

**SA CULTIVAR AND TECHNOLOGY AGENCY (NPC)**

(Registration number 2016/217906/08)

Annual financial statements  
for the year ended 28 February 2022



THE  
**ASHTON**  
CA (SA) GROUP INC.

## **SA Cultivar and Technology Agency (NPC)**

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### **General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Collecting and facilitating of levies in respect of grain produced or imported
<b>Directors</b>	Mr JA du Plessis (Chairperson) Mr DN van Rooyen (Vice Chairperson) Dr E Briedenhann Dr L Chetty Mr AM Mbotshelwa Mr WJ Lemmer Mr CJ Louw Prof PW Mashela Mr GF Heyns
<b>Registered office</b>	477 Witherite Street The Willows Pretoria Gauteng 0040
<b>Postal address</b>	P.O. Box 74626 Lynnwood Ridge Pretoria Gauteng 0040
<b>Bankers</b>	First National Bank
<b>Auditors</b>	The Ashton CA(SA) Group Inc Chartered Accountants (SA) Registered Auditors
<b>Tax reference number</b>	9322191199

# SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

## Index

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

	<b>Page</b>
Directors' Responsibilities and Approval	3
Independent Auditor's Report	4 - 5
Directors' Report	6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 12
Notes to the Annual Financial Statements	13 - 16
Administrative Income Statement	17
Levy Income and Expenditure Report	18
<b>Level of assurance</b>	

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Directors' Responsibilities and Approval

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The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

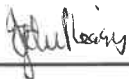
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial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

The directors have reviewed the company's cash flow forecast for the period to 28 February 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 4-5.

The annual financial statements set out on pages 6 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 2022/08/01 and were signed on its behalf by:

#### Approval of annual financial statements



Director



Director



THE  
**ASHTON**

CA (SA) GROUP INC.

REGISTERED ACCOUNTANTS  
AND AUDITORS

## Independent Auditor's Report

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To the directors of SA Cultivar and Technology Agency (NPC)

### Opinion

We have audited the Annual Financial Statements of SA Cultivar and Technology Agency (NPC) set out on pages 7 to 16, which comprise the Statement of Financial Position as at 28 February 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of SA Cultivar and Technology Agency (NPC) as at 28 February 2022, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.

### Basis for opinion

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

### Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act 71 of 2008, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### Directors

A. Robberts B.Compt (Hons) CA (SA) RA  
H.J. Windell B.Compt (Hons) CA (SA) RA  
W. Delpont B.Compt (Hons) CA (SA) RA  
C.E. Möller B.Com (PGDA) CA (SA) RA

#### Professional Assistants

A. Deysel Professional Accountant (SA) B.Com CIMA  
T.C. Moyo Professional Accountant (SA) B.Com Acc Sci

#### Address

Ashton House, 51 Lebombo St,  
Ashlea Gardens, 0181  
PO Box 1620, Groenkloof, 0027  
Tel: +27 (012) 460 3050  
E-mail: [karin@ashtongroup.co.za](mailto:karin@ashtongroup.co.za)

## Independent Auditor's Report

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### Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

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


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

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

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

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

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



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The Ashton CA(SA) Group Inc  
Willie Delport  
Director  
Chartered Accountants (SA)  
Registered Auditors

# SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of SA Cultivar and Technology Agency (NPC) and its associates for the year ended 28 February 2022.

### 1. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### 2. Directors

The directors in office at the date of this report are as follows:

#### Directors

Mr JA du Plessis (Chairperson)

Mr DN van Rooyen (Vice Chairperson)

Dr E Briedenhann

Dr L Chetty

Mr AM Mbotshelwa

Mr WJ Lemmer

Mr CJ Louw

Prof PW Mashela

Mr GF Heyns

### 3. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

### 4. Distributions to Principals

Seed companies, which are the registered owners or licensed users of seed varieties in respect of the open-pollinated crops for which statutory levies are administered by SACTA, are expected to conclude formal agency agreements, in which SACTA is appointed as levy collection and distribution agent. The seed companies, as Principals, undertake to fully cooperate with SACTA in the performance of its duties, which cooperation include, but are not limited to, the provision of information that SACTA may require to effectively perform its duties. The Principals provide SACTA with, inter alia, their seed sales statistics or DNA profiles relating to the seed varieties in question.

SACTA collects the levies on the applicable crops and distributes it to the Principals in accordance with agreed formulas for each crop, which formulas are used to calculate the market share of each of the companies. The individual amounts distributed to the Principals remain confidential, as it is based on the market share of each company.

SACTA is entitled to deduct its operational and administrative expenses, together with 20% (twenty percent) of the levies collected. The 20% is used for transformation in the industry in terms of the guidelines of the National Agricultural Marketing Council (NAMC).

All statutory levies, collected by SACTA on behalf of its Principals are not amounts received for its own benefit and consequently not treated as gross income for either accounting or taxation purposes.

### 5. Auditors

The Ashton CA(SA) Group Inc continued in office as auditors for the company for 2022.

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Statement of Financial Position as at 28 February 2022

Figures in Rand	Note(s)	2022	2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	10 336	1
<b>Current Assets</b>			
Trade and other receivables	3	8 510 890	6 043 679
Cash and cash equivalents	4	158 576 554	175 487 356
		<b>167 087 444</b>	<b>181 531 035</b>
<b>Total Assets</b>		<b>167 097 780</b>	<b>181 531 036</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Contingency reserve fund		2 412 171	2 412 171
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	14 871 544	10 310 676
Other financial liabilities	6	130 793 346	128 615 756
Transformation fund	7	19 020 719	40 192 433
		<b>164 685 609</b>	<b>179 118 865</b>
<b>Total Equity and Liabilities</b>		<b>167 097 780</b>	<b>181 531 036</b>



## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Administration income		4 471 292	3 588 596
Administration expenses		(4 471 292)	(3 588 596)
<b>Operating surplus/(loss)</b>		<b>-</b>	<b>-</b>

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Statement of Changes in Equity

Figures in Rand	Contingency reserve fund	Total equity
Balance at 01 March 2020	2 412 171	2 412 171
Balance at 01 March 2021	2 412 171	2 412 171
Balance at 28 February 2022	2 412 171	2 412 171

Note(s)

The Contingency Reserve Fund is subject to annual revision, before distribution of levy income to Principals.

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
<b>Cash flows from operating activities</b>			
Cash (used in) generated from operations	8	(19 073 393)	10 340 971
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(14 999)	-
<b>Cash flows from financing activities</b>			
Increase in levy fund creditor		2 177 590	35 040 795
<b>Net cash from financing activities</b>		<b>2 177 590</b>	<b>35 040 795</b>
<b>Total cash movement for the period</b>		<b>(16 910 802)</b>	<b>45 381 766</b>
Cash at the beginning of the period		175 487 356	130 105 589
<b>Total cash at end of the period</b>	4	<b>158 576 554</b>	<b>175 487 355</b>

# SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

#### 1.1 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

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Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

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#### 1.2 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Financial instruments at amortised cost

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

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

##### Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

#### 1.3 Provisions and contingencies

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

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

## **SA Cultivar and Technology Agency (NPC)**

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### **Accounting Policies**

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#### **1.3 Provisions and contingencies (continued)**

Provisions are not recognised for future operating losses.

Levy Fund Creditors represent the net of statutory levies collected by SACTA on behalf of its Principals, to be distributed after balance sheet date.

Transformation funding is provided for at 20% of net levies collected, inclusive of accrued interest.

#### **1.4 Revenue**

Administration income recouped from levy fund creditors, is realised and recognised to the extent of administration expenses incurred in a period.

#### **1.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

#### **1.6 Trade receivables**

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amount are recognised in profit or loss when there is objective evidence that the asset is impaired.

#### **1.7 Trade payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Commission payable accrues on an annual basis in accordance with the 2.5% of annual gross levy income invoiced.

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Notes to the Annual Financial Statements

Figures in Rand 2022      2021

#### 2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
IT equipment	15 000	(4 664)	10 336	1	-	1

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
IT equipment	1	14 999	(4 664)	10 336

#### 3. Trade and other receivables

Levies receivable	8 510 890	6 043 679
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#### 4. Cash and cash equivalents

Cash and cash equivalents consist of:

FNB Cheque Account	815 487	343 944
FNB Current Account	26 649 861	52 204 030
FNB Money Market Account	3 064 147	2 953 296
FNB Investment Account	127 665 380	119 986 086
FNB Call Account	381 679	-
	<b>158 576 554</b>	<b>175 487 356</b>

#### 5. Trade and other payables

Trade payables	300 415	63 000
Unallocated receipts	5 381 453	3 033 356
VAT	3 832 345	3 893 940
Commission payable	5 357 331	3 320 380
	<b>14 871 544</b>	<b>10 310 676</b>

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>6. Other financial liabilities</b>		
<b>Levy fund creditors</b>		
Levy fund creditor - Soybean	78 185 323	77 482 518
Levy fund creditor - Oats	712 831	669 749
Levy fund creditor - Barley	7 864 853	11 111 783
Levy fund creditor - Wheat	43 633 705	39 351 706
Levy fund creditor - Lupins	396 634	-
	<b>130 793 346</b>	<b>128 615 756</b>
<b>Current liabilities</b>		
Levy fund creditors	130 793 346	128 615 756
<b>Reconciliation of levy fund creditor: Wheat</b>		
Balance brought forward	39 351 706	2 694 839
Add: Gross levy income	61 688 710	46 794 712
Less: Commission payable	(1 542 218)	(1 169 868)
Add: Interest on levy funds	1 973 227	1 586 285
Less: Administration fees allocated	(1 705 914)	(1 112 038)
Less: Transformation provision allocations	(12 423 944)	(9 442 224)
Less: Distributions allocated to principals	(43 707 862)	-
	<b>43 633 705</b>	<b>39 351 706</b>
<b>Reconciliation of levy fund creditor: Barley</b>		
Balance brought forward	11 111 783	297 031
Add: Gross levy income	10 918 034	13 805 688
Less: Commission payable	(272 951)	(345 142)
Add: Interest on levy funds	349 233	467 996
Less: Administration fees allocated	(301 923)	(328 081)
Less: Transformation provision allocations	(2 198 863)	(2 785 709)
Less: Distributions allocated to principals	(11 740 460)	-
	<b>7 864 853</b>	<b>11 111 783</b>
<b>Reconciliation of levy fund creditor: Oats</b>		
Balance brought forward	669 749	36 902
Add: Gross levy income	1 236 362	807 867
Less: Commission payable	(30 909)	(20 197)
Add: Interest on levy funds	39 547	27 387
Less: Administration fees allocated	(34 190)	(19 198)
Less: Transformation provision allocations	(249 000)	(163 012)
Less: Distributions allocated to principals	(918 728)	-
	<b>712 831</b>	<b>669 749</b>

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>Reconciliation of levy fund creditor: Soybean</b>		
Balance brought forward	77 482 518	7 293 687
Add: Gross levy income	87 336 501	89 600 307
Less: Commission payable	(2 183 413)	(2 240 008)
Add: Interest on levy funds	2 793 618	3 037 338
Less: Administration fees allocated	(2 415 167)	(2 129 278)
Less: Transformation provision allocations	(17 589 341)	(18 079 528)
Less: Distributions to allocated principals	(67 239 393)	-
	<b>78 185 323</b>	<b>77 482 518</b>
<b>Reconciliation of levy fund creditor: Lupins</b>		
Add: Gross levy income	509 853	-
Less: Commission payable	(12 746)	-
Add: Interest on levy funds	16 309	-
Less: Administration fees allocated	(14 099)	-
Less: Transformation provision allocations	(102 683)	-
	<b>396 634</b>	<b>-</b>

#### 7. Transformation fund

##### Reconciliation of transformation fund - 2022

	Opening balance	Allocated from levy fund creditors	Paid during the year	Amounts refunded during the year	Total
Transformation fund	40 192 433	32 563 831	(54 935 545)	1 200 000	19 020 719

##### Reconciliation of transformation fund - 2021

	Opening balance	Allocated from levy fund creditors	Paid during the year	Total
Transformation fund	37 218 566	30 470 473	(27 496 606)	40 192 433

Provision for transformation funding is calculated at 20% of net levies collected, inclusive of accrued interest.

##### Transformation fund reconciliation

Opening balance	40 192 433
Add: 20% Allocation from levy fund creditors	32 563 832
Less: Transformation payments	-
- Enterprise development	(48 655 396)
- Skills and training ( Bursary provision)	(2 291 750)
- Transformation management	(3 655 372)
- Socio economic development	(333 028)
Add: Amounts refunded during year	1 200 000
	<b>19 020 719</b>



## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>8. Cash (used in) generated from operations</b>		
Operating profit	-	-
<b>Adjustments for:</b>		
Depreciation and amortisation	4 664	-
Movements in provisions	(21 171 714)	2 973 867
<b>Changes in working capital:</b>		
Trade and other receivables	(2 467 211)	(1 160 830)
Trade and other payables	4 560 868	8 527 934
	<b>(19 073 393)</b>	<b>10 340 971</b>

### 9. Administration

Administration expenses for the 2022 year represent 2.8% of the total gross levy income for the period.

## SA Cultivar and Technology Agency (NPC)

(Registration number: 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Administrative Income Statement

Figures in Rand	Note(s)	2022	2021
<b>Revenue</b>			
Administration income - As per Levy Income and Expenditure Report		4 471 292	3 588 596
<b>Operating expenses</b>			
Administration fees		(1 718 816)	(1 641 658)
Administration penalties - SARS		(7 500)	-
Advertising and marketing		(134 380)	(61 830)
Annual administration bonus		(393 172)	(116 357)
Annual report costs		-	(67 258)
Audit fees		(55 800)	(51 600)
Bank charges		(6 266)	(16 373)
Conference expenses		(112 758)	-
Depreciation, amortisation and impairments		(4 664)	-
Employee costs		(1 531 254)	(1 414 605)
Inspection fees		(10 600)	-
Meeting fees		(12 511)	(3 368)
Professional fees		(425 924)	(192 180)
Travel and accommodation		(39 644)	(23 367)
Website hosting and computer expenses		(18 003)	-
<b>Total Administrative expenses</b>		<b>(4 471 292)</b>	<b>(3 588 596)</b>

## SA CULTIVAR AND TECHNOLOGY AGENCY (NPC)

(Registration number 2016/217906/08)

Annual Financial Statements for the year ended 28 February 2022

### Levy Income and Expenditure Report

Figures in Rand	Note(s)	2022	2021
<b>Income</b>			
Gross levy income		161 689 460	151 008 573
Interest on levy funds		5 171 934	5 119 006
		<u>166 861 394</u>	<u>156 127 579</u>
<b>Expenses</b>			
Administration fees allocated (As per Administration Income Statement)		4 471 293	3 588 595
Commission payable		4 042 237	3 775 214
Transformation provision allocations	7	32 563 832	30 470 473
Distributions to Principals		123 606 443	83 252 501
		<u>164 683 805</u>	<u>121 086 783</u>
<b>Net surplus/(deficit) for the period</b>		<u>2 177 589</u>	<u>35 040 796</u>
<b>Allocated to levy fund creditors</b>	6	(2 177 589)	(35 040 796)