

**HERMANUSDOORNS SHAREBLOCK LIMITED**  
**(REGISTRATION NUMBER 1991/006901/06)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2013**

Russell James and Company Incorporated  
Chartered Accountants (S.A.)  
Registered Auditor  
Issued 11 June 2013

**Hermanusdoorns Shareblock Limited**  
(Registration number 1991/006901/06)  
Financial Statements for the year ended 28 February 2013

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

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The following supplementary information does not form part of the financial statements and is unaudited:

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**Level of assurance**

These financial statements have been audited in compliance with the applicable requirements of the Companies Act No 71 of 2008 and Share Blocks Control Act of 1980.

**Preparer**

A.M.Holmes (C.A.) S.A.

## **Independent Auditor's report**

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### **To the shareholders of Hermanusdoorns Shareblock Limited**

We have audited the accompanying financial statements of Hermanusdoorns Shareblock Limited, which comprise the directors' report, the statement of financial position as at 28 February 2013, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 18.

### **Directors Responsibility for the Financial Statements**

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act No 71 of 2008 and Share Blocks Control Act of 1980. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 28 February 2013, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act No 71 of 2008 and Share Blocks Control Act of 1980.

## **Independent Auditor's report**

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### **Supplementary Information**

We draw your attention to the fact that the supplementary information set out on pages 20 - 21 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

**Russell James and Company Incorporated**  
**Chartered Accountants (S.A.)**  
**Registered Auditor**

**Per: C.Maritz**  
**11 June 2013**  
**Mulbarton**

## **Hermanusdoorns Shareblock Limited**

(Registration number 1991/006901/06)

Financial Statements for the year ended 28 February 2013

### **Directors' Responsibilities and Approval**

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The directors are required by the Companies Act No 71 of 2008 and Share Blocks Control Act of 1980, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 financial statements.

The 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 judgments 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 directors set 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 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 year to 28 February 2014 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 financial statements. The financial statements have been examined by the company's external auditor's and their report is presented on page 2.

The financial statements set out on page 5 to 18, which have been prepared on the going concern basis, were approved by the directors on 11 June 2013 and were signed on its behalf by:

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**Director**

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**Director**

**Mulbarton**

**11 June 2013**

**Hermanusdoorns Shareblock Limited**  
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**Directors' Report**

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The directors submit their report for the year ended 28 February 2013.

**1. Review of activities**

**Main business and operations**

The business of the company is the operation and maintenance of a game farm for the leisure of the shareholders. In this regard the company operates a share block scheme in respect of immovable property owned by it. The company maintains a levy fund for the repair, upkeep, control and management and administration of the company and of the immovable property (and related scheme assets) in respect of which the share block scheme is operated.

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

The results of the company's activities for the period under review are as follows;

	<b>2013</b>	2012
Surplus/(deficit) for the year	<b>307,472</b>	(113,156)
Capital levy raised from members	<b>(164,500)</b>	(167,500)
Capital assets acquired and expensed	<b>9,737</b>	352,549
Adjustment to the cost price of generator acquired in 2012	<b>(51,443)</b>	-
Surplus excluding capital levy and capital assets expensed	<b>101,266</b>	71,893

**2. Going concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**3. Events after the reporting period**

The directors are not aware of any matter or circumstance arising since the end of the financial year.

**4. Capital**

The objectives when managing capital is;

- to safeguard the company's ability to continue as a going concern, so that it can continue to provide benefits to its various stakeholders , and
- to provide an adequate value add on each shareholder's investment.

The amount of capital required is dependant on the directors' assessment of the capital required to enhance and maintain the operations of the company. The directors manage the capital structure and make adjustments to it, in light of changes in economic conditions and the risk characteristics of the company's underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of levies raised from its shareholders, issue additional shares, raise external finance or as a last resort sell assets to finance any shortfall.

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**Directors' Report**

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**4. Capital (Continued)**

As at the 28 February 2013 as well as the 29 February 2012, the company has no long term debt and it is the intention of the directors to maintain the status quo for the foreseeable future. However, should the company require additional capital to finance its continuing operations or acquire assets, the directors will seek to raise the amount required from the shareholders before raising external long term interest bearing debt.

**5. Authorised and issued share capital**

There were no changes in the authorised and issued share capital of the company during the period under review.

**6. Directors**

The directors of the company during the year and to the date of this report are as follows:

Name  
M.J. Perrie  
J.G. Hill  
M.H.Fikkert  
A.S.Du Plessis  
C.A.Hattingh

**7. Directors' interest in shares**

At the financial year end the directors had the following direct and indirect interest in the company's issued shares;

	Beneficial		Non-beneficial	
	2013	2012	2013	2012
Ordinary shares				
Directly	2	2	-	-
Indirectly	5	5	-	-

**8. Secretary**

The secretary of the company is Profin Financial Services (Proprietary) Limited of:

Business address

21 The Broads  
Mulbarton  
2059

Postal address

P.O.Box 861  
Glenvista  
2058

**9. Auditors**

Russell James and Company Incorporated will continue in office in accordance with section 90 of the Companies Act of 2008.

**Hermanusdoorns Shareblock Limited**  
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**Statement of Financial Position**

	Note(s)	2013 R	2012 R
<b>Assets</b>			
<b>Non-current Assets</b>			
Loan asset	2	-	-
<b>Current Assets</b>			
Inventories	3	10,304	9,583
Levies and other receivables	4	748,567	1,208,928
Cash and cash equivalents	5	1,170,217	697,373
		<b>1,929,088</b>	<b>1,915,884</b>
<b>Total Assets</b>		<b>1,929,088</b>	<b>1,915,884</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	6	1,710,586	1,710,586
Other reserves	7	2,180,000	2,180,000
Accumulated loss		(4,146,078)	(4,453,550)
		<b>(255,492)</b>	<b>(562,964)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	132,945	496,441
Levies in advance	9	2,051,635	1,982,407
		<b>2,184,580</b>	<b>2,478,848</b>
<b>Total Equity and Liabilities</b>		<b>1,929,088</b>	<b>1,915,884</b>



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**Statement of Comprehensive Income**

	Note(s)	2013 R	2012 R
Revenue	10	1,709,027	1,583,709
Other income - (refer to page 19)		169,482	207,281
Operating expenses - (refer to page 20)		(1,597,883)	(1,919,353)
<b>Operating surplus/(deficit)</b>	11	<b>280,626</b>	<b>(128,363)</b>
Investment revenue	12	26,847	15,320
Finance costs	13	(1)	(113)
<b>Surplus/(deficit) for the year</b>		<b>307,472</b>	<b>(113,156)</b>
Other comprehensive income		-	-
<b>Total comprehensive income (loss) for the year</b>		<b>307,472</b>	<b>(113,156)</b>

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**Statement of Changes in equity**

	Share capital R	Share premium R	Total share capital R	Other reserves R	Retained earnings R	Total equity R
<b>Balance at 01 March 2011</b>	<b>100,000</b>	<b>1,610,586</b>	<b>1,710,586</b>	<b>2,180,000</b>	<b>(4,340,394)</b>	<b>(449,808)</b>
Changes in equity						
Deficit for the year	-	-	-	-	(113,156)	(113,156)
Transactions with owners						
Other comprehensive income						
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(113,156)</b>	<b>(113,156)</b>
<b>Balance at 01 March 2012</b>	<b>100,000</b>	<b>1,610,586</b>	<b>1,710,586</b>	<b>2,180,000</b>	<b>(4,453,550)</b>	<b>(562,964)</b>
Changes in equity						
Deficit for the year	-	-	-	-	307,472	307,472
Transactions with owners						
Other comprehensive income						
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>307,472</b>	<b>307,472</b>
<b>Balance at 28 February 2013</b>	<b>100,000</b>	<b>1,610,586</b>	<b>1,710,586</b>	<b>2,180,000</b>	<b>(4,146,078)</b>	<b>(255,492)</b>
Note(s)	6	6	6	7		

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**Statement of Cash Flows**

	Note(s)	2013 R	2012 R
<b>Cash flows from operating activities</b>			
Cash generated from operations	16	445,998	239,815
Interest income		26,847	15,320
Finance costs		(1)	(113)
<b>Net cash from operating activities</b>		<b>472,844</b>	<b>255,022</b>
<b>Total cash movement for the year</b>		<b>472,844</b>	<b>255,022</b>
Cash and cash equivalents at the beginning of the year		697,373	442,351
<b>Total cash and cash equivalents at end of the year</b>	5	<b>1,170,217</b>	<b>697,373</b>

**Hermanusdoorns Shareblock Limited**  
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**Accounting Policies**

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**1. Presentation of Financial Statements**

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act No 71 of 2008 and Share Blocks Control Act of 1980. The financial statements have been prepared on the historical cost basis, 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 Significant judgements and sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

**Financial assets measured at cost and amortised cost**

The company assesses its trade receivables for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment of trade and other receivables is based on an assessment of the recoverability of individual debtors, as well as groups of debtors with similar characteristics as at the reporting date and are recognised in profit or loss. Bad debts are written off when identified.

**1.2 Loan asset of share block company and the nature of scheme assets**

Effective 1 March 2010 the company converted to the accounting treatment for share block companies as described in the SAICA Guide, *Guide on financial reporting by share block companies* (June 2011).

In accordance with the legal structure of a share block company in accordance with the Share Blocks Control Act (Act 59 of 1980), the right of use of the property (the fixed property and all property related assets) (the scheme assets) is automatically conveyed to the shareholders and, therefore, all future economic benefits expected from the use of the scheme assets do not belong to the share block company, but to the shareholders of the company. "Future economic benefits" include both benefits that may be realised from use, for example by occupying the property, and benefits that may be realised through sale. Therefore, the company owns the *bare dominium*, only, and the members of the share block scheme own the *usufruct*, giving the members the indefinite right of use and all the future economic benefits associated with the scheme assets.

The company recognises a loan asset with respect to the obligation of the shareholders to the company for the company's loan obligation pertaining to the scheme assets that are the subject of the share block scheme. The shareholders have an obligation to the company that will at any time be equal to any loan obligation of the company with respect to the scheme assets.

The loan asset is classified as a basic financial instrument and is recognised and measured as explained in note 1.3, Financial instruments.

**Accounting Policies**

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### **1.3 Financial instruments**

#### **Recognition**

The following basic financial instruments have been recognised as financial assets and financial liabilities, as appropriate, in the statement of financial position (the company does not have any financial instruments, other than basic financial instruments):

- Loan asset
- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Basic financial instruments are initially recognised at transaction price, including transaction costs. Subsequent to initial recognition, these instruments are measured at each reporting date at amortised cost less impairment, using the effective interest method. Adjustments through the amortisation process or as a result of impairment are recognised as part of finance costs in profit or loss. Trade and other receivables and, trade and other payables are measured at the undiscounted amount of cash or other consideration expected to be received or paid

Financial assets measured at cost or amortised cost are assessed at each reporting date to determine whether there is any indication of impairment. If there is objective evidence of impairment an impairment loss is recognised in profit or loss. If there is objective evidence that an impairment loss previously recognised may no longer exist or may have decreased, the previously recognised impairment loss is reversed, limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years.

### **1.4 Tax**

#### **Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

#### **Deferred tax assets and liabilities**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and their tax bases, using tax rates that have been enacted or substantially enacted at the reporting date, and taking cognisance of the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities. Deferred tax liabilities are recognised for temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for temporary differences that are expected to reduce taxable profit in the future, and for the carry-forward of unused tax losses and unused tax credits. Furthermore, a valuation allowance is recognised against a deferred tax asset so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit. The valuation allowance is reviewed at each reporting date.

### **1.5 Inventories**

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the weighted average cost basis.

**Accounting Policies**

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**1.5 Inventories (continued)**

Inventories are assessed at the reporting date to determine whether there is any indication of impairment. If inventories are impaired due to damage or the inventories becoming obsolete or declining selling prices or the cost to complete the inventories having increased, an impairment loss is recognised in profit or loss. The impairment loss is determined as the difference between the carrying amount of the inventory items concerned and their selling price less costs to complete and sell.

**1.6 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**1.7 Employee benefits**

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

**1.8 Revenue**

Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax (as appropriate) and excluding discounts and rebates. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the entity, the amount of revenue can be reliably measured and other relevant criteria pertaining to the type of revenue are met, as specified in the following paragraphs.

- Revenue from levies with respect to the financial year under review is recognised on an accrual basis when levies are due and payable by members, in accordance with the approved levies structure. Levies received in advance are deferred and recognised on a straight line basis with respect to the period to which they relate.
- Revenue in the form of interest income is recognised using the effective interest method to allocate the interest income over the expected life of the financial asset concerned.

**1.9 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

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**Notes to the Financial Statements**

	2013 R	2012 R
<b>2. Loan asset</b>		
Cumulative amount owing by the shareholders to cover any loan obligation of the company to the scheme assets	-	-
<p>The loan asset has been realised in full since the company has no loan obligations as at the reporting date.</p> <p>Information in respect of the scheme assets under the identified share block scheme</p> <p>The details provided in this section is for the information of the shareholders only. The value of use of the property owned by the shareholders (each shareholder owning his/her/its allocated portion) is reflected in the value of the shares and not in the company's financial statements.</p> <p>Land, buildings and improvements at cost</p> <ul style="list-style-type: none"> <li>• The remaining portion 650 of the farm Hermanusdoorns in the registration division KO Northern Province;</li> <li>• The remaining portion 4 of the farm Mana Mane 201 in the registration division KQ Northern Province;</li> <li>• The farm LA Rive 592 in the registration registration division KQ Northern Province;</li> </ul>		
Purchase price and costs prior to 2011	7,205,356	7,205,356
2011 improvements	362,656	362,656
2012 improvements	181,107	181,107
2013 improvements	9,736	-
	<b>7,758,855</b>	<b>7,749,119</b>
<p>Other classes of scheme assets at cost</p>		
Farm equipment	822,882	874,325
Motor vehicles	769,946	769,946
Office equipment	27,811	27,811
Computer equipment	25,845	25,845
Furniture and fittings	40,715	40,715
	<b>1,687,199</b>	<b>1,738,642</b>
<b>Total scheme assets at cost</b>	<b>9,446,054</b>	<b>9,487,761</b>

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**Notes to the Financial Statements**

	2013 R	2012 R
<b>3. Inventories</b>		
Tuck shop supplies	10,304	9,583
<b>4. Levies and other receivables</b>		
Levies receivable	621,253	1,183,822
Deposits	26,188	25,106
Prepayments	41,891	-
VAT	59,235	-
	<b>748,567</b>	<b>1,208,928</b>
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	2,500	2,500
Bank balances	1,033,176	394,873
Short-term deposits	134,541	300,000
	<b>1,170,217</b>	<b>697,373</b>
<b>6. Share capital</b>		
<b>Authorised</b>		
104 Ordinary shares of R1,000 each	104,000	104,000
<b>Reconciliation of number of shares issued:</b>		
Reported as at end of February	100,000	100,000
<b>Issued</b>		
Ordinary	100,000	100,000
Share premium	1,610,586	1,610,586
	<b>1,710,586</b>	<b>1,710,586</b>
<b>7. Other reserves</b>		
Surplus from the transfer of shares	2,180,000	2,180,000
<b>8. Trade and other payables</b>		
Deposits received - building	18,590	26,378
Obligation in respect of generator	99,161	171,443
Trade and other payables	15,194	57,144
Value added taxation	-	241,476
	<b>132,945</b>	<b>496,441</b>



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**Notes to the Financial Statements**

	2013	2012
	R	R
<b>8. Trade and other payables (continued)</b>		
<p>During the course of the 2012 financial year end the company acquired a generator with fair value of R171,443 from one of the shareholders. During the course of the current financial year the parties, by mutual agreement agreed to reduce the consideration due by R51,443. It is the intention of the parties to settle the obligation by setting off future levies due from the shareholder against the obligation until settled in full.</p>		
<i>Reconciliation of obligation in respect of generator:</i>		
Obligation recognised during the 2012 year end	171,443	171,443
Adjustment to the purchase price	(51,443)	-
Offset of the levies due from shareholder in respect of the 2013 year end	(20,839)	-
	<b>99,161</b>	<b>171,443</b>
<b>9. Levies in advance</b>		
<p>The amounts represent levies in advance from the members for the periods listed below. Levies in advance relate to the following periods and categories:</p>		
<i>Levies - for the next financial year</i>		
<p>It is the policy of the company to invoice the levies due from the members for the next financial year in February of the current year. As a result the levies for the year ended 28 February 2014 were invoiced during February 2013 and the levies for 28 February 2013 were invoiced during February 2012.</p>		
1 March 2012 to 28 February 2013	-	1,544,527
1 March 2013 to 28 February 2014	1,895,193	-
<i>Levies - five year payment option</i>		
<p>It was the policy of the company to offer discount to the members who pay their levies five years in advance. These levies are recognised as income on a straight line basis over the period to which they relate. The company no longer offers its members the option of paying their levies 5 years in advance and the amounts listed below are the residual amounts still due to members for the periods listed.</p>		
1 March 2009 to 28 February 2014	-	50,366
1 March 2010 to 28 February 2015	25,263	50,256
1 March 2011 to 28 February 2016	131,179	172,758
	2,051,635	1,817,907
<i>Capital levies</i>		
1 March 2012 to 28 February 2013	-	164,500
	<b>2,051,635</b>	<b>1,982,407</b>

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**Notes to the Financial Statements**

	2013 R	2012 R
<b>10. Revenue</b>		
Operating levies raised	1,544,527	1,416,209
Capital levies raised	164,500	167,500
	<b>1,709,027</b>	<b>1,583,709</b>
<b>11. Operating surplus/(deficit)</b>		
Operating deficit for the year is stated after accounting for the following:		
Adjustment to cost price - barter transaction (see note 8 for details)	(51,443)	-
Administration fees	112,901	103,658
Capital assets acquired	9,737	352,549
Electricity and other related expenses (net of recoveries)	99,302	98,629
Employee costs	854,962	812,655
Insurance	41,908	41,006
Motor vehicle expenses	225,662	210,421
Repairs and maintenance	168,051	188,398
<b>12. Investment revenue</b>		
<b>Interest revenue</b>		
Interest source - deposits	1,083	-
Interest received - bank	25,764	15,320
	<b>26,847</b>	<b>15,320</b>
<b>13. Finance costs</b>		
Interest paid - bank	1	113
<b>14. Taxation</b>		
<b>Major components of the tax expense</b>		
No provision was made for taxation as the company is, in terms of Section 10(1)(e) of the Income Taxation Act 58 of 1962, exempt from taxation on any levy income it receives.		
In addition, the aforementioned section provides that the body corporate is exempt from income taxation on any other receipts or accruals up to R50,000 per annum.		
<b>15. Auditor's' remuneration</b>		
Fees	30,625	31,000
Tax and secretarial services	4,650	4,250
Consulting - preparation of comparative financial statements	15,000	-
	<b>50,275</b>	<b>35,250</b>

**Hermanusdoorns Shareblock Limited**  
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 Financial Statements for the year ended 28 February 2013

**Notes to the Financial Statements**

	2013	2012
	R	R
<b>16. Cash generated from operations</b>		
Profit (loss) before taxation	307,472	(113,156)
<b>Adjustments for:</b>		
Interest received	(26,847)	(15,320)
Finance costs	1	113
<b>Changes in working capital:</b>		
Inventories	(721)	(841)
Levies and other receivables	460,361	54,019
Trade and other payables	(363,496)	166,445
Levies in advance - net movement	69,228	148,555
	<b>445,998</b>	<b>239,815</b>

**17. Related parties**

Transactions with members

Other than the levies received and transactions included under "other income" in the detailed income statement and the transaction detailed below, there are no other material transactions between the company and its members. The transactions between the shareholders and the company included under "other income" are conducted on an arms length basis.

Directors and directors' interest in shares

The details of the directors are disclosed in note 6 of the directors' report. Directors beneficial interest in shares are disclosed in note 7 of the directors report.

## Hermanusdoorns Shareblock Limited

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Financial Statements for the year ended 28 February 2013

### Statement of financial Performance

**28 February 2013**

	Notes	Gross receipts	Direct costs	Net
<b>Revenue</b>				
Levies received from members		1,544,527	-	1,544,527
Capital levies received from members		164,500	-	164,500
	9	<u>1,709,027</u>	<u>-</u>	<u>1,709,027</u>
<b>Other income</b>				
Adjustment to cost price - barter transaction	8	51,443	-	51,443
Alarm monitoring		29,100	-	29,100
Cleaning services		97,567	-	97,567
Conversion fees recovered		5,300	-	5,300
Net building income		232,085	195,412	36,673
Recovery of general expenses		551	-	551
Tuck shop surplus		35,821	35,530	291
		<u>400,424</u>	<u>230,942</u>	<u>220,925</u>
Expenses (refer to page 20)				<u>1,649,325</u>
<b>Operating surplus for the year</b>				<u>280,627</u>
Interest received	11			26,847
Finance costs	12			(1)
<b>Surplus for the year</b>				<u>307,473</u>

**28 February 2012**

<b>Revenue</b>				
Levies received from members		1,416,209	-	1,416,209
Capital levies received from members		167,500	-	167,500
	9	<u>1,583,709</u>	<u>-</u>	<u>1,583,709</u>
<b>Other income</b>				
Alarm monitoring		28,354	-	28,354
Cleaning services		69,566	-	69,566
Net building income		229,056	202,028	27,028
Recovery of game expenses		81,600	-	81,600
Recovery of general expenses		487	-	488
Tuck shop surplus		39,415	39,170	245
		<u>448,478</u>	<u>241,198</u>	<u>207,281</u>
Expenses (refer to page 20)				<u>1,919,353</u>
<b>Operating surplus for the year</b>				<u>(128,363)</u>
Interest received	11			15,320
Finance costs	12			(113)
<b>Surplus for the year</b>				<u>(113,156)</u>

\*Although the farm's employees and assets are utilised to generate income, the accounting records of the company do not permit an accurate allocation of costs between the income generated and the overheads incurred. All costs attributable to the generation of the identified income are included in the employees costs; depreciation; amortisation and impairments; motor vehicle expenses and repairs and maintenance

# Hermanusdoorns Shareblock Limited

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Financial Statements for the year ended 28 February 2013

## Statement of financial Performance

### 28 February 2013

		Costs	Recoveries	Net
<b>Expenses - overheads</b>				
Administration fees		112,901	-	112,901
Auditors remuneration	14	50,275	-	50,275
Bank charges		12,484	-	12,484
Compensation commissioner		36,901	-	36,901
Computer expenses		600	-	600
Capital assets acquired		9,736	-	9,736
Employee costs		854,962	-	854,962
Insurance		41,908	-	41,908
Legal expenses		8,075	6,023	2,052
Motor vehicle expenses		225,662	-	225,662
Repairs and maintenance		168,051	-	168,051
Secretarial fees		3,497	-	3,497
Subscriptions		14,894	-	14,894
Telephone and fax		11,290	-	11,290
Training		4,811	-	4,810
Electricity and other related expenses		260,595	161,293	99,302
		<u>1,816,642</u>	<u>167,316</u>	<u>1,649,325</u>

### 28 February 2012

		Costs	Recoveries	Net
<b>Expenses - overheads</b>				
Administration fees		103,658	-	103,658
Auditors remuneration	16	35,250	-	35,250
Bank charges		18,253	-	18,253
Computer expenses		4,993	-	4,993
Capital assets acquired		352,549	-	352,549
Employee costs		812,655	-	812,655
Licence fees - radios		900	-	900
Insurance		41,006	-	41,006
Legal expenses		5,418	-	5,418
Motor vehicle expenses		210,421	-	210,421
Printing and stationery		9,537	-	9,537
Repairs and maintenance		188,398	-	188,398
Secretarial fees		2,125	3,158	(1,033)
Subscriptions		7,068	-	7,068
Telephone and fax		17,131	-	17,131
Training		14,520	-	14,520
Electricity and other related expenses		292,596	193,967	98,629
		<u>2,116,478</u>	<u>197,125</u>	<u>1,919,353</u>

**Hermanusdoorns Shareblock Limited**  
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 Financial Statements for the year ended 28 February 2013

**Supplementary information**

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**1. Reconciliation of assets replacement reserve**

	<b>Note</b>	<b>Disbursements</b>
Opening balance brought from 28 February 2010		135,490
Capital levies raised - 28 February 2011		139,500
Purchase of farming equipment		(38,000)
Improvements to land and buildings		(48,656)
		188,334
Balance as at the 28 February 2011		188,334
Capital levies raised - 28 February 2012		167,500
Improvements to land and buildings		(136,200)
Purchase of generator		(171,443)
		48,191
Balance as at the 28 February 2012		48,191
Adjustment to the purchase of generator	8	51,443
Capital levies raised - 28 February 2013		164,500
		264,134
Balance as at the 28 February 2013		264,134