



ANNUAL REPORT

2025



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Pretorium Trust (Co-operative) Limited is an Authorized Financial Service Provider (License No. 2753) and a Registered Credit Provider (NCRCP 228).



NOTICE OF ANNUAL GENERAL MEETING

The seventy-seventh Annual General Meeting of Members of the Co-operative will be held on Tuesday, 11 November 2025, at 17:00 at Pretorium Building, 40 Ingersol Road, Lynnwood Glen.

AGENDA

1. Notice of meeting.
2. Confirmation of Minutes of the Annual General Meeting held on 12 November 2024.
3. Chairperson's address.
4. Submission and approval of the following:
 - 4.1 Chairperson's report.
 - 4.2 Report from the Board of Directors.
 - 4.3 Statement of Comprehensive Income, Statement of Financial Position and Auditor's Report.
5. Approval of appointment and remuneration of Auditor.
6. Special Resolutions:

The expulsion of members in terms of section 17(1) of the Constitution of the Co-operative.
7. Election of Directors.
8. General.

By order of the Board of Directors.

MRS M J JORDAAN
CEO

8 OCTOBER 2025
PRETORIA

Board of Directors: J A van Zyl - Chairperson;
J H Cilliers; C P J Pienaar; K Sacks and Mrs Z R P Matsau.

Management: Mrs M J Jordaan - CEO.

CHAIRPERSON'S REPORT

Dear Members,

In the 87th anniversary year of Pretorium Trust, is it a privilege for me to report on behalf of the Board of Directors on the activities of Pretorium Trust during the financial year ended 15 September 2025.

For South Africans, 2025 was a year defined by economic pressure and uncertainty. The rising costs of food, fuel and electricity placed additional pressure on families, who were already under pressure due to high interest rates and a weakening rand.

The political landscape also contributed to this uncertain atmosphere. Ongoing debates over service delivery and policy-making, coupled with the complications of coalition governance, affected consumer confidence and created a climate where financial decisions were made more conservatively than in previous years.

ACTIVITIES OF THE CO-OPERATIVE

Pretorium Trust's turnover decreased by 2,18 % to R1,255 billion in the past financial year compared to the previous financial year. Not only are consumers more selective in their purchases, but reality has forced households to reconsider their priorities and to find a way to stretch limited budgets further, while still providing for essential needs, which has had a direct impact on purchasing behaviour. The net profit decreased by 4,16 % due to the abovementioned reasons.

The net profit available for distribution amounts to R45,423 million, which makes a major contribution to members' spending power during the festive season.

The financing portfolio shows that it continues to be a very popular facility for our members. The amount invested in the instalment sales agreements is R107,043 million, compared to R112,777 million in the previous financial year. This decline can be attributed to interest rates on financing vehicles and durable goods which remained high for most of the past financial year and placed considerable pressure on consumers, who relied on credit to replace or purchase new vehicles or goods. This led to cautious spending patterns, with many households postponing major purchases. As interest rates gradually began to decline, there was some recovery, but the overall cost of financing remained a key factor influencing consumer behaviour.

However, the Co-operative's member funds continued to be optimally utilised, leading to improved profitability. Instalment sales agreements are offered to members at favourable, fixed interest rates and with no origination or administrative fees.

As a registered Authorised Financial Services Provider, Pretorium Trust continues to offer short-term insurance services to members and they receive personal and expert service. These insurance facilities offer personal as well as commercial insurance to members. Pretorium Trust is registered as a broker of Discovery, Hollard and Santam.

Commission earned on insurance premiums amounted to R16,485 million. This income earned by Pretorium Trust as an intermediary amounts to 22,16 % of the total income. This is an important source of income that significantly contributes to a higher bonus percentage on member purchases and insurance premiums. (See Graph 2)

Currently, only 4 128 members use this insurance facility and members are encouraged to inquire with the insurance department about the premiums and benefits offered by these insurance facilities. These insurance premiums also qualify for the annual bonus.

Medical "gap cover", underwritten by Stratum, is offered to members and these premiums also qualify for the annual bonus. The Co-operative's commission income is supplemented with the commission received from Stratum.

Travel insurance through TIC, a division of Santam Limited, is also available to members. Members can also earn bonus on these premiums.

Assupol also offers exclusive benefits to Pretorium Trust members in the form of a funeral plan and a protection plan. With the protection plan, you can insure your Pretorium Trust account from as little as R4,00 per month. Please inquire.

FINANCIAL RESULTS

Trade discount received from suppliers on member purchases is still the Co-operative's main source of income and amounted to R28,974 million this year compared to R29,788 million the previous year. This decline can be attributed to the decrease in turnover. Trade discount represents 38,87 % of total income compared to the 39,60 % of total income the previous year. Alternative sources of income were once again optimally utilized in order to maximize the possible bonus available for declaration. This enables the Co-operative to present an equal bonus of 3,98 % on all purchases (fuel excluded), short-term insurance and "gap cover" premiums to members for consideration.

The prime interest rate reduction had a noticeable impact on interest income. While it supported the economy in certain sectors, it reduced interest yields. Interest income, which in the previous financial year constituted 31,70 % of total income, amounted to 31,09 % this year. (See Graph2). Fees on investments are determined by the interest rates of the institution in order to obtain the best return.

Despite the increasing trend in debt counselling cases in the past financial year, bad debts written off amounted to R767 818,23 and represented only 0,061% of member business, which is somewhat lower than the previous year. These satisfactory results are due to effective credit screening and control, as well as members' discipline and ability to manage their credit purchases judiciously despite the difficult economic conditions and the credit control measures that must be maintained in terms of the National Credit Act.

61,12 % of the gross income, after deduction of expenses, is available for distribution, compared to 63,26 % last year. This is illustrated in monetary terms in Graph 1.

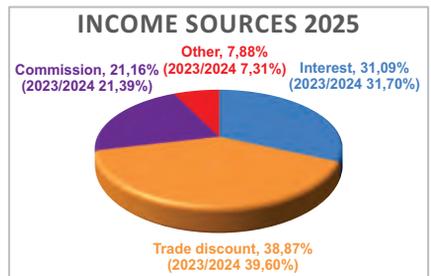
SOCIAL CO-OPERATIVE RESPONSIBILITY

Social co-operative responsibility is a fundamental part of conducting business. Pretorium Trust is therefore fully committed to its co-operative social responsibility towards all its members, business partners, employees and the general community. A comprehensive social report is available together with the audited financial statements. In addition to the expected compliance with legislation and regulations, Pretorium Trust believes that setting the highest standards in terms of ethics, business integrity and sustainability is its core responsibility.

GRAPHS



Graph 1



Graph 2

Amounts due as a result of purchases made from a supplier are ceded as security to that supplier.

ANNUAL BONUS

This year an amount of R45 423 141,30 is available for distribution, compared to R47 395 484,17 the previous year. The Board of Directors recommends that a uniform bonus of 3,98 % on purchases, short-term insurance premiums and medical "gap cover" premiums be declared to members, of which 3,80 % be paid in cash and the balance be transferred to the Members' Interest Fund for future payment. The bonus declaration for the previous financial year amounted to 4,10 %, of which 3,85 % was paid to members in cash.

Members' November 2025 accounts will be credited with the amounts of their bonuses.

A comparison between gross income and the amount available for distribution is reflected in Graph 1.

Despite various advertising methods, members are still our best source of publicity and marketing. Please keep in mind that:

- as a co-operative, the net profit of Pretorium Trust is distributed amongst members on a transactional basis.
- all transactions on which a trade discount is received, as well as short-term insurance premiums and medical "gap cover" premiums qualify for a uniform bonus; and
- VAT is regarded as part of the purchases by members and is taken into account when the bonus is calculated.

FINANCIAL CONDITION

RESERVES – R19 256 106

• GENERAL RESERVE – R15 904 142

Forfeited Bonuses, unclaimed Advance payments and Members' Interest Fund as well as Membership fees amounting to R275 076 have been transferred to the General Reserve this year.

The amount of R554 554 was paid to a plaintiff as a result of legal liability against Pretorium Trust as broker.

• NON-DISTRIBUTABLE RESERVE – R3 351 964

The Non-distributable Reserve was increased by R42 241 as prescribed by the Co-operative Act.

MEMBERS' FUNDS – R121 187 904

• MEMBERS' INTEREST FUND – R49 418 130

During the year R2 897 902 was transferred to the Fund, while it was reduced by R1 966 894 in respect of payouts.

• ADVANCE PAYMENT FUND – R62 920 961

During the year the Fund was supplemented with R11 155 990, while repayments amounted to R10 367 199. Provision for the payment of interest at 1,25 % per annum was made for this in the financial statements and will be credited to members' November 2025 accounts.

• MEMBERS' LOANS – R8 848 813

Amounts of R1 000 or more can be lent to Pretorium Trust by members at interest for a period of at least 12 months. During the year the Fund was supplemented with R1 271 704, while repayments amounted to R1 175 420.

FUTURE PLANNING

The objective of Pretorium Trust for 2026 is to increase the Co-operative's profitability and membership and to pay the highest possible bonus to its members. This includes raising awareness and recruiting members of the general public as well as expanding the current financing portfolio to further benefit from it. The growth in the insurance business is a priority that can increase profits and offer service and product expansion to members. In terms of technological development, Pretorium Trust looks forward to the availability of a new card system, which has been under review for the past three years. This will expand the functionality and security of our existing cards to improve benefits for members. Efforts are also being made to make additional services, products and suppliers available to Pretorium Trust's members.

ACKNOWLEDGEMENTS

The Board of Directors would like to express our sincere gratitude to all members for their continued loyalty and support during the past year despite economic pressures and many competitors in the market.

We would also like to thank our suppliers, insurers and business partners for their continued cooperation, commitment and trust in our vision. Their contributions play an important role in ensuring that we can serve our members effectively.

A special word of thanks goes to the management and staff whose dedication, professionalism and loyal service have once again contributed greatly to the success of Pretorium Trust and the satisfaction of our members.

With thanks.

JA VAN ZYL

CHAIRPERSON: BOARD OF DIRECTORS

DIRECTORS' REPORT

The Board of Directors present their report for the year ended 15 September 2025.

NATURE OF BUSINESS

Pretorium Trust's business is conducted on the following basis:

- Joint benefits are negotiated for members in respect of the purchase of their household and other personal necessities.
- Loans and hire purchase financing is granted to members; and
- Pretorium Trust acts as an agent to members or as an intermediary in their interest in respect of their insurance business.

There has been no change in the nature of the business of Pretorium Trust during the financial year.

FINANCIAL RESULTS

The Co-operative's results and the state of affairs are detailed in the financial statements which appear on the following pages and is clarified further in the chairperson's report.

BOARD OF DIRECTORS

Mr J H Cilliers was co-opted as a director by the Board of Directors during the year. His appointment as a director will be presented for confirmation during the Annual General Meeting.

The term of office of Mr C P J Pienaar expires this year and he is eligible for re-election.

Nomination forms (obtainable from the office) for a prospective director, together with a curriculum vitae, must be in the possession of the Chief Executive Officer at least seven (7) days before the annual meeting and must be signed by 5 members. Prospective directors must already have been members of the Co-operative for a minimum of five (5) years.

CORPORATE GOVERNANCE AND CODES OF CONDUCT

The Board of Directors of Pretorium Trust is committed to good corporate governance and endorses the values and ethical codes of conduct as recommended in the Principles of Good Governance for Co-operatives and the King IV report. The Board has adopted a charter containing their duties and responsibilities and it is available for inspection at the office of the Co-operative. A complete Management Decision Report is available along with a full set of audited financial statements.

An Audit Committee which comprises of two non-executive directors is responsible for and reports to the Board of Directors regarding the integrity and quality of the financial statements, the accounting systems and the efficiency of the internal audit controls. The Audit Committee also ascertained itself of the qualifications and independence of the external auditors.

ACTIVITIES AFTER CLOSING OF THE FINANCIAL YEAR

No material facts or circumstances affecting the assessment of the Co-operative's state of affairs between 15 September 2025 and the date of this report emerged.

• HIERDIE VERSLAG IS OOK IN AFRIKAANS BESKIKBAAR

PRETORIUM TRUST (CO-OPERATIVE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 15 SEPTEMBER 2025

	2025	2024
	R	R
ASSETS		
NON-CURRENT ASSETS		
Fixed property with improvements at cost	85 829 880	91 626 493
- Stand 88 Lynwood Glen, Pretoria	11 376 638	11 376 638
Other fixed assets	597 847	653 804
Cost	2 315 982	2 344 203
Less: Accumulated depreciation	(1 718 135)	(1 690 399)
Due by members – long term	71 816 940	77 390 479
Instalment sale agreements	69 207 990	74 531 283
Loans to members	2 608 950	2 859 196
Mortgage bonds – Personnel Housing Scheme loans	2 038 455	2 205 572
	244 031 232	237 380 776
CURRENT ASSETS		
Owing by members – short term	43 825 299	44 367 102
Instalment sale agreements	37 835 811	38 246 044
Loans to members	2 378 905	2 489 856
Open accounts	3 906 398	3 880 063
Provision for doubtful debt	(295 815)	(248 861)
Sundry debtors	2 719 363	3 112 314
Recoverable from suppliers	2 349 875	2 365 477
Prepaid expenses	136 195	210 806
Cash and cash equivalents	195 000 500	187 325 077
Income tax	-	-
	329 861 112	329 007 269
TOTAL ASSETS		
EQUITY AND LIABILITIES		
MEMBERS' INTEREST AND RESERVES		
Membership fund	64 787 755	67 039 282
Distributable reserves – General reserve	108 508	108 214
Unappropriated profit	15 904 142	16 225 861
Non-distributable reserves	45 423 141	47 395 484
	3 351 964	3 309 723
LIABILITIES		
NON-CURRENT LIABILITIES		
Advanced Payments Fund	265 073 357	261 967 987
Members' Interest Fund	117 029 091	115 209 292
Retirement benefit obligation	62 920 961	62 132 170
	49 418 130	48 487 122
	4 690 000	4 590 000
CURRENT LIABILITIES		
Income tax	148 044 266	146 758 695
Creditors	133 150	146 266
Provisions	137 184 733	136 019 371
Loans from members	1 858 883	1 840 529
Bank overdraft	8 848 813	8 752 529
	18 687	-
	329 861 112	329 007 269
TOTAL EQUITY AND LIABILITIES		

Signed on behalf of the Board of Directors:

J.A. Van Zyl - Chairperson, J.H. Cilliers, Z.R.P. Matsau, C.P.J. Pienaar, K. Sacks.

A complete set of annual financial statements is available from the CEO.

PRETORIUM TRUST (CO-OPERATIVE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 15 SEPTEMBER 2025

	2025	2024
	R	R
MEMBERS' BUSINESS	<u>1 255 170 356</u>	<u>1 283 222 210</u>
TRADE DISCOUNT, COMMISSIONS AND INCOME FROM MEMBERS' NOTICES	47 813 405	47 819 470
INTEREST	23 171 985	23 845 612
INTEREST RECEIVED	24 549 771	25 355 290
INTEREST PAID	(1 377 786)	(1 509 678)
OTHER INCOME	<u>3 556 599</u>	<u>3 549 643</u>
GROSS INCOME	74 541 989	75 214 725
LESS: ADMINISTRATIVE AND GENERAL EXPENSES	28 985 291	27 632 084
Salaries and related expenses	20 281 906	19 033 824
Professional fees	299 656	308 654
Other expenses	5 626 610	5 504 776
Bad debts	767 818	819 123
Auditors' remuneration	323 693	302 806
Board of Directors	1 353 408	1 350 482
Depreciation	285 246	187 077
Increase/(decrease) in the provision for doubtful debt	46 954	125 342
Net profit before taxation	<u>45 556 698</u>	<u>47 582 641</u>
Taxation	(133 150)	(186 238)
Net profit after taxation	<u>45 423 548</u>	<u>47 396 403</u>
Unappropriated profit beginning of the year	47 395 484	46 881 129
Profit appropriated as approved at members' meeting	<u>47 395 484</u>	<u>46 881 129</u>
Bonuses	44 497 598	44 072 989
Transferred to Members' Interest Fund	2 897 886	2 808 140
Over/(under)provision for bonuses previous year	(407)	(919)
Retained income transfer to general reserve	-	-
Unappropriated profit end of the year	<u><u>45 423 141</u></u>	<u><u>47 395 484</u></u>

PRETORIUM TRUST (CO-OPERATIVE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 15 SEPTEMBER 2025

	2025	2024
	R	R
CASH FLOW FROM OPERATING ACTIVITIES	247 916	(1 513 778)
Cash generated by operations	<u>22 816 913</u>	<u>24 049 448</u>
Net profit before taxation	45 556 698	47 582 641
Adjustments for:		
- Provision for doubtful debts	46 954	125 342
- Increase/(decrease) in the provision for retirement benefit obligation	100 000	-
- Depreciation	285 246	187 077
- Net investment income	(23 171 985)	(23 845 612)
Net investment income	23 171 985	23 845 612
Cash utilised to (increase)/decrease working capital	1 801 176	(2 498 866)
CASH GENERATED BY OPERATING ACTIVITIES	<u>47 790 074</u>	<u>45 396 194</u>
Taxation paid	(146 267)	(27 924)
CASH AVAILABLE FROM OPERATING ACTIVITIES	<u>47 643 807</u>	<u>45 368 270</u>
Bonuses paid	(47 395 891)	(46 882 048)
CASH UTILISED IN INVESTING ACTIVITIES	5 477 997	7 266 485
Additions to fixed assets	(229 289)	(403 292)
(Increase)/Decrease in housing loan scheme	167 117	158 983
(Increase)/Decrease in instalment sale agreements	5 733 527	7 331 141
(Increase)/Decrease in loans to members	361 196	179 653
Contingent liability settled	(554 554)	-
CASH FLOW FROM FINANCING ACTIVITIES	1 930 823	697 896
(Decrease)/Increase in membership fund	294	(1 200)
(Decrease)/Increase in advance payment fund	853 657	(438 678)
(Decrease)/Increase in members' loans	96 284	457 893
(Repayment)/Increase of Members' Interest Fund	980 588	679 881
Net increase in cash and cash equivalents	<u>7 656 736</u>	<u>6 450 603</u>
Cash and cash equivalents –beginning of the year	187 325 077	180 874 474
Cash and cash equivalents – end of the year	<u><u>194 981 813</u></u>	<u><u>187 325 077</u></u>