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### profile

UCL Company (Pty) Ltd is a South African registered company. It is the holding and operating company of a diverse number of operations including:- Sugar, Wattle Extract, Adhesives and Resins, Sawmilling, Farming, Agricultural Requisite Sales and Security Services. The Company employs 1636 permanent employees.





UCL COMPANY (PTY) LTD

*notice*

OF THE **8<sup>th</sup>** ANNUAL GENERAL MEETING OF SHAREHOLDERS  
*to be held in the Dalton Agricultural Hall on*  
**25 July 2013 at 15h30**

TEA WILL BE SERVED FROM 15h00

Wives/Partners are cordially invited to attend the cocktail function which will be held immediately after close of business.

## FORM OF PROXY

"I/We, \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder(s) of UCL Company (Pty) Ltd and entitled to vote, hereby appoint

\_\_\_\_\_, of \_\_\_\_\_, or failing him,

\_\_\_\_\_, of \_\_\_\_\_, or failing him,

the chairperson of the meeting as my/our proxy to speak and vote for me/us and on my/our behalf at the Shareholders' Meeting of the Company to be held in Dalton on the 25<sup>th</sup> day of July 2013 and at any adjournment thereof:

Resolution No.	Agenda Item	Mark X where Applicable		
		In Favour of	Against	Abstain
1	Election of Directors			
2	Adoption of Annual Financial Statements			
3	Approval of the Directors' Fees, Auditors' Fees and other Provisions			
4	Appointment of Directors to the Audit Committee			
5	Appointment of Representatives to: Directors of SA Cane Growers' Association, KWANALU and Members of the Audit Committee			
<b>Special Resolutions</b>				
1	Authority for repurchase of shares			
2	Authority to grant financial assistance to related companies			
3	Approval to make the Social and Ethics Committee a permanent statutory sub-committee of the Board			

Unless instructed how to vote, my/our proxy may vote as he/she thinks fit. My/our proxy may delegate to any other person the authority given to him/her in terms of this proxy instrument.

Signed on this \_\_\_\_\_ Day of \_\_\_\_\_ 2013

\_\_\_\_\_  
Signature

*(Note: A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his stead, and such proxy need not also be a Shareholder of the Company.)*

# agenda

1. **OPENING** Notice of meeting and apologies.

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2. **MINUTES** of the 7<sup>th</sup> Annual General Meeting held on 26 July 2012.
  - 2.1. Adoption.
  - 2.2. Matters arising.

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3. **TO ELECT DIRECTORS IN PLACE OF MESSRS.** M.R. Meyer, V.G. Keyser, M.J. Mason, A.P. Gibbs and J.W. Stegen, who retire in accordance with the Memorandum of Incorporation, all of whom have offered themselves for re-election.

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4. **TO APPOINT DIRECTORS TO THE AUDIT COMMITTEE.** In terms of section 94 of the Companies Act 71 of 2008, members of the Audit Committee must be appointed by the Shareholders at a General Meeting of Shareholders. The following Directors are members of the Audit Committee and are available to be re-appointed to the Audit Committee. **MESSRS.** A.P. Gibbs, M.R. Meyer and J.W. Stegen.

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5. **FINANCIAL YEAR ENDED 31 MARCH 2013**
  - 5.1. Chairman's Report.
  - 5.2. To receive the Directors' Report, Auditors' Report, Final Accounts and Balance Sheet.
  - 5.3. To adopt the Directors' Report, Auditors' Report, Final Accounts and Balance Sheet.
  - 5.4. To approve of the Directors' Fees, Auditors' Fees and other provisions as recommended by the Board of Directors.
  - 5.5. Appointment of Auditors.
  - 5.6. Chief Executive Officer's Report.
  - 5.7. Midlands Pine Products (Pty) Ltd Report.

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6. **TO APPOINT:**
  - 6.1. Two Directors of SA Cane Growers' Association Limited.
  - 6.2. Delegates to the KWANALU Congress.

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7. **RESOLUTIONS**
  - 7.1. In terms of the Companies Act 71 of 2008 the Board has passed the following resolution and inserts the details herewith for Shareholders information:-

*“That the Board of Directors of the Company may, subject to the provisions of Section 48 (2) (a) and Section 48 (3) and (8) of the Companies Act 71 of 2008 (the Act) as amended and any applicable law, approve the acquisition of shares, from other Shareholders of the Company, issued by the Company.”*
  - 7.2. In terms of Section 45 of the Companies Act 71 of 2008 as amended, the Board is authorised to grant financial assistance to any company or corporation which is related or inter-related to the Company (as defined in the Act) on terms and conditions which the Directors may determine.
  - 7.3. That the Social and Ethics Committee is made a Permanent Statutory Committee of the Board.

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8. **GENERAL:**

To conduct any other business to be brought forward before the Annual General Meeting.

*BY ORDER OF THE BOARD.*  
*S.P. LOVE: GROUP COMPANY SECRETARY*

# minutes

Minutes of the 7<sup>th</sup> Annual General Meeting of Shareholders held at Dalton on **26 July 2012 at 15:30**

<b>PRESENT</b>	98 Shareholders who signed the attendance register and 26 visitors who signed the attendance register. No Shareholders were represented by proxy.
<b>CHAIRMAN</b>	Mr. C.E. Klipp
<b>IN ATTENDANCE</b>	R. Lütge, M. van der Merwe and S.P. Love
<b>APOLOGIES</b>	Apologies were tendered on behalf of Messrs. E. Kilburn, R. Rossler, G.T. Ollermann, B. Tweedle, R. Miles, R. Scott, Treetops Farm C.C., A. Braitwaite, KGB Estates, M.J.R. Gordon, A.G. Solomon, W.R. Wittig, A. Lütge, L. Harris, T. Maar, K. Schroder, R. Küsel and E. Meyer.
<b>MINUTES</b>	The minutes, as circulated, of the 6 <sup>th</sup> Annual General Meeting of UCL Company (Pty) Ltd Shareholders, held in Dalton on 21 <sup>st</sup> July 2011 were taken as read and were adopted. <b>Proposed by:</b> Mr. M. Mason   <b>Seconded by:</b> Mr. I. Hill
<b>MATTERS ARISING</b>	Nil.
<b>SPECIAL RESOLUTION</b>	The meeting passed the following resolution unanimously by way of a show of hands:- <i>“In terms of Section and Schedule 5, Transitional Arrangements of the Companies Act 71 of 2008, as amended, the Shareholders approve the amendment of the Memorandum of Incorporation.”</i>
<b>ELECTIONS AND APPOINTMENTS</b>	
<b>Directors</b>	<p>As no further nominations had been received, the appointment of the following Directors were approved:- Mr. C.E. Klipp, Mr. M.A. Klipp, Mr. W.R. Meyer, Mr. J.W. Stegen, Mrs. L.A. Robertson and Mr. V.H. Schroder.</p> <p>The meeting further noted that due to the promulgation of the new Companies Act 71 of 2008 the position of an official observer to the Board of Directors no longer exists and therefore the following, previously observers, have now been elected as Directors, Mr. J.W. Stegen and Mrs. L.A. Robertson.</p> <p>It was further noted that in terms of the Cane Growers Association constitution no Director of a milling company may be a Director on the Board of Cane Growers and therefore the Board has decided to second Mr. A.M. Voigts onto the UCL Company (Pty) Ltd Board as a consultant in order to keep the Board abreast of sugar industry matters related to growers.</p>
<b>ADDRESS</b>	The Chairman’s address was noted and Mr. C.E. Klipp thanked the Board for all their support over the past year.
<b>FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2012</b>	The Chairman’s Report and the Financial Statements were taken as read.
<b>Dividend</b>	The dividend of R0.076 per share was approved.
<b>Directors’ Fees</b>	The Directors’ Fees for 2012 of R805 525-00 were approved. The Directors’ Fees for 2013 of R861 912-00 plus R500-00 per committee meeting were approved.
<b>Appointment of Auditors</b>	PricewaterhouseCoopers were re-appointed as external auditors. <b>Proposed by:</b> Mr. C.E. Klipp   <b>Seconded by:</b> Mr. E.R. Wittig

<b>Directors of SA Cane Growers' Association</b>	The following names of Shareholders were put forward for nomination and were appointed:- Mr. A.M. Voigts and Mr. C. L. Freese. <b>Proposed by:</b> Mr. C.E. Klipp   <b>Seconded by:</b> Mr. R.H.G. Schroder
<b>Delegates to 2012 KWANALU Congress</b>	The following were nominated and appointed: Mrs. L.A. Robertson and Mr. A.M. Voigts as alternate. <b>Proposed by:</b> Mr. C.E. Klipp   <b>Seconded by:</b> Mr. H.W. Küsel
<b>UCL Company (Pty) Ltd Mill Group Board</b>	Mr. C.E. Klipp explained to the meeting that in the past the UCL Company (Pty) Ltd Board had always been elected as the UCL Mill Group Board but that this had changed this year as the UCL Mill Group Board had been elected by the growers at the UCL Agri Suppliers Forum meeting on 7 June 2012.
<b>RESOLUTIONS</b>	<p><b>The following resolutions were passed unanimously by way of a show of hands:-</b></p> <ol style="list-style-type: none"> <li>In terms of the Companies Act 71 of 2008 the Board has passed the following resolution and inserts the details herewith for Shareholders information:-   <i>“That the Board of Directors of the Company may, subject to the provisions of Section 48 (2) (a) and Section 48 (3) and (8) of the Companies Act 71 of 2008 (the Act) as amended and any applicable law, approve the acquisition of shares, from other Shareholders of the Company, issued by the Company.”</i> </li> <li>“In terms of Section 45 of the Companies Act 71 of 2008 as amended, the Board is authorised to grant financial assistance to any company or corporation which is related or inter-related to the Company (as defined in the Act) on terms and conditions which the Directors may determine.”</li> </ol> <p>The Chairman declared the resolutions carried.</p>
<b>GENERAL</b>	<ol style="list-style-type: none"> <li>Mr. M.B. Hill requested that in future the profit achieved per division be shown separately. Mr. C.E. Klipp stated that the matter would be taken under advisement by the Board.  The proposal was seconded by Mr. P.J.J. Crowe.</li> <li>Mr. R. Koningkramer requested that the date of the Annual General Meeting be moved closer to the middle of the month to enable more Shareholders to attend the meeting.  The Chairman advised that the meeting date was dependent upon the finalisation date of the annual audit and the statutory 21 days' notice period and traditionally it was held at the end of the month.</li> <li>Mr. E. Nuss proposed a vote of thanks to the Group Company Secretary for all his hard work in setting up the meeting. This was carried.</li> </ol>
<b>ACKNOWLEDGEMENTS</b>	The Chairman thanked the Directors' wives for providing the tea and thanked the Dalton Unicorn Club for providing the Bar and Sue Koch for the food.

**THE MEETING CLOSED AT 17H00 WITH A VOTE OF THANKS TO THE CHAIR.**

CONFIRMED: \_\_\_\_\_

DATE: \_\_\_\_\_

# 2013 UCL DIRECTORATE



**executive committee**

**MARK MEYER**

EXECUTIVE-, AUDIT-, REMUNERATION- & TRANSPORT COMMITTEE.

*Appointed*

Observer 2005  
Director 2007  
Vice-Chair 2008

**WERNER MEYER**

EXECUTIVE-, REMUNERATION-, RISK-, SHAREHOLDER MATTERS- & TRANSPORT COMMITTEE.

*Appointed*

Director 2000

**MARK KLIPP**

EXECUTIVE-, REMUNERATION-, RISK-, SHAREHOLDER MATTERS-, TRANSPORT-, MOI-, MOHSE- & FARM LIAISON COMMITTEE.

*Appointed*

Observer 2003  
Director 2008

**chairman**

**CONRAD KLIPP**

EXECUTIVE-, REMUNERATION- & TRANSPORT COMMITTEE.

*Appointed*

Observer 1998  
Director 2002  
Vice-Chair 2006  
Chairman 2007






**directors**

VICTOR HANS SCHRODER	VOLLY KAISER	MURRAY MASON	ANTHONY GIBBS
MANAGEMENT ENVIRONMENTAL COMMITTEE. <i>Appointed</i> Director 2012	BOARD. <i>Appointed</i> Observer 1984 Director 1998	SUPPLIERS FORUM & MILL GROUP BOARD. <i>Appointed</i> Observer 2000 Director 2001	AUDIT-, RISK- & SHAREHOLDER MATTERS COMMITTEE. <i>Appointed</i> Observer 2001 Director 2005

**directors**

ANDRE VOIGTS	LISA ROBERTSON	JAMES STEGEN
MILL GROUP BOARD & CANE GROWERS. <i>Appointed</i> Consultant 2012	SOCIAL AND ETHICS- & MOI COMMITTEE. <i>Appointed</i> Director 2012	AUDIT-, RISK-, MOI-, SHAREHOLDER MATTERS-, SUPPLIERS FORUM & FARM LIAISON COMMITTEE. <i>Appointed</i> Director 2012

A portrait of Conrad Klipp, the Chairman, wearing glasses and a light-colored shirt, set against a dark wood-paneled background.

The effective  
co-ordination and  
guidance of people  
related influences  
remains our top  
priority as we  
seek to extract the  
remaining potential  
inherent in  
our operations.

A handwritten signature in white ink, appearing to read 'Conrad Klipp'.

**CONRAD KLIPP**  
Chairman  
June 2013

## Chairman's Statement

The year on year assessment of UCL's financial performances has underlined significant movements in both cost and income categories. Company revenue has increased by a notable 21% on the back of increased sugar production and trading division sales. The corresponding cost of sales increased by 19% due to the related increase in raw material purchases. The result is an operating profit before changes in fair value of biological assets of R66.2m, an increase of 24.1%. Total operating profit has increased to R74.7m financed at a cost of R11m.

After a lengthy interval characterised by subdued performances, sugar has again made a significant contribution to the Company's performance. Revenue was up by 32% while cost escalation was limited to 24%. A solid contribution from sugar is required going forward in order to secure UCL's growth and sustainability ambitions. While the chances of prosperity in the sugar industry are largely dependent on the sales ratios between local and export markets we continue to see progress on our local market sales initiatives. As anticipated, wattle extract sales volumes fell significantly during the early part of the season following our move towards independent sales. The corresponding decrease in production costs led to a 16% reduction in expenses year on year. In contrast, revenue only fell by 11% resulting in respectable profits for the year. Trading and payroll services performed well during the past year while the potential for Harden Heights and the vehicle workshop remains untapped.

Our investments into new and upgraded plant and equipment have progressed throughout the review period and are expected to continue into the coming year. As a result the balance sheet line

item of property plant and equipment has increased by R44m which is primarily a reflection of the completed sugar packaging plant. The Company's working capital cycle has been amended following the changes to our various marketing activities and new facilities have been put in place accordingly. Financial planning has received close attention in recent times in order to position the Company for the likely demands of prospective capital requirements as well as to prepare for a range of possible future scenarios. Key financial ratios are assessed periodically to ensure the viability and integrity of the operations and the Company as a whole while also serving to ensure we remain within the recognised key performance indicators.

The UCL Board has recommended a dividend of 8.0c per share for 2012/13. In addition, following good performances by the wattle and sugar business units the Board has approved supplementary price enhancements to be paid out retrospectively for raw materials delivered during the respective past seasons. An additional R50 per ton of bark delivered and an additional R40 per ton RV delivered will be paid to suppliers. The cost of these supplementary payments has been accounted for in the 2012/13 financials as presented in this report.

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***I wish to thank UCL staff, suppliers and members of the Board for their contribution towards the Company's on-going endeavours.***

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Theoretical reasoning and planning will only take us so far and ultimately we require individuals to step up and make it happen.

## Shareholder Diary

Financial Year End  
Annual General Meeting

31 March  
July

### Reports and Profit Statements:

Profit announcement and final dividend declaration  
Annual Financial Statements

July  
July

Dividends:

- Final Dividends
  - Declared
  - Paid

July  
August

Closed share trading period for Directors 15 May to Annual General Meeting.

## Share Owner Analysis

As at 31 March 2013

NUMBER OF SHAREHOLDERS	CATEGORY IN MILLIONS	SHARES HELD	% HELD
387	1 - 1 000 000 shares	50069162	43.52
20	1 000 001 - 2 000 000 shares	27352841	23.77
10	2 000 001 - 3 000 000 shares	23392473	20.33
4	3 000 001 - 4 000 000 shares	14242869	12.38
0	4 000 001 - 5 000 000 shares	0	0.00
421		115057345	100.00

## Share Trading Mechanism

	2013	2012	2011	2010
Offers to Sell	22 500	527 650	412 001	1 173 083
Shares Traded	0	0	162 201	2 017 709
Balance Available for Purchase	22 500	527 650	249 800	298 000
Private Sales	0	0	62 201	50 000

## The Board and Board Committees

The Company has a unitary Board of Directors comprised of non-executive Directors. Directors are primarily elected for their business acumen and skills pertinent to the business of the Company and to meet the criteria of the King Reports. The Board of Directors is ultimately responsible for ensuring that the business is a thriving concern. Effectively controlling the Company and its Management requires direct involvement in all decisions that are material for this purpose.

Directors	Board Meetings held during the year	Board Meetings attended during the year
C.E. KLIPP	<b>11</b>	11
M.R. MEYER		11
M.A. KLIPP		10
W.R. MEYER		10
H.W. KÜSEL		4
A.P. GIBBS		11
V.G. KEYSER		10
M.J. MASON		10
L.A. ROBERTSON		10
J.W. STEGEN		11
V.H. SCHRODER		7
<b>Consultant</b>		
A.M. VOIGTS		10

The aim is to have a Board with the appropriate balance of skills and experience to support the Company's strategy and to meet the demands of effective leadership. The Board functions in terms of a formal Board Charter, which forms part of the Corporate Governance Policies and Procedures Manual, which requires that there is an appropriate balance of power and authority on the Board.

Board Committees have been established to assist the Board in discharging its duties. This provides the assurance that operational performance and risk management are monitored through transparency, disclosure and review.

The roles of the Chairman and the Chief Executive are separated and the Chairman is a non-executive, independent Director.

		2013 R	2012 R
<b>Director's Remuneration</b>	<b>NON-EXECUTIVE</b>		
Director's fees in respect of the financial year ended 31 March 2013.	Chairman	230 331	215 263
	Vice-Chairman	144 657	135 193
	Executive Directors each	66 050	61 729
	Directors each	50 689	47 373
	Observers each	50 689	47 373

## Board Committees

In accordance with the Board Charter, the Board has approved and delegated responsibility for specific matters to various Committees, all of which have formal terms of references. The formal terms of reference and the delegated authority regarding each Committee are laid out in the Corporate Governance Policies and Procedures Manual. The Board has created the following Committees:-

# Audit Committee

## Report of the Audit Committee

The Audit Committee of the Company has pleasure in submitting this report for the financial year ended 31 March 2013, as required by section 94 of the Companies Act 71 of 2008.

### [1]

#### Audit Committee Charter

The Audit Committee has adopted formal terms of reference as its Audit Committee Charter which has been approved by the Board of Directors. The Committee has conducted its affairs in compliance with this Charter and has discharged its responsibilities contained therein. The Charter is available on the Company's website at [www.uclweb.co.za](http://www.uclweb.co.za) and is also available on request. The Committee has fulfilled its responsibilities in line with the code of Governance Principles (King III).

### [2]

#### Audit Committee Members and Attendance at Meetings

For the year under review the Audit Committee consisted of two (2) independent, non-executive Directors.

The following attended meetings by invitation:-

J.W. Stegen	Chairman Risk Committee
R. Lütge	Chief Executive Officer
M. Van Der Merwe	Chief Marketing Officer
H. Tredoux	Chief Financial Officer
D. Fourie	External Auditor PricewaterhouseCoopers
R. Klute	Internal Auditor PricewaterhouseCoopers
S.P. Love	Group Company Secretary

During the year under review four meetings were held.

#### Audit Committee Meeting Attendance

Member	11 May '12	19 Jun '12	25 Oct '12	5 Mar '13
A.P. Gibbs Appointed: 2003	PRESENT	PRESENT	PRESENT	PRESENT
M.R. Meyer Appointed: 2008	PRESENT	PRESENT	PRESENT	PRESENT

The Committee has nominated, for election at the Annual General Meeting, PricewaterhouseCoopers Inc. as the external audit firm and Mr. Des Fourie as the designated auditor responsible for performing the functions of auditor, for the 2013 financial year. The Audit Committee has satisfied itself that the audit firm and designated auditor are accredited on the JSE list of auditors and advisors.

#### **Internal Financial Controls**

Based on the results of discussions and considering information and explanations given by Management and the external auditor on the results of the audit, in addition to results of ad hoc internal audit assignments conducted, the Audit Committee is of the opinion that the Company's and Group's system of internal financial controls is effective and forms a sound basis for the preparation of reliable Financial Statements.

#### **Financial Statements (Including accounting policies)**

The Audit Committee has reviewed the Financial Statements of the Company and the Group, and is satisfied that they comply with International Financial Reporting Standards.

#### **Going Concern**

The Audit Committee reviewed a documented assessment by Management of the going concern premise of the Company before concluding to the Board of Directors that the Company will be a going concern in the foreseeable future.

#### **Expertise and Experience of Financial Management and Financial Function**

The Audit Committee has satisfied itself that the Financial Manager has appropriate expertise and experience. The Audit Committee has considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of Management responsible for the financial function.

## [3]

### **Duties Assigned by the Board of Directors**

The Audit Committee fulfils an oversight role regarding the Company's integrated report and the reporting process, including the system of internal financial control. It is responsible for ensuring the Company's internal audit function is independent and has sufficient resources, standing and authority within the Company to enable it to discharge its duties. Furthermore the Audit Committee oversees co-operation between the internal and external audit functions, and serves as a link between the Board of Directors and these functions.

The Audit Committee confirms that it dealt with the following responsibilities appropriately during the year under review:-

- Reviewed the year-end Financial Statements, culminating in a recommendation to the Board. In the course of its review the Committee:
  - Took appropriate steps to ensure the Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act;
  - Considered and, when appropriate, made recommendations on internal financial controls; and
  - Dealt with concerns or complaints relating to the following:
    - Accounting policies;
    - Internal audit;
    - The auditing or content of the Annual Financial Statements; and
    - Internal financial controls.
  - Reviewed the external audit reports on the Annual Financial Statements;