

ANNUAL REPORT OF THE INDEPENDENT AUDITORS

<The sole proprietor / members / partners / directors / trustees>
<Insert name of Livestock Agent>
<Insert address of Livestock Agent>

The Registrar of Agricultural Produce Agents Council
Suite Number 69
Private Bag X9
East Rand
1462

Dear Sir/Madam

Annual Report of the independent Auditor to the [Name of Livestock Agent] Sole Proprietor / Member / Partners / Directors / Trustees of and the Registrar of Agricultural Produce Agents Council (the 'registrar') in compliance with Rules 33 and 34 of the "Rules" in respect of Livestock Agents (the Rules) made in terms of Section 22 of the Agricultural Produce Agents Act (the 'Act'). The Act and the Rules are hereafter referred to as the "Applicable Legislation".

Introduction

We have completed our audit of the financial records of [insert Name of Livestock Agent] ('the LA') for the year ended [insert year end date] in order to report to the LA and the registrar in accordance with rule 34 of the Rules.

LA's Responsibilities

The LA who receives or holds money and agricultural products as defined in the Applicable Legislation, for or on behalf of principals is required in terms of Rules 5(3), 5(4), 5(5), 10(2), 10(4), 11, 11(1), 25, 26, 28, 29, 30, 31, 33, 34, 35, 36 and 38 to keep proper accounting records.

The Rules set out specific responsibilities of the LA. Consequently, the LA is responsible for designing, implementing and maintaining internal financial controls relevant to the administration of such funds that will facilitate the prevention and detection of fraud and error, losses and establish policies and procedures to achieve compliance with the requirements of the Applicable Legislation.

Auditor's responsibility

Our responsibility is to express our limited assurance conclusion and to report on instances of non-compliance based on our work performed. We conducted our limited assurance engagement in accordance with the International Standard of Assurance Engagements ISAE 3000 International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information. This standard requires us to comply with ethical requirements and to plan and perform our assurance engagement to obtain sufficient appropriate evidence to support our limited assurance conclusion, expressed below.

The objectives specified in the Rules referred to above form the criteria to evaluate the LA's compliance. The Rules do not specify an internal control framework, which provides objective criteria for assessing the design or operation of internal controls to evaluate the LA's compliance.

In order to report our findings on the design and implementation of key internal controls to meet the objectives of this engagement, we have exercised our professional judgement regarding the appropriateness of the internal financial controls implemented, based on our understanding of the business of the LA and its environment, including its internal and other controls, obtained during our audit of the financial statements for the year ended [insert year end date]. Our audit of the financial statements was not, however, for the purpose of expressing an opinion on the LA's internal controls. Our audit was completed in accordance with International Standards on Auditing and in our auditor's report on those financial statements, dated [insert date], we expressed an unmodified opinion.

Summary of work performed

We planned and performed our work to obtain all the information and explanations that we considered necessary to provide sufficient evidence for us to express our limited assurance conclusion expressed below. It should be appreciated that in a limited assurance engagement the evidence gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

Our summary of work performed included the following:

1. Inquiries, primarily of persons responsible for financial and accounting matters affecting principal's money and trust property held on behalf of principals throughout the year and inquiries of the LA's staff members regarding any instance of non-compliance reported to the registrar that may be material to the financial statements or to 'trust funds' under control of the LA.
2. Analytical and other evidence gathering procedures, inter alia:
 - a) Inspection of principal mandates relating to a sample of transactions selected to determine that they were in accordance with such mandates.
3. Obtaining written representations from management regarding matters relevant to this engagement.

We believe that the evidence obtained as part of our limited assurance engagement is sufficient and appropriate to provide a basis for our findings.

Conclusion

In our opinion, based on our work performed, nothing has come to our attention that causes us to believe that:

1. The LA did not comply with the Rules; OR
2. With the exception of instances of non-compliance with the requirements of the Rules identified during the course of our assurance engagement and reported in our findings in

the attached Schedule, no instances of material non-compliance with the requirements of the Rules have arisen.

Restriction on use and distribution

Our report is presented solely for the purpose set out in the first paragraph of our report and for the information of the LA and the registrar and may not be suitable for another purpose and is not to be used for any other purpose, nor to be distributed to any other parties.

Name

Registered Auditor

Address and Date