

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2010**

Russell James and Company Incorporated
Chartered Accountants (S.A.)
Registered Auditor
Issued 31 August 2010

Hermanusdoorns Shareblock Limited
(Registration number 1991/006901/06)
Financial Statements for the year ended 28 February 2010

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Independent Auditor's report

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 2010, 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 24.

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 of South Africa, 1973. 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 2010, 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 of South Africa, 1973.

Independent Auditor's report

Supplementary Information

We draw your attention to the fact that the supplementary information set out on pages 25 to 27 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
31 August 2010
Mulbarton

Hermanusdoorns Shareblock Limited

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, 1973, 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 2011 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 pages 5 to 27, which have been prepared on the going concern basis, were approved by the directors on 31 August 2010 and were signed on its behalf by:

M.J. Perrie

C.Konz

Mulbarton

31 August 2010

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Directors' Report

The directors submit their report for the year ended 28 February 2010.

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.

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;

	2010	2009
Surplus for the year	80,046	27,031
Capital levy raised from members	(152,237)	(145,500)
Deficit excluding capital levy	<u>(72,191)</u>	<u>(118,469)</u>

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. Adoption of International Financial Reporting Standards for SMEs

During the period under review the directors elected to change financial reporting framework used by the company to prepare its annual financial statements from South African Statements of Generally Accepted Practice to International Financial Reporting Standards for Small Medium Enterprises (SMEs).

The impact on the results of the company amending its financial reporting framework is reflected in note 1.1 - to the financial statements.

5. 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

5. Capital (continued)

As at the 28 February 2010 as well as the 28 February 2009, 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.

6. Authorised and issued share capital

Other than the transaction detailed below, there were no changes in the authorised or issued share capital of the company during the year under review.

During the period under review the directors repurchased one share with a nominal value of R1,000 for R1,000.

7. Non-current assets

Property, plant and equipment:

During the period under review the company acquired plant and equipment with a cost of R457,020 (2009 - R349,572). The additions and improvements to the property, plant and equipment were financed by way of working capital and capital levies.

The significant additions to the property, plant and equipment during the period under review were;

Land and buildings	184,186
Motor vehicles	223,934
Farm equipment	41,400

8. Directors

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

Name	Resignation	Appointment
M.J. Perrie		
J. Hill		
M.H.Fikkert		
C. Konz		
A.S.Du Plessis		31 May 2009
W.C. Benecke	31 May 2009	
A. Cochrane	31 May 2009	

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Directors' Report

9. 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	
	2010	2009	2010	2009
Ordinary shares				
Directly	2	4	-	-
Indirectly	5	4	-	-

10. 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

11. Auditors

Russell James and Company Incorporated will continue in office in accordance with section 270(2) of the Companies Act.

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Statement of Financial Position

	Note(s)	2010 R	2009 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	7,591,044	7,352,480
Intangible assets	3	155,636	175,090
		7,746,680	7,527,570
Current Assets			
Inventories	4	7,258	11,789
Trade and other receivables	5	1,193,608	1,212,936
Cash and cash equivalents	6	546,680	363,034
		1,747,546	1,587,759
Total Assets		9,494,226	9,115,329
Equity and Liabilities			
Equity			
Share capital	7	1,710,586	1,711,586
Other reserves	8	2,315,490	2,375,587
Retained income		3,457,861	3,317,718
		7,483,937	7,404,891
Liabilities			
Current Liabilities			
Trade and other payables	9	293,420	213,803
Levies in advance	10	1,716,869	1,496,635
		2,010,289	1,710,438
Total Equity and Liabilities		9,494,226	9,115,329

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Statement of Comprehensive Income

	Note(s)	2010 R	2009 R
Revenue	11	1,260,869	999,317
Other income		307,804	268,789
Operating expenses - (refer to page 22)		<u>(1,518,073)</u>	<u>(1,271,123)</u>
Operating surplus	12	50,600	(3,017)
Investment revenue	13	29,543	30,520
Finance costs	14	(97)	(472)
Surplus for the year		<u>80,046</u>	<u>27,031</u>

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Statement of changes in equity

	Share capital	Share premium	Total share capital	Other reserves	Retained earnings	Total equity
	R	R	R	R	R	R
Opening balance as previously reported	101,000	1,610,586	1,711,586	5,034,246	632,028	7,377,860
Adjustments						
Effect of application of deemed cost exemption regarding the first-time application of IFRS for SME's as disclosed in note 1.1 - derecognition of revaluation reserve	-	-	-	(2,556,439)	2,556,439	-
Balance at 01 March 2008 as restated	101,000	1,610,586	1,711,586	2,477,807	3,188,467	7,377,860
Changes in equity						
Surplus for the year	-	-	-	-	27,031	27,031
<i>Other comprehensive income</i>						
Transfer of gross capital levies received to asset replacement reserve	-	-	-	147,780	(147,780)	-
Utilisation of asset replacement reserve - acquisition of capital assets	-	-	-	(250,000)	250,000	-
Total changes	-	-	-	(102,220)	129,251	27,031
Balance at 01 March 2009	101,000	1,610,586	1,711,586	2,375,587	3,317,718	7,404,891
Changes in equity						
Surplus for the year	-	-	-	-	80,046	80,046
<i>Transactions with owners</i>						
Buy-back of shares	(1,000)	-	(1,000)	-	-	(1,000)
<i>Other comprehensive income</i>						
Transfer of gross capital levies received to asset replacement reserve	-	-	-	152,237	(152,237)	-
Utilisation of asset replacement reserve - acquisition of capital assets	-	-	-	(212,334)	212,334	-
Total changes	(1,000)	-	(1,000)	(60,097)	140,143	79,046
Balance at 28 February 2010	100,000	1,610,586	1,710,586	2,315,490	3,457,861	7,483,937
Note(s)	7	7	7	8		

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Statement of Cash Flows

	Note(s)	2010 R	2009 R
Cash flows from operating activities			
Cash generated from operations	17	607,835	250,966
Interest income		29,543	30,520
Finance costs		(97)	(472)
Net cash from operating activities		637,281	281,014
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(457,020)	(349,572)
Proceeds from the sale of property, plant and equipment	2	4,386	-
Net cash from investing activities		(452,634)	(349,572)
Cash flows from financing activities			
Buy back of share	7	(1,000)	-
Total cash movement for the year		183,647	(68,558)
Cash and cash equivalents at the beginning of the year		363,034	431,592
Total cash and cash equivalents at end of the year	6	546,681	363,034

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Accounting Policies

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 of South Africa, 1973. 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, except for the changes set out in note 1.1 First-time adoption of the International Financial Reporting Standard for Small and Medium-sized Entities.

1.1 Adoption of International Financial Reporting Standards for Small Medium Enterprises (SMEs)

The financial statements for the current reporting period are the company's first financial statements that conform to the International Financial Reporting Standard for SMEs. For this purpose, the date of transition has been determined as 1 March 2008, being the beginning of the earliest period for which the entity presents full comparative information. The company's previous financial statements had been prepared in accordance with South African Statements of Generally Accepted Accounting Practice.

The following accounting policies adopted under the International Financial Reporting Standard for SMEs differ from those applied under the previous financial reporting framework:

Buildings and improvements

Under South African Statements of Generally Accepted Practice the company treated its land and improvements as part of its property, plant and equipment. In addition, the company elected to carry the land and its improvements at a revalued amount. The company was required, having selected the revaluation model for subsequent measurement of its land and improvements, to revalue its land and its improvements. The revaluations should be undertaken when either the carrying value of the land and its improvements differs materially from its fair value or with such frequency that the carrying value of the land and its improvements approximates the fair value of the land and its improvements, usually every 3 or 5 years.

The carrying value of the land and its improvements are, in terms of the exception granted in terms of the transitional provisions of The International Financial Reporting Standard for SMEs, deemed to be the cost of the buildings and improvements.

Intangible assets

In terms of South African Statements of Generally Accepted Practice the intangible assets of the company were considered to have infinite useful life and were therefore not amortised.

In terms of The International Financial Reporting Standard for SMEs the company is required to amortise the cost of its intangible assets over their estimated useful lives. If it is not possible to make a reliable estimate of assets useful life, their useful life is presumed to be 10 years.

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Accounting Policies

1.1 Adoption of International Financial Reporting Standards for Small Medium Enterprises (SMEs) (continued)

Furthermore, the company has decided to apply the following exemptions in respect of preparing its first set of financial statements in conformity with the International Financial Reporting Standard for SMEs

Buildings and improvements

The company elected to use the carrying value of the land and buildings at the 1 March 2008 as the deemed cost of its buildings and improvements.

The financial statements disclose comparative figures in respect of the previous comparable period. The principal accounting policies have been consistently applied in all material respects.

Reconciliation of profit and loss, and equity:

	Profit for the period ending February 2009	Equity as at March 2009	Equity as at March 2008
Reported under the previous framework	148,706	7,576,585	7,377,860
<i>Adjustments due to change in accounting policy in respect of:</i>			
Amortisation of intangible assets	(19,455)	(19,455)	-
<i>Adjustments due to errors under the previous financial reporting framework in respect of:</i>			
Levies incorrectly reflected as income	(102,220)	(152,239)	-
	27,031	7,404,891	7,377,860

1.2 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.

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Accounting Policies

1.3 Property, plant and equipment

Items of property plant and equipment are carried at cost less accumulated depreciation and less accumulated impairment losses. The cost of an item of property plant and equipment is the cash price equivalent at the date of the transaction and includes its purchase price (excluding trade discounts and rebates), non-refundable purchase taxes, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and estimated costs of dismantling and removing the item. The subsequent cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item when it is probable that the future economic benefits within the part will flow to the entity and its cost can be measured reliably. Costs relating to regular repairs and maintenance are recognised in profit or loss when incurred. Net gains on disposal of items of property, plant and equipment are recognised within “other income” in profit or loss and net losses are recognised within “operating costs”.

Items of property plant and equipment, other than land, are depreciated by writing off the depreciable amount of each asset over its estimated useful life, taking into account that significant parts of an asset may have different useful lives. The methods of depreciation, useful lives and residual values are reviewed annually, if there are indications that it has changed since the most recent reporting date. Land has an unlimited useful life and is not depreciated.

The depreciation methods and depreciation rates applicable to each category of property, plant and equipment are as follows:

Item	Average useful life
Buildings and improvements	50
Furniture and fixtures	6
Motor vehicles	4
Office equipment	5
Computer equipment	3
Farm equipment	4

After consideration of all relevant factors in the circumstances, management has determined that the residual value of the buildings and improvements exceed its carrying value, resulting in depreciation of Rnil.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Accounting Policies

1.4 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting period date if there are indicators present that there is a change from the previous estimate.

The following intangible assets are presumed to have a useful life of 10 years, since it is not possible to make a reliable estimate of useful life:

Holiday rights
Game rights

1.5 Financial instruments

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):

- 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.

1.6 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.

Accounting Policies

1.6 Tax (continued)

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.

1.7 Inventories

Inventories are measured at the lower of cost and selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

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.

1.8 Impairment of assets

The company assesses at each reporting period date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests goodwill, with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.9 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.

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Accounting Policies

1.10 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.

1.11 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

	2010 R	2009 R
2. Property, plant and equipment		
	2010	2009
	Cost R	Accumulated depreciation R
	Carrying value R	Cost / Valuation R
	Accumulated depreciation R	Carrying value R
Land and improvements	7,205,356	-
Furniture and fittings	40,715	(40,713)
Motor vehicles	769,946	(574,219)
Office equipment	27,811	(22,849)
Computer equipment	25,845	(25,842)
Farm equipment	664,882	(479,888)
Total	8,734,555	(1,143,511)
	7,205,356	7,205,356
	7,021,170	7,021,170
	37,215	2
	546,012	195,727
	27,811	4,962
	21,845	3
	656,482	184,994
	(958,055)	7,352,480

Reconciliation of property, plant and equipment - 2010

	Opening Balance	Additions	Disposals	Depreciation	Total
Land and improvements	7,021,170	184,186	-	-	7,205,356
Furniture and fittings	4,671	3,500	-	(8,169)	2
Motor vehicles	115,165	223,934	-	(143,372)	195,727
Office equipment	9,598	-	-	(4,636)	4,962
Computer equipment	1	4,000	-	(3,998)	3
Farm Equipment	201,875	41,400	(1)	(58,280)	184,994
	7,352,480	457,020	(1)	(218,455)	7,591,044

Reconciliation of property, plant and equipment - 2009

	Opening Balance	Additions	Depreciation	Total
Land and improvements	6,921,598	99,572	-	7,021,170
Furniture and fittings	10,875	-	(6,204)	4,671
Motor vehicles	224,367	-	(109,202)	115,165
Office equipment	14,234	-	(4,636)	9,598
Computer equipment	1	-	-	1
Farm equipment	11,129	250,000	(59,254)	201,875
	7,182,204	349,572	(179,296)	7,352,480

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	2010	2009
	R	R

2. Property, plant and equipment (continued)

Details of land and improvements

Farm land and improvements thereon comprising the following:

- The remaining portion 650 of the farm Hermanusdoorns in the registration division KQ Northern Province;
- The remaining portion 4 of the farm Mana Mane 201 in the registration division KQ Northern Province
- The farm La Rive 592 in the registration division KQ Northern Province.

A register containing the information required by paragraph 22(3) of Schedule 4 of the Companies Act is available for inspection at the registered office of the company.

3. Intangible assets

	2010			2009		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
	R	R	R	R	R	R
Holiday rights	17,906	(3,581)	14,325	17,906	(1,791)	16,115
Game rights	176,639	(35,328)	141,311	176,639	(17,664)	158,975
Total	194,545	(38,909)	155,636	194,545	(19,455)	175,090

Reconciliation of intangible assets - 2010

	Opening Balance	Amortisation	Total
Holiday rights	16,115	(1,790)	14,325
Game rights	158,975	(17,664)	141,311
	175,090	(19,454)	155,636

Reconciliation of intangible assets - 2009

	Opening Balance	Amortisation	Total
Holiday rights	17,906	(1,791)	16,115
Game rights	176,639	(17,664)	158,975
	194,545	(19,455)	175,090

4. Inventories

Tuck shop supplies	7,258	11,789
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Notes to the Financial Statements

	2010 R	2009 R
5. Trade and other receivables		
Trade receivables	1,177,869	1,184,372
Deposits	15,739	28,564
	<u>1,193,608</u>	<u>1,212,936</u>
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	2,500	2,500
Bank balances	536,244	346,693
Short-term deposits	7,936	13,841
	<u>546,680</u>	<u>363,034</u>
7. Share capital		
Authorised		
104 Ordinary shares of R1,000 each	<u>104,000</u>	<u>104,000</u>
Reconciliation of number of shares issued:		
Reported as at 01 March 2009	101,000	101,000
Share buy back	(1,000)	-
	<u>100,000</u>	<u>101,000</u>
Issued		
Ordinary	100,000	101,000
Share premium	1,610,586	1,610,586
	<u>1,710,586</u>	<u>1,711,586</u>

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Notes to the Financial Statements

	2010 R	2009 R
8. Other reserves		
Surplus from the transfer of shares	2,180,000	2,180,000
Asset replacement reserve (see note below)	135,490	195,587
	2,315,490	2,375,587
 <i>Reconciliation of the asset replacement reserve</i>		
It is the intention of the directors to utilise the reserve to replace the assets as required, subject to the shareholders approval at a properly constituted shareholders meeting.		
Opening balance at the beginning of the year	195,587	297,807
Capital levy raised during the year	152,237	147,780
Capital assets purchased	(212,334)	(250,000)
	135,490	195,587
 9. Trade and other payables		
Trade payables	34,093	29,908
Value added taxation	191,947	183,895
Sundry creditor	981	-
Deposits received	66,399	-
	293,420	213,803

The loan due to the shareholder will be settled during the course of the next financial year.

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Notes to the Financial Statements

	2010 R	2009 R
10. Levies in advance		
<p>The amounts represent levies received in advance from the members for the periods listed below. It is the policy of the company to offer discount to the members who pay their levies five years in advance. The levies are recognised as income on a straight line basis over the period to which they relate.</p> <p>Levies received in advance relate to the following periods and categories:</p>		
<i>Levies</i>		
1 March 2009 to 28 February 2010	-	1,118,516
1 March 2010 to 28 February 2011	1,209,539	-
1 March 2006 to 28 February 2011	-	31,228
1 March 2007 to 28 February 2012	-	27,281
1 March 2008 to 28 February 2013	18,860	27,895
1 March 2009 to 28 February 2014	151,096	139,478
1 March 2010 to 28 February 2015	197,874	-
	1,577,369	1,344,398
<i>Capital levies</i>		
28 February 2010	-	152,237
28 February 2011	139,500	-
	139,500	152,237
	1,716,869	1,496,635
11. Revenue		
Levies received from members	1,108,632	853,817
Capital levies received from members	152,237	145,500
	1,260,869	999,317
12. Operating surplus		
<p>Operating surplus for the year is stated after accounting for the following:</p>		
Directors remuneration		
Managerial services	23,662	141,970
Profit on sale of property, plant and equipment	4,385	-
Repairs and maintenance	177,894	144,544
Amortisation on intangible assets	19,455	19,455
Depreciation on property, plant and equipment	218,455	179,296
Employee costs	525,521	445,833
Motor vehicle expenses	188,117	172,554
Administration fees	79,180	48,400

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Notes to the Financial Statements

	2010 R	2009 R
13. Investment revenue		
Interest revenue		
Interest received - bank	29,543	30,520
14. Finance costs		
Interest paid - bank	97	472
15. Taxation		
Major components of the tax expense		
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.		
16. Auditor's' remuneration		
Fees	28,207	27,000
Adjustment for previous year	-	1,500
Consulting	7,410	4,638
	35,617	33,138
17. Cash generated from operations		
Profit before taxation	80,046	27,031
Adjustments for:		
Depreciation and amortisation	237,910	198,751
Profit on sale of assets	(4,385)	-
Interest received	(29,543)	(30,520)
Finance costs	97	472
Changes in working capital:		
Inventories	4,531	(2,438)
Trade and other receivables	19,328	(586,693)
Trade and other payables	79,619	492,129
Levies in advance - net movement	220,232	152,234
	607,835	250,966

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Notes to the Financial Statements

	2010	2009
	R	R
18. Related parties		
Transactions with members		
Other than the levies received and transactions included under "other income" in the detailed income statement, 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 8 of the directors' report. Directors beneficial interest in shares are disclosed in note 9 of the directors report.		
Compensation paid to director		
Short-term employee benefits	<u>23,662</u>	<u>141,970</u>
The farm manager, Andre Cochrane, resigned as a director on the 31 May 2009		

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Statement of Financial Performance

	Note(s)	2010 R	2009 R
Revenue			
Levies received from members		1,108,632	853,817
Capital levies received from members		152,237	145,500
	11	1,260,869	999,317
Other income			
Electricity		107,202	40,919
Cleaning services		21,097	-
Alarm monitoring		20,082	-
Arrangement with farm manager		109,645	-
Recovery of game expenses		-	226,603
Tuck shop surplus		2,648	249
Recovery of general expenses		3,158	1,018
Net building income		39,587	-
Interest received	13	29,543	30,520
Gains on disposal of assets		4,385	-
		337,347	299,309
Expenses (Refer to page 26)		(1,518,073)	(1,271,123)
Operating profit	12	80,143	27,503
Finance costs	14	(97)	(472)
Profit for the year		80,046	27,031

Hermanusdoorns Shareblock Limited
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Statement of Financial Performance

	Note(s)	2010 R	2009 R
Operating expenses			
Administration fees		79,180	48,400
Auditors remuneration	16	35,617	33,138
Bank charges		13,265	7,543
Computer expenses		4,500	3,673
Consulting and professional fees		1,293	-
Depreciation, amortisation and impairments		237,910	198,751
Employee costs		525,521	445,833
Insurance		33,086	29,270
Legal expenses		906	14,210
Motor vehicle expenses		188,117	172,554
Printing and stationery		1,961	3,850
Repairs and maintenance		177,894	144,544
Secretarial fees		5,350	8,520
Subscriptions		14,215	9,772
Telephone and fax		19,822	6,745
Electricity and other utility related expenses		179,436	144,320
		1,518,073	1,271,123

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Supplementary information

1. Reconciliation of assets replacement reserve

	Note	Asset replace reserve	Disbursements	Cumulative total - available for disbursement
Opening balance brought forward 28 February 2008		297,807	-	297,807
Capital levies raised 28 February 2009		147,780	-	445,587
Purchase of Backactor - 2009		-	(250,000)	195,587
Capital levies raised 28 February 2010		152,237	-	347,824
Purchase of motor vehicle		-	(212,334)	135,490
Balance as at the 28 February 2010	8	597,824	(462,334)	135,490
Capital levy raised - 28 February 2011 - levies in advance	10	139,500	-	139,500
		<u>737,324</u>	<u>(462,334)</u>	<u>274,990</u>