The Hamerkop Mountain Trust

(Registration number 1216/87)

Annual Financial Statements

for the year ended 30 June 2021

Misska Walker
Chartered Accountant (SA)

These annual financial statements have been independently reviewed
in accordance with the International Standard on Review Engagements 2400 (Revised)

Issued 06 September 2021

The Hamerkop Mountain Trust

(Registration number: 1216/87)
Annual Financial Statements for the year ended 30 June 2021

General Information

Trust registration number	1216/87
Country of incorporation and domicile	South Africa
Type of trust	Non-profit property owning
Trustees	GJ Cundill MAL Owen-Smith SM Spottiswoode M Epstein KR Kendall
Registered office	53 Gleneagles Road Greenside Johannesburg 2193
Postal address	53 Gleneagles Road Greenside Johannesburg 2193
Bankers	Nedbank Ltd
Reviewer	Misska Walker Chartered Accountant (SA)
Tax reference number	2257054847
Level of assurance	These annual financial statements have been independently reviewed in accordance with the International Standard on Review Engagements 2400 (Revised)

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(Registration number: 1216/87)
Annual Financial Statements for the year ended 30 June 2021

Contents

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

	Page
Trustees' Responsibilities and Approval	3
Independent Reviewer's Report	4
Statement of Financial Position	5
Statement of Income and Retained Surplus	6
Statement of Cash Flows	7
Accounting Policies	8 - 9
Notes to the Annual Financial Statements	10 - 11
The following supplementary information does not form part of the annual financial statements and has not been independently reviewed :	
Detailed Income Statement	12

Preparer - AF Dalais

The Hamerkop Mountain Trust

(Registration number: 1216/87)
Annual Financial Statements for the year ended 30 June 2021

Trustees' Responsibilities and Approval

The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the trust 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 annual 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 trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the trustees 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 trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

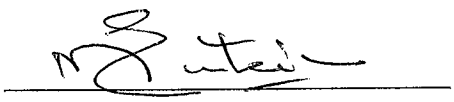
The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 30 June 2022 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

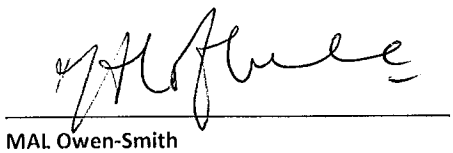
The external reviewer is responsible for independently reviewing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external reviewer and their report is presented on page 4.

The annual financial statements set out on pages 5 to 11, which have been prepared on the going concern basis, were approved by the trustees on 06 September 2021 and were signed on their behalf by:

Approval of annual financial statements



M Epstein



MAL Owen-Smith

Johannesburg

Monday, 06 September 2021

MISSKA WALKER CHARTERED ACCOUNTANT
SAICA NUMBER: 04926952

6 Bush Hill Glades
Dolweni Avenue
Boskruin, 2188

P O Box 112
Boskruin 2154
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Independent Reviewer's Report

To the Trustees of The Hamerkop Mountain Trust

I have reviewed the annual financial statements of The Hamerkop Mountain Trust, set out on pages 5 to 11, which comprise the statement of financial position as at 30 June 2021 and the statement of income and retained surplus, and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

Trustees' Responsibility for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as the trustees determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

My responsibility is to express a conclusion on these annual financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires me to conclude whether anything has come to my attention that causes me to believe that the annual financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires me to comply with relevant ethical requirements.

A review of annual financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these annual financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these annual financial statements do not present fairly, in all material respects the financial position of The Hamerkop Mountain Trust as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Misska Walker
Chartered Accountant (SA)

06 September 2021

The Hamerkop Mountain Trust

(Registration number: 1216/87)
Annual Financial Statements for the year ended 30 June 2021

Statement of Financial Position as at 30 June 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	175 277	175 277
Current Assets			
Sundry receivables	3	20 358	28 122
Cash and cash equivalents	4	164 510	141 871
		184 868	**169 993**
Total Assets		**360 145**	**345 270**
Trust Funds and Liabilities			
Trust Funds			
Trust capital	5	130 318	130 318
Accumulated surplus		221 144	199 146
		351 462	**329 464**
Liabilities			
Current Liabilities			
Sundry payables	6	8 575	12 174
Current tax payable		108	3 632
		8 683	**15 806**
Total Trust Funds and Liabilities		**360 145**	**345 270**

The Hamerkop Mountain Trust

(Registration number: 1216/87)
Annual Financial Statements for the year ended 30 June 2021

Statement of Income and Retained Surplus

	Note(s)	2021 R	2020 R
Annual levy income		193 618	179 317
Operating expenses		(172 962)	(164 406)
Operating surplus	7	**20 656**	**14 911**
Investment revenue - bank interest		2 440	3 599
Surplus before taxation		**23 096**	**18 510**
Taxation	8	(1 098)	(1 620)
Surplus for the year		**21 998**	**16 890**
Opening balance		199 146	182 256
Accumulated surplus at the end of the year		**221 144**	**199 146**

Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from operations	10	24 821	10 674
Interest income		2 440	3 599
Tax paid	11	(4 622)	-
Net cash from operating activities		**22 639**	**14 273**
Total cash movement for the year		**22 639**	**14 273**
Cash at the beginning of the year		141 871	127 598
Total cash at end of the year	4	**164 510**	**141 871**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The annual 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 Property, plant and equipment

Property, plant and equipment are tangible assets which the trust holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the trust and the cost can be measured reliably. Day to day servicing costs are included in surplus or deficit in the period in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land and buildings which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the trust.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land and buildings	Not depreciated	Indefinite
Furniture and fixtures	Straight line	6 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in surplus or deficit to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in surplus or deficit when the item is derecognised.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Accounting Policies

1.2 Financial instruments (continued)

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through surplus and deficit.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 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.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.4 Revenue

Revenue comprises annual levies recognised at the fair value of the consideration receivable.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Notes to the Annual Financial Statements

	2021 R	2020 R

2. Property, plant and equipment

	2021			2020		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Land and buildings	175 277	-	175 277	175 277	-	175 277
Furniture and fixtures	40 797	(40 797)	-	40 797	(40 797)	-
Total	**216 074**	**(40 797)**	**175 277**	**216 074**	**(40 797)**	**175 277**

Details of land and buildings

Portion 115 of Farm Kromrivier, No 347 JQ, District Rustenburg

- Purchase price of land and buildings: August 1987	147 927	147 927
- Improvements - outbuildings	27 350	27 350
	175 277	**175 277**

3. Sundry receivables

Unpaid levies	18 588	26 298
Employee costs in advance	-	200
Deposit - electricity	1 770	1 624
	20 358	**28 122**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	111 804	90 333
Short-term deposits	52 706	51 538
	164 510	**141 871**

5. Trust capital

Founder's donation		
Donation made by the founder on formation of the trust in 1987	100	100
Capital contributions received from initial beneficiaries		
Balance at beginning and end of year	130 218	130 218
Total trust capital	**130 318**	**130 318**

6. Sundry payables

Accrued expenses - reimbursements due to beneficiaries	2 400	1 200
Levies received in advance	3 505	6 405
Accrued expense - electricity and radio licence	2 670	4 569
	8 575	**12 174**

Notes to the Annual Financial Statements

	2021 R	2020 R
7. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Employee costs - wages and staff airtime	96 290	84 200
Employee costs - visa application expenditure	-	2 210
8. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	1 098	1 620
Reconciliation of the tax expense		
Reconciliation between accounting surplus and tax expense.		
Accounting surplus	23 096	18 510
Tax at the applicable tax rate of 45% (2020 : 45%)	10 393	8 330
Tax effect of permanent adjustments on taxable income		
Exempt income and non-deductible expenses		
Exempt income - annual levies	(87 128)	(80 693)
Non-deductible expenses incurred in production of exempt income	77 833	73 983
	1 098	**1 620**
9. Reviewer's remuneration		
Fees	4 700	4 400
10. Cash generated from operations		
Surplus before taxation	23 096	18 510
Adjustments for:		
Interest received	(2 440)	(3 599)
Changes in working capital:		
Sundry receivables	7 764	(8 965)
Sundry payables	(3 599)	4 728
	24 821	**10 674**
11. Tax paid		
Balance at beginning of the year	(3 632)	(2 012)
Current tax for the year recognised in profit	(1 098)	(1 620)
Balance at end of the year	108	3 632
	(4 622)	**-**

The Hamerkop Mountain Trust

(Registration number: 1216/87)
Annual Financial Statements for the year ended 30 June 2021

Detailed Income Statement

	Note(s)	2021 R	2020 R
Revenue			
Annual levy income from beneficiaries		193 618	172 467
Other levy income		-	6 850
		193 618	**179 317**
Operating expenses			
AGM expenses		-	1 809
Bank charges		16	63
Cleaning		807	-
Electricity		39 884	36 714
Employee costs - wages and staff airtime		96 290	84 200
Employee visa application costs		-	2 210
Insurance		5 189	4 882
Legal expenses		-	12 046
Maintenance		10 141	12 256
Printing and stationery		160	90
Radio licence fees		1 080	960
Reviewer's remuneration	9	4 700	4 400
Security		5 998	4 476
Small assets purchased		8 697	-
Subscriptions		-	300
		172 962	**164 406**
Operating surplus	7	**20 656**	**14 911**
Investment income - bank interest		2 440	3 599
Surplus before taxation		**23 096**	**18 510**
Taxation	8	(1 098)	(1 620)
Surplus for the year		**21 998**	**16 890**

This supplementary information presented does not form part of the annual financial statements and has not been independently reviewed