou deel van die produkreeks wat deur die Groep se bestaande infrastruktuur aan kliente aangebied kan word.

■ 13. VESEL

Die Veselafdeling se wins vir die afgelope finansiële jaar was 9,9% hoër teenoor die vorige jaar en volumes deur CMW bemark het ook gestyg.

Onderhandelinge met die Lesotho Wool en Mohair Growers Association is intussen afgehandel en sal CMW eersdaags ook die Lesotho bokhaar skeersel ontvang wat CMW se status as die voorkeur bokhaarmakelary in die wêreld net verder bevestig. CMW se marktaandeel in die wolbedryf het weereens gestyg die afgelope finansiële jaar en raak CMW elke dag ook 'n groter rolspeler ten opsigte van wol.

Gedurende die jaar is 'n veselaflaaikraan by CMW in Port Elizabeth geïnstalleer wat tot 6 bale gelyktydig kan aflaai om die aflaai proses by CMW se store in Port Elizabeth makliker en vinniger vir produsente te maak.

to Bloemfontein together with the Grain Marketing division. Further expansion potential is in the offing.

■ 12. OOS VRYSTAAT KUNSMIS

This business, in which OVK holds a 51% interest, ran its first full year with exceptional achievement. This model proves that partnerships with producer shareholders can be successful and to the benefit of both parties.

Production volumes can still grow significantly. To this avail further market opportunities will be exploited and established during the next year. This business now forms part of the product range which is on offer to clients via the existing infrastructure channels.

■ 13. FIBRE

The profit of the Fibre division for the past financial year was 9,9% higher compared to the previous year and the volumes marketed through CMW also increased.

Negotiations with the Lesotho Wool and Mohair Growers Association have been concluded, with the result that CMW will soon also handle the Lesotho mohair clip. This will serve to further cement the status of CMW as the global Mohair Broker of preference. The CMW market share for wool has once again increased during the past financial year. Every year CMW grows as a role player in the wool industry.

During the year a fibre offloading crane was installed at the warehouses of CMW in Port Elizabeth which can offload up to 6 bales simultaneously. This makes the offloading process faster and easier for producers. Sinethemba Mafama, the BEE entity in which OVK holds a 49% share, reported growth in volumes of 4% and excellent results are obtained. Growing the market share remains a key objective for this division.

■ 14. LIVESTOCK

The Livestock division in the Northern region experienced a difficult year. This necessitated its restructuring to reduce fixed costs. Management believes that the Northern region Livestock division will again in future contribute positively towards the profitability of OVK. The Southern region Livestock division reported a good profit, yet could not compensate for the losses of the Northern region. Greater management focus and support should get the Northern region back on track.

Die verhoging van marktaandeel bly een van die kern-
doelwitte van die afdeling.

Die Lewende hawe afdeling in die Noordstreek het 'n moeilike jaar beleef en was herstrukturering van die afdeling noodsaaklik om vaste koste te verminder. Bestuur glo die Noordstreek Lewende hawe afdeling sal vorentoe weer positief kan bydra tot die winsgewendheid van OVK. Die Suidstreek Lewende hawe afdeling het 'n goeie wins behaal maar kon nie vergoed vir die Noordstreek se verlies nie.

Groter bestuursfokus en ondersteuning behoort ook by te dra dat die Noordstreek weer tot sy reg kom.



Notas / Notes



► *Ondersteunings- dienste*

■ 1. GELYKE INDIENSNEMING EN SWART EKONOMIESE BEMAGTIGING

OVK bly daartoe verbind om sy gelyke indiensneming doelwitte vir die periode 1 Oktober 2014 tot 30 September 2019 te behaal. Vordering in terme van hierdie plan word gereeld bespreek tydens bestuursvergaderings ten einde te verseker dat die maatskappy voldoen aan die vereistes van die Wet op Gelyke Indiensneming 55 van 1998. Voorheen benadeelde groepe maak tans 65% van die werkersmag van die OVK Groep uit. Alhoewel ons bewus is van stremmende faktore op die platteland, verkies ons om strategiese besluite te neem met die primêre doel om ons gelyke indiensneming doelwitte te bereik, maar ook om steeds die mees geskikte persoon in elke pos aan te stel.

Ons vennootskap met die Vrystaatse Departement van Landelike Ontwikkeling gaan aanhou fokus op die ontwikkeling van opkomende boere. OVK ondersteun tans 9 opkomende boere wat op meer as 6 000 hektaar boer as deel van die herkapitaliseringsprojekte. Hierdie boere het eweneens gespesialiseerde kursusse bygewoon as deel van hul ontwikkeling. Ons is trots om te rapporteer dat een van ons opkomende boere reeds tot kommersiële status gevorder het.

OVK bly verbind tot die ondersteuning van Klein en Medium sake-ondernemings ("SME's"), wat heelwat werksg geleenthede genereer, veral met swart sakelui. Ons toewyding tot sosiale verantwoordelikheid gaan verder as net finansiële ondersteuning, dit word ondersteun deur omgee aksies en die aktiewe betrokkenheid van ons personeel by sulke projekte.

■ 2. MENS LIKE HULPBRONNE

Talentbestuur en personeelomset

OVK is in 'n groot mate afhanklik van sy kernpersoneel wat oor bewese ondervinding en kennis van die bedryf beskik. Terselfdertyd ondervind die besigheid sterk kompetisie vir die verkryging van gekwalifiseerde en bekwame werknemers.

Talentvolle mense is noodsaaklik ten einde besigheidstrategieë na te jaag en positiewe resultate te lewer. OVK maak derhalwe voorsiening vir 'n omgewing wat bevorderlik is vir geleenthede en professionele groei vir elke werknemer in diens.

► *Support Services*

■ 1. EMPLOYMENT EQUITY AND BLACK ECONOMIC EMPOWERMENT

OVK remains committed to achieve our employment equity goals for the period 1 October 2014 to 30 September 2019. Progress in terms of this plan is regularly evaluated at management meetings to ensure that the company complies with the Employee Equity Act 55 of 1998. Previously disadvantaged groups currently account for 65% of the workforce of OVK. Although various factors in the rural areas deter compliance, we prefer to take our strategic decisions with this objective in mind, while still recruiting the most suitable candidate in each vacancy.

Our partnership with the Free State Department of Rural Development will continue to focus on the development of emerging farmers. To this avail OVK currently supports 9 emerging farmers who farm on more than 6 000 hectares, being part of the recapitalisation projects. These farmers also attended specialised courses as part of their development. We take pride in being able to report that one of our emerging farmers has progressed to commercial status.

OVK remains committed to support Small and Medium Enterprises ("SME's"), which generate quite a number of job opportunities, especially with black businessmen. Our commitment towards social responsibility exceeds mere financial support. It is enhanced by projects of care and the active involvement of our staff in such projects.

■ 2. HUMAN RESOURCES

Talent management and staff turnover

At OVK we rely heavily on our core personnel who have at their disposal proven experience and an intimate knowledge of our field. The business also has to compete with strong competition to acquire qualified and capable employees.

Talented people are essential to strive towards business excellence and positive results for the company. To this avail we provide an environment for opportunities which encourage professional growth for all the employees in our service.

The OVK staff turnover for the 12-month period to 29 February 2016 was 9,5%, not counting the inevitable cases of retirement, death, medical unfitness or dismissal. This figure is slightly worse than the previous year's 9,4%. Staff turnover is addressed by Management. We amend our

OVK se personeelomset vir die 12-maande periode tot 29 Februarie 2016 was 9,5%, sonder die onvermydelike (aftrede, sterfte, mediese ongeskiktheid en ontslag) wat 'n bietjie swakker was as die vorige jaar se 9,4%. Die personeelomset is as gevolg van verskeie redes wat deur bestuur aangespreek word. OVK werk voortdurend aan sy werwingspraktyke ten einde die mees geskikte persone aan te stel.

Prestasiebestuur

OVK strewende voortdurend daarna om verantwoordelikhede te definieer, met duidelike toerekenbaarheidsvereistes ten einde te verseker dat prestasie doelwitte bereik word. Dit is van kritieke belang om die besigheidstrategie suksesvol te vervul. Daarmee saam help dit 'n ieder en elk in ons diens om hul bydrae tot OVK te verstaan en dit te verbeter. OVK voorsien voorts lynbestuurders van opleiding ten einde prestasiegesprekke te kan voer wat 'n hoë-prestasie kultuur sal bevorder.

Vergoeding

OVK se vergoeding word gemeet aan marknavorsing deur Deloitte, ten einde te verseker dat die maatskappy se vergoeding markverwant bly.

Etië

Die direkteure en al die personele van OVK streef daarna om hoë etiese en morele standaarde te handhaaf ten opsigte van aanvaarbare sakepraktyke en beginsels. 'n Fasiliteit is beskikbaar wat werkers/kliënte in staat stel om in 'n anonieme hoedanigheid enige onetiese gedrag of bedrog aan die Oudit- en Risikokomitee te rapporteer.

Vaardigheidsontwikkeling

OVK het 'n gesonde verhouding met AgriSETA en voldoen aan die vereistes van die Wet op Vaardigheidsontwikkeling. OVK kwalifiseer ook vir rabatte en het R693 700 in die verband gedurende die jaar ontvang.

Verskeie opleidingsbehoefte is gedurende die finansiële jaar geïdentifiseer, met die fokus op leierskapsontwikkeling. Die leierskap ontwikkelingsprogram het 23 toesighouers geakkommodeer. In totaal het 48 leerders opleiding ontvang, waarvan 31 in permanente poste geplaas is. Van die oorblywende 17 het 6 gedurende die verloop van die opleiding bedank, 9 is in proses om hul opleiding te voltooi en 2 vakleerlinge moet nog hul ambagtoetse slaag. Hierdie leierskap programme vorm deel van die strategie wat opgeleide personeel beskikbaar stel vir plasing in permanente poste ingevolge die Wet op Vaardigheidsontwikkeling.

recruitment practices continually to ensure the acquisition of the most suitable employees.

Performance Management

At OVK we define responsibilities, with clear requirements, to ensure that our goals are pursued and met. This is of critical importance to comply with our management strategy. This also ensures that each and every employee understand their position within OVK and the contribution expected of them. Line managers are provided with training to conduct performance discussions with employees to establish a high performance culture.

Remuneration

OVK remuneration is measured against market research by Deloitte, to ensure that our remuneration is market related.

Ethics

The directors and all the employees of OVK aspire to maintain a high level of ethical and moral standards in relation to acceptable business practices and principles. A facility exists which enables employees/clients to report any unethical behaviour or fraud to the Audit and Risk committee anonymously.

Skills development

At OVK we pursue a healthy relationship with AgriSETA and comply with the requisites of the Skills Development Act. OVK qualifies for rebates and have received R693 700 in this respect during the past year.

Various development needs were identified during the financial year, with special focus on leadership development. The leadership programme has accommodated 23 supervisors. In total 48 learners received training, of which 31 have since been appointed in permanent positions. Of the remaining 17, six resigned during the course of training, nine are in the process of completing their training, while two apprentices still have to pass their trade tests. These leadership programmes form part of the strategy to provide skilled staff for placement in permanent positions in accordance with the Skills Development Act.

Four permanent staff members have received bursaries in accordance with OVK's support of AgriSETA. OVK made a further 11 bursaries available to staff and we are proud that 10 of the 15 successful graduates could be placed – a significant achievement if the competitive market in which we operate is taken into consideration. OVK provided training to 1 390 people during the course of the year.

Vier permanente personeelle het beurse ontvang ingevolge OVK se ondersteuning aan AgriSETA. OVK het 'n verdere 11 beurse aan personeel beskikbaar gestel. OVK is ook trots daarop dat 10 van die 15 suksesvolle graduandi geplaas kan word – 'n groot prestasie as die kompeterende mark waarin ons sake doen, in ag geneem word.

OVK het die afgelope jaar opleiding aan 1 390 persone verskaf.

Arbeidsverhoudinge/professionele veiligheid

Die afgelope jaar is gekenmerk deur twee belangrike insidente. Eerstens was daar 'n aggressiewe en onbeskermdede staking by Tweespruit Meule wat vir 'n periode van drie weke voortgeduur het. Dit het tot intensiewe onderhandelinge met die werknemers en die COWUSA Vakbond, wat sedertdien gederegistreer is, gelei.

Tweedens het 'n aantal herstruktureringsoefeninge plaasgevind ten einde die besigheidsprosesse in ons Lewende hawe Noordstreek en die Meganisasie afdeling te optimaliseer. Ofskoon die proses by die Lewende hawe Noord afdeling gelei het tot die sluiting van twee takke, naamlik Kroonstad en Frankfort (slegs die veilingseenheid te Frankfort is geaffekteer), is slegs enkele werkers afgeleweens hierdie prosesse, terwyl die res elders in geskikte alternatiewe poste geplaas kon word.

Geen ernstige insidente is gedurende die afgelope jaar ten opsigte van veiligheid in die werkplek aangemeld nie. Verpligte vergaderings is gereeld gehou ingevolge die wet en veiligheidsmaatreëls is in plek.

■ 3. INLIGTINGSTEGNOLOGIE

OVK maak gebruik van 'n toepassingstelsel wat intern ontwikkel, in stand gehou en volgens behoefte verder ontwikkel word, vir die voorsiening van tydige, betroubare en relevante bestuursinligting. Die OVK Groep streef deurentyd na die uitbreiding en verbetering van sy dienste en in hierdie opsig is verskeie uitbreidings en verbeterings suksesvol gedurende die afgelope jaar op OVK se stelsels geïmplementeer.

Die oorweging van nuwe tegnologie moontlikhede en die modernisering van OVK se stelsels vind voortdurend plaas, ten einde die toepaslikheid daarvan oor die langtermyn te verseker. Enkele projekte wat onlangs afgehandel is sluit in die implementering van PIN-kodes op rekeningaankope ten einde die belange van OVK se kliënte te beskerm, die modernisering van kliënte se maandstate, asook die

Labour relations/professional safety

Two important incidents occurred during the past year. Firstly an aggressive and unprotected strike took place at Tweespruit Mill which lasted for a period of 3 weeks. This led to intensive negotiations with employees and the COWUSA Union, which has since been deregistered.

Secondly a number of restructuring exercises took place to optimise business processes in our Livestock Northern region and the Mechanisation department. Although the Livestock Northern region's restructuring led to the closing down of two branches, namely Kroonstad and Frankfort (only the auctions unit at Frankfort was affected), very few workers were dismissed, while the rest were accommodated in alternative positions elsewhere in the company.

No breaches of safety in the workplace were reported during the year. Compulsory meetings were held regularly in accordance with the Act and security measures are in place.

■ 3. INFORMATION TECHNOLOGY

OVK utilises an application system which was developed, is maintained and further developed internally in accordance with operational requirements, for the provision of timeous, trustworthy and relevant management information. The OVK Group is continuously aspiring to extend and improve its services and in this regard various additions and improvements have been successfully implemented on OVK's systems during the preceding financial year.

New technology and the modernisation of OVK's systems are considered on a continuous basis in order to ensure the relevance of these systems over the long term. Some projects which were recently concluded, include the implementation of PIN codes on account purchases in order to protect the interests of OVK's clients, the modernisation of clients' monthly account statements, as well as the launch of OVK's brand new website (www.ovk.co.za).

OVK has an excellent record in terms of the continuous availability of the system and has proper business continuity procedures. An example of the latter is the backup system, which is synchronized in real time with the main system and which is maintained at an alternative premises. The OVK mainframe server was also upgraded recently in order to comply with the latest technology requirements and further enhance the processing speed.

bekendstelling van OVK se splinternuwe webblad (www.ovk.co.za).

OVK spog met 'n uitstekende rekord wat deurlopende beskikbaarheid van sy stelsels betref en beskik oor deeglike besigheidskontinuiteit prosedures. 'n Voorbeeld van laasgenoemde is die rugsteunstelsel wat intyds met die hoofstelsel gesinchroniseer word en op 'n alternatiewe perseel in stand gehou word. OVK se hoofraam bediener is ook onlangs opgradeer ten einde aan die nuutste tegnologie vereistes te voldoen, en om die verwerkingspoed verder te verhoog.

■ 4. FINANSIES

Die Finansiële afdeling se primêre taak is om tydige en akkurate finansiële inligting aan Bestuur te verskaf. Die identifisering van risiko's, implementering van kontroles asook die verskaffing van ondersteuning aan die verskillende bedrywighede binne die Groep, is ander belangrike funksies wat hierdie afdeling verrig.

Gedurende die afgelope jaar is 'n aantal projekte, in samewerking met die IT-afdeling, van stapel gestuur om sekere transaksietipes op 'n meer effektiewe manier te verwerk. 'n Funksie op die AS400 stelsel is ook ontwikkel waar alle bedryfspunte die akkuraatheid van hulle inkomstate, op 'n maandelikse basis, elektronies op die stelsel moet bevestig. Dit het 'n wesenlike bydrae gelewer tot die akkuraatheid van finansiële inligting waaroor daar maandeliks verslag gedoen word.

Bestuur is deeglik bewus van die kritiese rol wat hierdie afdeling binne die groep speel. Die Finansiële afdeling moet te alle tye gerat wees om 'n behoorlike ondersteunende rol te speel om aan OVK Groep se groeiende behoeftes te voldoen.

■ 5. INTERNE OUDIT

Die OVK Groep se interne oudit funksie word in oorweging met die "International Standards for the Professional Practice of Internal Auditing" (IIA Standaard), soos deur die Instituut van Interne Ouditeure (IIA) gepubliseer, uitgevoer. In lyn met voorgenoemde, is dit die hoofdoel van die interne oudit funksie om onafhanklike en objektiewe interne oudit en konsultasie dienste te lewer, wat waarde toevoeg tot die OVK Groep se bedrywighede en 'n bydrae lewer tot die verbetering daarvan. In ooreenstemming met voorgenoemde word die volgende jaarliks opgestel:

1. 'n Rollende drie-jaar strategiese interne oudit plan.
2. 'n Interne oudit operasionele plan.

■ 4. FINANCE

The primary objective of the Financial department is to provide management with timeous and accurate financial information. The identification of risks, the implementation of controls, as well as the provision of support to the various activities within the Group are further crucial functions of this department.

During the past year various projects, in co-operation with the IT department, were launched to improve the processing of certain transaction types. A function on the AS400 system was also developed where all operating divisions must electronically confirm the accuracy of their income statements. This has significantly improved the accuracy of financial information on which monthly reports are based.

Management is acutely aware of the critical role of this department within the Group. The Financial division must be geared at all times to fulfil its supportive role to provide in the growing needs of OVK.

■ 5. INTERNAL AUDIT

The internal audit function at the OVK Group is executed in consideration of the International Standards for the Professional Practice of Internal Auditing (IIA Standards), as published by the Institute of Internal Auditors (IIA). In line with the aforementioned, the main aim of the internal audit function is to deliver independent and objective internal audit and consultation services, which add value to the OVK Group's operations and contributes towards the improvement thereof. In accordance with the aforementioned, the following are prepared annually:

1. A rolling three-year strategic internal audit plan.
2. An internal audit operational plan.

The internal audit operational plan:

- ◆ is risk based and determines the priorities of the internal audit activity.
- ◆ provides for consulting assignments.
- ◆ will be communicated to and approved by the audit and risk committee.
- ◆ aims to evaluate and contribute to the improvement of risk management, control, and governance processes.

Internal audit's objectives, per the International Standards for the Professional Practice of Internal Auditing – Performance standard 2100, are to:

Die operasionele interne oudit plan:

- ♦ is risiko gebaseerd en bepaal die prioriteite van die interne oudit funksie.
- ♦ maak voorsiening vir spesiale interne oudit opdragte / ondersoeke.
- ♦ word aan die oudit- en risikokomitee voorgelê vir oorweging en goedkeuring; en
- ♦ het ten doel om risikobestuur, interne beheermaatreëls en algemene bestuursprosesse te evalueer en 'n bydrae te maak tot die verbetering daarvan.

Die interne oudit funksie se spesifieke doelwitte, in ooreenstemming met die "International Standards for the Professional Practice of Internal Auditing – Performance Standard 2100", behels:

- ♦ die evaluering en maak van toepaslike aanbevelings vir die verbetering van die algemene bestuursprosesse.
- ♦ die evaluering van die ontwerp, implementering en doeltreffendheid van etiek-verwante doelwitte, programme en aktiwiteite binne die OVK Groep.
- ♦ die evaluering van die algemene IT bestuursprosesse binne die OVK Groep, ten einde te oorweeg of voorge-noemde die besigheidstrategieë en doelwitte van die OVK Groep ondersteun.
- ♦ die evaluering van die effektiwiteit van risikobestuur prosesse te evalueer en 'n bydrae te lewer tot die verbetering daarvan.
- ♦ hulp aan die OVK Groep met die handhawing van effektiewe interne beheermaatreëls, deur die effektiwiteit en doeltreffendheid daarvan te evalueer en die deurlopende verbetering daarvan te bevorder.

Die interne oudit funksie rapporteer administratief aan die Besturende Direkteur en funksioneel aan die oudit- en risikokomitee en voorsien laasgenoemde en bestuur van periodieke vorderingsverslae, wat die resultate van die interne oudit funksie se aktiwiteite en bevindinge opsom.

■ 6. SEKRETARIAAT

Die Sekretariaat onder beheer van die Maatskappy Sekretaris, wat ook die aandeelverhandelings hanteer, fokus daarop om die voorskrifte van die Maatskappywet en meer spesifiek Artikel 88 daarvan na te kom. Gegewe die groot aantal entiteite in die Groep en die groei van OVK rus daar 'n groot en verantwoordelike taak op die Sekretariaat om tydig die nodige nakomingsvereistes en voorskrifte soos vervat in wetgewing en regulasies na te kom.

- ♦ assess and make appropriate recommendations for improving the governance processes.
- ♦ evaluate the design, implementation and effectiveness of the OVK Group's ethics-related objectives, programs and activities.
- ♦ assess whether the IT governance of the OVK Group sustains and supports the OVK Group's strategies and objectives.
- ♦ evaluate the effectiveness and contribute to the improvement of risk management processes.
- ♦ assist the OVK Group in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.

The internal audit function reports to the Managing Director for administrative purposes and functionally to the audit and risk committee and provides the latter and management with periodic progress reports, which summarise the activities and findings of the internal audit function.

■ 6. SECRETARIAT

The Secretariat, under the control of the Company Secretary, who also handle the trading of shares, focuses on compliance with the prescriptions of the Companies Act and more specifically Article 88 thereof. Given the large number of entities in the Group and the growth of OVK, it is a daunting task for the Secretariat to comply with all the requirements and prescriptions of the law and regulations in a constant and timely manner.

■ 7. INTERNAL LEGAL SERVICES

Internal Legal Services fulfil a manifold role within the OVK Group. Legal opinions, legal advice, the drafting and review of contracts, property transactions and various other tasks rest with the Internal Legal Services department.

The primary goal and focus of Internal Legal Services is and remains however the successful and efficient collection of accounts in arrears to benefit the liquidity of the company and its shareholders. OVK is in the very fortunate position of having an extremely competent team of legal advisors, who are all admitted attorneys.



■ 7. INTERNE REGSDIENSTE

Interne Regsdienste vervul 'n veelvuldige rol in die OVK Groep. Regsmenings, regsadvies, opstel en nagaan van kontrakte, eiendomstransaksies en verskeie ander take word vervul.

Die primêre oogmerk en fokus van Interne Regsdienste is en bly die suksesvolle en effektiewe invordering van agterstallige debiteure tot voordeel van die likiditeit van die maatskappy en sy aandeelhouders. Aangesien OVK oor 'n span baie bevoegde regsadviseurs beskik wat almal toegelate prokureurs is, plaas dit OVK in 'n bevoorregte posisie.



Notas / Notes





***Saam bereik ons meer
Together we achieve more***

CMW Vesel, 'n divisie van OVK, is die grootste makelaar van sybokhaar in die wêreld en die tweede grootste wolmakelaar in Suid-Afrika. Dienste sluit in:

CMW Fibre, the Wool and Mohair brokering division of OVK, is the largest mohair broker in the world and the second largest wool broker in South Africa. Services include:

Aflaai fasiliteit vir vragmotors • Off-load facilities for trucks
Nuwe hoë digtheidspers vir verskeping • High density press for shipping
Kliëntefinansiering • Client Financing
Professionele tegniese velddienste • Professional technical field-services
Skeerdiens • Shearing services
Wol- en bokhaarhersortering • Wool and mohair resorting

CMW Port Elizabeth - 041 406 7500 / **OVK** Ladybrand - 051 923 4500

CMW Vesel / Fibre



► *Verklaring van die Oudit & Risikokomitee*

■ **Aan die lede van Oos Vrystaat Kaap Bedryf Beperk**

1. SAMESTELLING VAN DIE OUDIT- EN RISIKOKOMITEE

Die oudit en risikokomitee bestaan uit vier nie-uitvoerende direkteure en sedert die vorige algemene jaarvergadering is die volgende persone vir die jaar deur die direksie aangewys as lede:

Mnr CT Bender, wat deur die oudit- en risikokomitee as voorsitter aangewys is.

Mnr PJ du Plessis, wat deur die oudit- en risikokomitee as ondervoorsitter aangewys is.

Mnr MW Dobrowsky

Mnr FJ Terblanche

Die besturende direkteur, die bestuurder: interne oudit, verteenwoordigers van die onafhanklike ouditeure en die voorsitter van OVK se direksie woon, wanneer nodig, die vergaderings van die ouditkomitee by.

2. OUDIT- EN RISIKOKOMITEE VERGADERINGS

Die belangrikste besprekingspunte tydens ouditkomitee vergaderings was die onderstaande:

- ◆ Die interne ouditverslae en interne beheermaatreëls
- ◆ Identifisering van risiko's
- ◆ Die versekeringsportefeulje van OVK se bates
- ◆ Bestuursopvolging
- ◆ Die bedryfsresultate vir 2015 / 2016
- ◆ Die eksterne ouditbeplanning vir 2015 / 2016
- ◆ Die eksterne ouditfooie vir 2015 / 2016 is by die direksie aanbeveel
- ◆ Die bestuursverslag van finale ouditbevindinge van die eksterne ouditeure aan die direksie en ouditkomitee
- ◆ Die gekonsolideerde finansiële jaarstate vir 2015 / 2016
- ◆ Die bedryfsbegroting vir 2016 / 2017
- ◆ Die interne ouditplan vir 2016 / 2017
- ◆ Nakoming van belastingwetgewing
- ◆ Die heraanstelling van die huidige eksterne ouditeure, PricewaterhouseCoopers Geïnk., is by die direksie aanbeveel

► *Statement of the Audit & Risk committee*

■ **To the members of Oos Vrystaat Kaap Operations Limited**

1. COMPILATION OF THE OF THE AUDIT AND RISK COMMITTEE

The audit and risk committee consists of four non-executive directors and since the previous annual general meeting the following persons were appointed as members for the year by the board of directors:

Mr CT Bender, who was appointed by the audit and risk committee as chairman.

Mr PJ du Plessis, who was appointed by the audit and risk committee as vice chairman.

Mr MW Dobrowsky

Mr FJ Terblanche

The managing director, the manager internal audit, representatives of the external auditors and the chairman of the OVK board, when needed, attend meetings of the audit & risk committee.

2. AUDIT AND RISK COMMITTEE MEETINGS

The main topics of the audit and risk committee meetings where the following:

- ◆ The internal audit reports and internal controls
- ◆ Identification of risks
- ◆ The insurance portfolio of OVK's assets
- ◆ Management succession
- ◆ The operating results for 2015 / 2016
- ◆ The external audit planning for 2015 / 2016
- ◆ The external audit fees for 2015 / 2016 were recommended to the board of directors
- ◆ The management report of final audit findings of the external auditors to the board of directors and the audit and risk committee
- ◆ The consolidated annual financial statements for 2015 / 2016
- ◆ The operating budget for 2016 / 2017
- ◆ The internal audit plan for 2016 / 2017
- ◆ Compliance with tax laws
- ◆ The reappointment of the current auditors, PricewaterhouseCoopers Inc, was recommended to the board of directors.

3. INTERNE FINANSIËLE BEHEERMAATREËLS

Die oudit- en risikokomitee het die prosedures waarvolgens die interne ouditafdeling die effektiwiteit van die maatskappy se interne kontroles beoordeel, geëvalueer. Daar het niks onder die aandag van die oudit- en risikokomitee gekom wat enige aanduiding gegee het dat daar enige wesenlike swakhede in die maatskappy se interne beheerstelsels bestaan nie. Die oudit- en risikokomitee is tevrede met die maatskappy se interne finansiële kontroles.

4. ONAFHANKLIKHEID VAN DIE OUDITEURE

Die ouditkomitee is ingevolge artikel 94 van die Maatskappywet, tevrede dat die onafhanklike ouditeure, PricewaterhouseCoopers Geïnk. onafhanklik van die maatskappy en sy filiale is.

CT Bender
Voorsitter
6 Junie 2016

3. INTERNAL FINANCIAL CONTROLS

The audit committee has reviewed the process by which the internal audit department performs its assessment of the effectiveness of the company's system of internal control, including internal financial controls. Nothing has come to the attention of the committee to indicate any material breakdown in the company's system of internal financial control. The audit committee is satisfied with the effectiveness of the company's internal financial controls.

4. INDEPENDENCE OF THE AUDITORS

In terms of section 94 of the Companies Act, the audit committee is satisfied that the external auditors, PricewaterhouseCoopers Inc, is independent of the company and its subsidiaries.

CT Bender
Chairman
6 June 2016

Notas / Notes



► *Direkteursverslag*

Die direkteure dien hul verslag in vir die jaar geëindig 29 Februarie 2016.

■ OORSIG VAN AKTIWITEITE

Hoofbesigheid en –bedrywigheede

Die groep is betrokke by die ontvangste, verwerking en bemarking van landbouprodukte en die verskaffing en die finansiering van boerderybenodigdhede, graan en dienste en is hoofsaaklik in Suid-Afrika bedrywig.

Die groep se bedryfsresultate en stand van sake word ten volle in die aangehegte opsommende gekonsolideerde finansiële jaarstate uiteengesit en vereis na ons mening geen bykomende kommentaar nie.

'n Volledige bedryfsoorsig word uiteengesit op bladsye 20 - 25.

■ GEMAGTIGDE EN UITGEREIKTE AANDELEKAPITAAL

Gedurende die finansiële jaar is 2 000 gewone aandele uitgereik. Gedurende die finansiële jaar is daar ook 5 000 000 Klas B aandele gemagtig, waarvan 1 750 040 aandele uitgereik is.

■ DIREKTEURE, UITVOERENDE BESTUUR EN SEKRETARIS

Die huidige direkteure, uitvoerende bestuur en sekretaris van die maatskappy se besonderhede is uiteengesit op bladsye 3 tot 6.

■ DIREKTEURE EN HOOFBESTUUR SE BELANGE

Die belange op jaareinde van die direkteure en hoofbestuur in die getal uitgereikte aandele van Oos Vrystaat Kaap Bedryf Beperk word hieronder uiteengesit :

► *Directors' Report*

The directors submit their report for the year ended 29 February 2016.

■ REVIEW OF ACTIVITIES

Main business and activities

The group is engaged in the receipt, processing and marketing of agricultural products and the provision and financing of agricultural requisites, grain and services and operates primarily in South Africa.

The operating results and state of affairs of the group are fully set out in the attached summarized consolidated financial statements and do not in our opinion require any further comment.

The review of operations are set out on page 20 - 25.

■ AUTHORISED AND ISSUED SHARE CAPITAL

During the financial year 2 000 ordinary shares were issued.

During the financial year 5 000 000 Class B shares were authorized of which 1 750 040 shares were issued.

■ DIRECTORS, EXECUTIVE MANAGEMENT AND SECRETARY

The present directors, executive management and secretary of the company are set out on pages 3 to 6.

■ DIRECTORS' AND EXECUTIVE MANAGERMENTS' INTEREST

The interests of directors and executive management in the number of issued shares of Oos Vrystaat Kaap Operations Limited at year-end are set out below:

	OVK Bedryf Bpk / Operations Ltd		
	Getal / Number 2016	Getal / Number 2015	
Direk: Nie-uitvoerende direkteure	465 437	459 167	Direct: Non-executive directors
Direk: Uitvoerende direkteure en Hoofbestuur	334 964	303 464	Direct: Executive directors and executive management
Indirek: Nie-uitvoerende direkteure	625 896	586 484	Indirect: Non-executive directors
	1 426 297	1 349 115	

Die belange op jaareinde van die direkteure en hoofbestuur in die uitgereikte aandele van Oos Vrystaat Beherend Eendoms Beperk word hieronder uiteengesit:

The interests of directors and executive management in the number of issued shares of Oos Vrystaat Kaap Beherend Proprietary Limited are set out below:

	OVK Beherend (Edms) Bpk / Holdings (Pty) Ltd		
	Getal / Number 2016	Getal / Number 2015	
Direk: Nie-uitvoerende direkteure	2 052 738	1 287 594	Direct: Non-executive directors
Direk: Uitvoerende direkteure en Hoofbestuur	-	-	Direct: Executive directors and executive management
Indirek: Nie-uitvoerende direkteure	3 026 477	3 090 744	Indirect: Non-executive directors
	5 079 215	4 378 338	

■ DIVIDENDE

Die direkteure stel 'n dividend voor van 55 sent (2015: 50 sent) per aandeel goedgekeur wat in totaal R33 419 955 (2015: R29 505 758) bedra wat aan aandeelhouers geregistreer op 29 Februarie 2016, betaal sal word.

■ GEBEURE NA VERSLAGDOENINGSDATUM

Die direkteure weet nie van enige wesenlike gebeure wat sedert die einde van die finansiële jaar ontstaan het nie.

■ OUDITEURE

PricewaterhouseCoopers Geïnk. sal kragtens Artikel 90 van die Maatskappywet hul amp voortsit.

'n Volledige stel finansiële state is beskikbaar ter insae by die geregistreerde hoofkantoor van die maatskappy in Ladybrand en 'n verkorte weergawe is beskikbaar op die maatskappy se webwerf: <http://www.ovk.co.za>.

HGN Scheepers
Voorsitter / Chairman
6 Junie 2016

■ DIVIDENDS

The directors approved a dividend of 55 cent (2015: 50 cent) per share amounting to a total of R33 419 955 (2015: R29 505 758) to be distributed to shareholders registered on 29 February 2016.

■ EVENTS AFTER THE REPORTING DATE

The directors are not aware of any significant events that have occurred since the end of the financial year.

■ AUDITORS

PricewaterhouseCoopers Inc will continue in office in accordance with section 90 of the Companies Act.

A complete set of financial statements is available for inspection at the company's registered office in Ladybrand and an abridged version thereof is available on the company's website: <http://www.ovk.co.za>.

JD le Roux
Ondervoorsitter / Vice chairman
6 June 2016





Finansiële Jaarstate

GEKONSOLIDEERDE FINANSIËLE STATE VAN OOS VRYSTAAT KAAP BEDRYF BEPERK VIR DIE JAAR GEËINDIG 29 FEBRUARIE 2016

Staat van Finansiële Stand

•

Staat van Omvattende Inkomste

•

Staat van Verandering in Ekwiteit

•

Staat van Kontantvloeië

Die afsonderlike en gekonsolideerde finansiële jaarstate is gepubliseer op 14 Junie 2016 en deur die onafhanklike ouditeur PricewaterhouseCoopers Geïnkorporeer geouditeer.

Annual Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS OF OOS VRYSTAAT KAAP OPERATIONS LIMITED FOR THE YEAR ENDED 29 FEBRUARY 2016

Statement of Financial Position

•

Statement of Comprehensive Income

•

Statement of Changes in Equity

•

Statement of Cash Flows

The stand alone as well as the consolidated financial statements were published on 14 June 2016 and audited by the independent auditors PricewaterhouseCoopers Incorporated.

Staat van finansiële stand / Statement of financial position

	Groep / Group		Maatskappy / Company		
	2016 R	2015 R	2016 R	2015 R	
Bates					Assets
Niebedryfsbates	620,494,975	582,455,583	561,285,807	527,783,279	Non-Current Assets
Beleggingseiendom	19,429,036	2,769,383	19,429,036	2,769,383	Investment Property
Eiendom, aanleg en toerusting	401,522,919	356,622,389	341,481,105	306,296,737	Property, plant and equipment
Klandisiewaarde	3,334,257	3,334,257	-	-	Goodwill
Ontasbare bates	3,660,889	7,178,394	3,660,889	4,585,889	Intangible assets
Beleggings in filiale	-	-	10,200,448	6,800,448	Investments in subsidiaries
Beleggings in gesamentlike beheerde ondernemings	900,033	449,533	59	59	Investments in joint ventures
Beleggings in geassosieerdes	4,117,474	3,829,185	141,703	141,703	Investments in associates
Ander finansiële bates	1,542,817	1,314,343	1,542,817	1,314,343	Other financial assets
Uitgestelde belasting	2,175,800	10,558,449	1,018,000	9,475,067	Deferred income tax
Langtermyn huurkope en termynlenings	183,793,971	196,381,871	183,793,971	196,381,871	Long term hire-purchases and term loans
Ledefondse	17,779	17,779	17,779	17,779	Members funds
Bedryfsbates	2,365,097,099	1,973,637,740	2,418,646,825	1,993,336,905	Current Assets
Biologiese bates	51,087,300	45,741,013	51,087,300	45,741,013	Biological assets
Voorraad	825,880,630	616,208,670	812,490,404	613,764,547	Inventories
Lenings aan groepmaatskappye	-	-	80,584,496	19,354,254	Loans to group companies
Ander finansiële bates	113,170,052	40,158,551	113,170,052	40,158,551	Other financial assets
Inkomstebelasting	4,248,743	4,662,102	3,703,772	4,406,472	Income tax
Handels- en ander debiteure	1,343,406,960	1,237,395,958	1,333,435,616	1,246,626,335	Trade and other receivables
Kontant en kontantekwivalente	27,303,414	29,471,446	24,175,185	23,285,733	Cash and cash equivalents
Niebedryfsbates gehou-vir-verkoop	-	1,096,487	-	1,096,487	Non-current assets held for sale
Totale bates	2,985,592,074	2,557,189,810	2,979,932,632	2,522,216,671	Total Assets
Ekwiteit en aanspreeklikhede					Equity and Liabilities
Ekwiteit	907,213,308	809,306,869	921,498,875	801,735,667	Equity
Aandelekapitaal	82,091,287	59,011,515	82,091,287	59,011,515	Share capital
Nie-verdeelbare reserwes	(39,131,793)	(13,853,770)	695,966	534,482	Non-distributable reserves
Opgelope inkomste	853,028,657	756,822,325	838,711,622	742,189,670	Retained earnings
Nie-beherende belang	11,225,157	7,326,800	-	-	Non-controlling interest
Laste					Liabilities
Niebedryfslaste	16,356,031	25,493,274	-	9,882,206	Non-Current Liabilities
Langtermyn lenings	-	9,882,206	-	9,882,206	Long term loans
Uitgestelde belasting	16,356,031	15,611,068	-	-	Deferred income tax
Bedryfslaste	2,062,022,735	1,722,389,667	2,058,433,757	1,710,598,798	Current Liabilities
Lenings vanaf groepmaatskappye	9,928,099	2,212,018	10,212,855	3,585,745	Loans from group companies
Lenings vanaf aandeelhouders	15,202,625	29,544,581	15,202,625	29,544,581	Loans from shareholders
Inkomstebelasting betaalbaar	464,219	597,028	-	-	Income tax payable
Korttermyngedeelte van langtermyn lening	9,888,886	8,465,336	9,888,886	8,465,336	Short term portion of long term loan
Handels- en ander krediteure	748,640,892	588,596,393	746,835,384	577,092,790	Trade and other payables
Werknemer voordele verskuldig	33,236,639	37,784,257	31,632,632	36,720,292	Employee benefits accrued
Ander finansiële aanspreeklikhede	26,447,960	13,374,389	26,447,960	13,374,389	Other financial liabilities
Bankoortrekking	1,218,213,415	1,041,815,665	1,218,213,415	1,041,815,665	Bank overdraft
Totale laste	2,078,378,766	1,747,882,941	2,058,433,757	1,720,481,004	Total Liabilities
Totale ekwiteit en aanspreeklikhede	2,985,592,074	2,557,189,810	2,979,932,632	2,522,216,671	Total Equity and Liabilities

Staat van Omvattende Inkomste / Statement of Comprehensive Income

	Groep / Group		Maatskappy / Company		
	2016 R	2015 R	2016 R	2015 R	
Inkomste	3,721,448,997	3,446,562,989	3,631,753,915	3,079,789,859	Revenue
Koste van verkope	(3,108,873,860)	(2,861,501,085)	(3,043,721,260)	(2,612,723,282)	Cost of sales
Brutowins	612,575,137	585,061,904	588,032,655	467,066,577	Gross profit
Ander inkomste	135,565,519	139,988,895	137,663,778	144,125,241	Other income
Bedryfskoste	(87,048,710)	(92,092,997)	(69,332,888)	(74,419,464)	Operating expenses
Administratiewe uitgawes	(421,133,582)	(400,067,301)	(425,414,396)	(332,611,537)	Administrative expenses
Verspreidingskoste	(43,857,289)	(49,169,750)	(43,037,740)	(32,005,717)	Distribution costs
Bedryfswins	196,101,075	183,720,751	187,911,409	172,155,101	Operating profit
Beleggingsinkomste	1,560,901	4,118,055	9,690,525	4,387,544	Investment income
Graan bruto wins ingesluit billike waarde bewegings	93,850,240	48,286,979	93,850,240	48,286,979	Grain gross profit including fair value adjustments
Inkomste uit ekwiteitsverantwoorde beleggings	861,780	650,257	-	-	Income from equity accounted investments
Finansieringskoste	(111,393,822)	(68,439,646)	(111,377,312)	(69,249,510)	Finance costs
Wins voor belasting	180,980,174	168,336,396	180,074,862	155,580,114	Profit before taxation
Inkomstebelastinguitgawe	(56,582,107)	(48,183,825)	(54,047,152)	(42,176,038)	Taxation
Wins vir die jaar	124,398,067	120,152,571	126,027,710	113,404,076	Profit for the year
Ander omvattende inkomste:					Other comprehensive income:
Aanpassing van ekwiteitsbelegging	198,500	371,100	198,500	371,100	Adjustment to equity investment
Belasting verwant aan komponente van ander omvattende inkomste	(37,016)	(69,203)	(37,016)	(69,203)	Taxation related to components of other comprehensive income
	161,484	301,897	161,484	301,897	
Totale omvattende inkomste	124,559,551	120,454,468	126,189,194	113,705,973	Total comprehensive income
Wins toeskryfbaar aan					Profit attributable to:
Eienaars van die houermaatskappy	123,499,710	119,063,333	126,027,710	113,404,076	Owners of the parent company
Nie-beherende belang	898,357	1,089,238	-	-	Non-controlling interest
	124,398,067	120,152,571	126,027,710	113,404,076	
Totale omvattende inkomste toeskryfbaar aan:					Total comprehensive income attributable to:
Eienaars van die houermaatskappy	123,661,194	119,365,230	126,189,194	113,705,973	Owners of the parent company
Nie-beherende belang	898,357	1,089,238	-	-	Non-controlling interest
	124,559,551	120,454,468	126,189,194	113,705,973	

*Staat van Verandering in Ekwiteit /
Statement of Changes in Equity*

	Groep / Group					
	Aandele kapitaal/ Share capital	Aandelepremie/ Share premium	Totale reserves/ Total reserves	Opgelope inkomste/ Retained earnings	Nie-beherende belang/ Non controlling interest	Ekwiteit/ Equity
	R	R	R	R	R	R
Saldo / Balance 2014-03-01	59,011,515	-	(7,678,912)	658,537,727	6,545,067	716,415,397
Wins vir die jaar / Profit for the year	-	-	-	119,063,333	1,089,238	120,152,571
Ander omvattende inkomste / Other comprehensive income	-	-	301,897	-	-	301,897
Totale omvattende inkomste vir die jaar / Total comprehensive income for the year	-	-	301,897	119,063,333	1,089,238	120,454,468
Verkoop van tesourie-aandele / Selling of treasury shares	-	-	(6,702,500)	-	-	(6,702,500)
Oordrag na reserve / Transfer to reserves	-	-	(3,481,760)	3,481,760	-	-
Ekwiteitstransaksie / Equity transaction	-	-	3,707,504	(1,105,378)	(307,505)	2,294,621
Dividende / Dividends	-	-	-	(23,155,117)	-	(23,155,117)
Totale bydraes deur en verdelings aan eienaars van die maatskappy direk in ekwiteit erken / Total contributions from and distributions to owners of the company accounted for in equity	-	-	(6,476,756)	(20,778,735)	(307,505)	(27,562,996)
Saldo / Balance 2015-03-01	59,011,515	-	(13,853,771)	756,822,325	7,326,800	809,306,869
Wins vir die jaar / Profit for the year	-	-	-	123,499,710	898,357	124,398,067
Ander omvattende inkomste / Other comprehensive income	-	-	161,484	-	-	161,484
Totale omvattende inkomste vir die jaar / Total comprehensive income for the year	-	-	161,484	123,499,710	898,357	124,559,551
Verkoop van tesourie-aandele / Selling of treasury shares	-	-	(25,439,506)	-	-	(25,439,506)
Aandelepremie / Share premium	-	24,940	-	-	-	24,940
Uitreiking van aandele / Issuing of shares	2,000	-	-	-	-	2,000
Uitreiking van Klas B aandele / Issuing of Class B shares	23,052,832	-	-	-	3,000,000	26,052,832
Dividende / Dividends	-	-	-	(27,293,378)	-	(27,293,378)
Totale bydraes deur en verdelings aan eienaars van die maatskappy direk in ekwiteit erken / Total contributions from and distributions to owners of the company accounted for in equity	23,054,832	24,940	(25,439,506)	(27,293,378)	3,000,000	(26,653,112)
Saldo / Balance 2016-02-29	82,066,347	24,940	(39,131,793)	853,028,657	11,225,157	907,213,308

Staat van Verandering in Ekwiteit / Statement of Changes in Equity

Maatskappy / Company					
	Aandele kapitaal/ Share capital	Aandelepremie/ Share premium	Totale reserves/ Total reserves	Opgelope inkomste/ Retained earnings	Ekwiteit/ Equity
Saldo / Balance 2014-03-01	R 59,011,515	R -	R 3,714,345	R 586,394,013	R 649,119,874
Wins vir die jaar / Profit for the year	-	-	-	113,404,076	113,404,076
Ander omvattende inkomste / Other comprehensive income	-	-	301,897	-	301,897
Totale omvattende inkomste vir die jaar / Total comprehensive income for the year	-	-	301,897	113,404,076	113,705,973
Verandering in ekwiteit / Changes in equity	-	-	(3,481,760)	3,481,760	-
Gesamentlike beheer / Common control - CMW	-	-	40,833,671	-	40,833,671
Gesamentlike beheer / Common control - Gariëp	-	-	22,860,986	-	22,860,985
Oordrag na opgelope inkomste / Transfer to retained earnings	-	-	(63,694,657)	63,694,657	-
Dividende / Dividends	-	-	-	(24,784,836)	(24,784,836)
Totale bydraes deur en verdelings aan eienaars van die maatskappy direk in ekwiteit erken / Total contributions from and distributions to owners of the company accounted for in equity	-	-	(3,481,760)	42,391,580	38,909,820
Saldo / Balance 2015-03-01	59,011,515	-	534,482	742,189,670	801,735,667
Wins vir die jaar / Profit for the year	-	-	-	126,027,710	126,027,710
Ander omvattende inkomste / Other comprehensive income	-	-	161,484	-	161,484
Totale omvattende inkomste vir die jaar / Total comprehensive income for the year	-	-	161,484	126,027,710	126,189,194
Aandelepremie / Share premium	-	24,940	-	-	24,940
Uitreiking van aandele / Issuing of shares	2,000	-	-	-	2,000
Uitreiking van Klas B aandele / Issuing of Class B shares	23,052,832	-	-	-	23,052,832
Dividende / Dividends	-	-	-	(29,505,758)	(29,505,758)
Totale bydraes deur en verdelings aan eienaars van die maatskappy direk in ekwiteit erken / Total contributions from and distributions to owners of the company accounted for in equity	23,054,832	24,940	-	(29,505,758)	(6,425,986)
Saldo / Balance 2016-02-29	82,066,347	24,940	695,966	838,711,622	921,498,875

Staat van Kontantvloeie / Statement of Cash Flows

	Groep / Group		Maatskappy / Company		
	2016 R	2015 R	2016 R	2015 R	
KONTANTVLOEI UIT BEDRYFSAKTIWITEITE Kontant (aangewend in) / gegenereer deur bedrywighede	111,558,894	(249,711,714)	1,299,446	(280,231,848)	CASH FLOWS FROM OPERATING ACTIVITIES Cash (used in) / generated from operations
Rente inkomste	1,560,901	4,118,055	144,354,968	111,727,611	Interest income
Dividende ontvang	51,346	102,746	2,946,574	3,890,636	Dividends received
Finansieringskoste	(111,393,822)	(68,439,646)	(111,377,312)	(69,249,510)	Finance costs
Dividende	(27,293,378)	(23,155,117)	(29,505,758)	(24,784,836)	Dividends paid
Belasting betaal	(47,210,914)	(42,821,925)	(44,924,354)	(37,713,144)	Taxation paid
Netto kontant uit bedryfsaktiwiteite	(72,726,973)	(379,907,601)	(37,206,436)	(296,361,091)	Net cash from operating activities
KONTANTVLOEI UIT BELEGGINGSAKTIWITEITE Verkryging van eiendom, aanleg en toerusting	(95,732,193)	(72,216,538)	(84,599,346)	(57,272,446)	CASH FLOWS FROM INVESTING ACTIVITIES Acquisition of property, plant and equipment
Verkoop van eiendom, aanleg en toerusting	4,577,623	6,193,170	4,327,471	4,997,912	Sale of property, plant and equipment
Verkryging van ontasbare bates	(210,000)	(3,500,000)	(210,000)	(3,500,000)	Acquisition of intangible assets
Aankoop van belegging	-	(99,107)	(3,400,000)	-	Acquisition of investment
Verkryging van belegging in filiaal	-	-	-	(11,220,883)	Acquisition of investment in subsidiaries
Verkoop van belegging in geassosieerde	-	3,339,883	-	-	Sale of investment in associates
Lenings aan groepmaatskappye	-	4,249,059	(61,230,242)	(87,115,411)	Loans to group companies
Verkoop van finansiële bates	(228,474)	(363,049)	(228,474)	(364,695)	Sale of financial assets
Bruikhuurbetalings	-	(828,558)	-	-	Finance lease payments
Aankoop van ledefondse	-	(1,646)	-	-	Acquisition of members funds
Ander reserwes	198,500	371,100	198,500	371,100	Other reserves
Nie-beherende belang	3,000,000	-	-	-	Non-controlling interest
Netto kontant uit beleggingsaktiwiteite	(88,394,544)	(62,855,686)	(145,142,091)	(154,104,423)	Net cash from investing activities
KONTANTVLOEI UIT FINANSIERINGSAKTIWITEITE Opbrengs op aandele-uitgifte	23,079,772	-	23,079,772	-	CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from the issuing of shares
Terugbetaling van langtermyn lenings	(8,458,656)	(7,899,392)	(8,458,656)	(7,899,392)	Repayment of long-term loans
Terugbetaling van aandeelhouderslening	(14,341,956)	8,447,234	(14,341,956)	8,447,234	Repayment of shareholders loan
Lening vanaf groepsmaatskappye	7,716,081	(2,680,187)	6,561,069	(13,732,622)	Loans from group companies
Tesourie aandele	(25,439,506)	(6,702,500)	-	-	Treasury shares
Netto kontant uit finansieringsaktiwiteite	(17,444,265)	(8,834,845)	6,840,229	(13,184,780)	Net cash from financing activities
Totale toename / (afname) in kontant en kontantekwivalente	(178,565,782)	(451,598,132)	(175,508,298)	(463,650,294)	Net increase / (decrease) in cash and cash equivalents
Kontant en kontantekwivalente aan die begin van die jaar	(1,012,344,219)	(560,746,087)	(1,018,529,932)	(545,611,501)	Cash and cash equivalents at the beginning of the year
Kontant verkry met besigheidsamevoeging	-	-	-	(9,268,137)	Cash acquired with business combination
Kontant en kontantekwivalente aan die einde van die jaar	(1,190,910,001)	(1,012,344,219)	(1,194,038,230)	(1,018,529,932)	Cash and cash equivalents at the end of the year

► *Aantekeninge*

OOS VRYSTAAT KAAP BEDRYF BEPERK

Die verkorte Gekonsolideerde Finansiële State soos op 29 Februarie 2016 is beskikbaar op die Maatskappy se webwerf:

<http://www.ovk.co.za>

OOS VRYSTAAT KAAP BEHEREND (EDMS) BEPERK

Die verkorte Gekonsolideerde Finansiële State soos op 29 Februarie 2016 is beskikbaar op die Maatskappy se webwerf.

Die volledige Groep Finansiële State is ter insae beskikbaar by die hoofkantoor van die Maatskappy in Ladybrand.

► *Notes*

OOS VRYSTAAT KAAP OPERATIONS LIMITED

The abridged Consolidated Financial Statements for the year ended 29 February 2016 are available on the Company's website:

<http://www.ovk.co.za>

OOS VRYSTAAT KAAP HOLDINGS (PTY) LIMITED

The abridged Consolidated Financial Statements as at 29 February 2016 are available on the Company's website.

The complete Group Financial Statements are available for inspection at the head office of the Company in Ladybrand.

Notas / Notes

