

THE SORGHUM TRUST
(Registration number IT9221/97)
Annual financial statements
for the year ended February 28, 2022



THE
ASHTON
CA (SA) GROUP INC.

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

General Information

Country of incorporation and domicile	South Africa
Trustees	Mr D Beets Mr JDW Boshoff Mr WJ Groothof Mr HT Mohane Mr RE Pholo
Registered office	Grain Building 477 Witherite Road The Willows Pretoria 0040
Auditors	The Ashton CA (SA) Group Chartered Accountants (SA) Registered Auditors
Trust registration number	IT9221/97

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Index

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

	Page
Trustees' Responsibilities and Approval	3
Trustees' Report	4
Independent Auditor's Report	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Annual Financial Statements	12 - 13
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	14

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

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 IFRS for Small and Medium Sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS for Small and Medium Sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

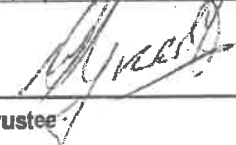
The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal 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 February 28, 2023 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 auditors are responsible for independently auditing and reporting on the trust's annual financial statements. The annual financial statements have been examined by the trust's external auditors and their report is presented on page 5.

The annual financial statements set out on page 4, which have been prepared on the going concern basis, were approved by the board on 13/09/2022 and were signed on its behalf by:



Trustee



Trustee

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Trustees' Report

The trustees have pleasure in submitting their report on the annual financial statements of The Sorghum Trust and its associates for the year ended February 28, 2022.

1. Trustees

Trustees

Mr D Beets
Mr JDW Boshoff
Mr WJ Groothof
Mr HT Mohape
Mr RE Pholo

2. Events after the reporting period

The trustees are not aware of any other material event which occurred after the reporting date and up to the date of this report.

3. Going concern

The trustees have reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the trust and believe that the trust has adequate financial resources to continue in operation for the foreseeable future. The annual financial statements have accordingly been prepared on the going concern basis.

4. Auditors

The Ashton CA (SA) Group continued in office as auditors for the trust for 2022.



THE
ASHTON
CA (SA) GROUP INC.
REGISTERED ACCOUNTANTS
AND AUDITORS

Independent Auditor's Report

To the trustees of The Sorghum Trust

Opinion

We have audited the annual financial statements of The Sorghum Trust set out on pages 7 to 13, which comprise the statement of financial position as at February 28, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The Sorghum Trust as at February 28, 2022, and its financial performance and cash flows for the year then ended in accordance with IFRS for Small and Medium Sized Entities.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the trust in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the trustees for the Annual Financial Statements

The trustees are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS 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.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Address

Ashton House, 51 Lebombo St,
Ashlea Gardens, 0181
PO Box 1620, Groenkloof, 0027
Tel: +27 (012) 460 3050
Fax: +27 (012) 460 1263
E-mail: karin@ashtongroup.co.za

Directors

A. Robberts B.Compt (Hons) CA (SA) RA
H.J. Windell B.Compt (Hons) CA (SA) RA
W. Delpont B.Compt (Hons) CA (SA) RA

Professional Assistants

C.E. Möller B.Com (PGDA) CA (SA)
A. Deysel Professional Accountant (SA) B.Com CIMA
T.C. Moyo Professional Accountant (SA) B.Com Acc Sci



THE ASHTON

CA (SA) GROUP INC.

REGISTERED ACCOUNTANTS
AND AUDITORS

Independent Auditor's Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and based on the audit evidence obtained; whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Ashton CA (SA) Group
Willie Delport
Partner
Chartered Accountants (SA)
Registered Auditors

Address

Ashton House, 51 Lebombo St,
Ashlea Gardens, 0181
PO Box 1620, Groenkloof, 0027
Tel: +27 (012) 460 3050
Fax: +27 (012) 460 1263
E-mail: karin@ashtongroup.co.za

Directors

A. Robberts B.Compt (Hons) CA (SA) RA
H.J. Windell B.Compt (Hons) CA (SA) RA
W. Delport B.Compt (Hons) CA (SA) RA

Professional Assistants

C.E. Möller B.Com (PGDA) CA (SA)
A. Deysel Professional Accountant (SA) B.Com CIMA
T.C. Moyo Professional Accountant (SA) B.Com Acc Sci

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Statement of Financial Position as at February 28, 2022

Figures in Rand	Note(s)	2022	2021
Assets			
Non-Current Assets			
Investments	2	23,935,338	23,000,228
Current Assets			
Cash and cash equivalents	3	485,674	51,744
Total Assets		24,421,012	23,051,972
Equity and Liabilities			
Equity			
Accumulated surplus		22,632,902	21,141,721
Liabilities			
Current Liabilities			
Provisions	6	1,788,110	1,910,251
Total Equity and Liabilities		24,421,012	23,051,972

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Statement of Comprehensive Income

Figures in Rand	Note(s)	2022	2021
Loss on disposal of assets		(53,558)	(37,485)
Operating expenses		(596,845)	(556,161)
Operating deficit before fair value adjustments, interest, dividends and allocations to beneficiaries		(650,403)	(593,646)
Interest and dividend revenue		915,223	1,059,384
Fair value adjustments		2,967,025	389,272
Allocations to Beneficiaries	5	(1,740,664)	(2,520,626)
Surplus (deficit) for the year		1,491,181	(1,665,616)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		1,491,181	(1,665,616)

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Statement of Changes in Equity

Figures in Rand	Accumulated surplus	Total equity
Balance at March 1, 2020	22,807,337	22,807,337
Deficit for the year	(1,665,616)	(1,665,616)
Other comprehensive income	-	-
Total comprehensive deficit for the year	(1,665,616)	(1,665,616)
Balance at March 1, 2021	21,141,721	21,141,721
Surplus for the year	1,491,181	1,491,181
Other comprehensive income	-	-
Total comprehensive income for the year	1,491,181	1,491,181
Balance at February 28, 2022	22,632,902	22,632,902

Note(s)

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Statement of Cash Flows

Figures in Rand	Note(s)	2022	2021
Cash flows from operating activities			
Cash used in operations	9	(353,339)	(350,871)
Cash flows from investing activities			
Investment withdrawals		2,650,000	2,100,000
Net cash from investing activities		2,296,661	2,100,000
Cash flows from financing activities			
Payments to beneficiaries		(1,862,805)	(2,705,285)
Total cash movement for the year		433,930	(956,156)
Cash at the beginning of the year		51,744	1,007,826
Total cash at end of the year	3	485,674	51,744

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

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 IFRS 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 Financial instruments

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 cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

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.

1.2 Provisions and contingencies

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event; it is probable that the trust will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

1.3 Revenue

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

Dividends are recognised, in surplus or deficit, when the trust's right to receive payment has been established.

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Notes to the Annual Financial Statements

Figures in Rand 2022 2021

2. Investments

Investments managed by Nedbank Private Wealth

Listed Securities	23,260,971	22,337,314
Fixed Capital Funds	674,367	662,914
	23,935,338	23,000,228

Book value of listed securities on 28 February 2022 - R17 811 411 (2021 - R 20 861 407)

Non-current assets

At fair value	23,935,338	23,000,228
---------------	------------	------------

3. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	485,674	51,744
---------------	---------	--------

4. Taxation

No provision has been made for taxation as the Trust is exempt from income tax.

5. Allocations approved during the year

Agricultural Research Council	917	112,558
Grain Farmer Development Association	(587,070)	-
- Approved	61,780	-
- Recalculation of allocations	(648,850)	-
Grain SA	151,296	192,844
- Approved	151,961	-
- Recalculation of allocations	(665)	-
SA Grain Laboratory	1,046,756	1,204,936
National Agricultural Marketing Council	20,986	23,826
SA Grain Information Services	759,330	844,216
- Approved	788,865	-
- Recalculation of allocations	(29,535)	-
University of Free State	66,058	107,416
- Approved	66,058	132,116
- Recalculation of allocations	-	(24,700)
Bursaries	-	34,830
SA Grain Farmers Association	348,450	-
	1,740,664	2,520,626

The payment of the allocations as approved by the Board of Trustees during the period are subject to certain terms and conditions as set out in the Trust Deed and the Norms and Procedures Document of the Trust.

Reconciliation of approved payments and amounts outstanding is as follows:

Nett allocations approved during the period (as above)	1,740,664	2,520,626
Add: Unpaid allocations carried over from previous period	1,910,251	2,094,910
Less: Allocations paid during the year (as per note 7)	(1,862,805)	(2,705,285)
	1,788,110	1,910,251

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Notes to the Annual Financial Statements

Figures in Rand	2022	2021
6. Provisions		
The following allocations were approved by the trustees but have not been paid at the end of the period and is made up as follows:		
Agricultural Research Council	168,337	167,420
Grain Farmer Development Association	-	638,445
Grain SA	194,379	169,744
National Agricultural Marketing Council	-	21,666
SA Grain Laboratory	448,820	213,657
SA Grain Information Services	562,066	633,261
University of Free State	66,058	66,058
SA Grain Farmers Association	348,450	-
	1,788,110	1,910,251
7. Actual payments to beneficiaries		
Agricultural Research Council	-	211,658
Bursaries	-	64,830
Grain Farmer Development Association	51,375	-
Grain SA	126,660	194,839
National Agricultural Marketing Council	42,652	20,378
SA Grain Laboratory	811,593	1,175,705
SA Grain Information Services	830,525	807,149
University of Free State	-	230,726
	1,862,805	2,705,285
8. Auditor's remuneration		
Current fees	28,635	27,370
9. Cash used in operations		
Surplus/(Deficit) for the period	1,491,181	(1,665,616)
Adjustments for:		
Allocations to beneficiaries	1,740,664	2,520,626
Dividends received	(526,579)	(669,463)
Interest received	(388,644)	(389,921)
Fair value adjustments	(2,967,025)	(389,272)
Gains/(Loss) on disposal of assets	63,026	37,485
Asset management fees & bank charges	234,103	207,016
Changes in working capital:		
Trade and other payables	(65)	(1,726)
	(353,339)	(350,871)
10. Funding Recovered from Beneficiaries		
University of Free State	9,468	-

The Sorghum Trust

(Registration number: IT9221/97)

Annual Financial Statements for the year ended February 28, 2022

Detailed Income Statement

Figures in Rand	Note(s)	2022	2021
Income			
Funding recovered from beneficiaries	10	9,468	-
Loss on disposal of assets		(63,026)	(37,485)
Dividends received		526,579	669,463
Interest received		388,644	389,921
		861,665	1,021,899
Operating expenses			
Administration fees		(226,923)	(216,117)
Asset Management Fees		(234,103)	(207,016)
Auditors remuneration	8	(28,635)	(27,370)
Bank charges		(1,732)	(2,645)
Conference costs		-	(754)
Professional fees		(35,536)	(18,400)
Printing & Courier Costs		(404)	-
Sorghum Forum costs		(24,313)	(23,155)
Trustees remuneration		(42,400)	(43,223)
Website & Marketing		(2,799)	(17,481)
		(596,845)	(556,161)
Operating surplus before fair value adjustments and allocations to beneficiaries		264,820	465,738
Fair value adjustment of investments		2,967,025	389,272
Allocations to Beneficiaries	5	(1,740,664)	(2,520,626)
		1,226,361	(2,131,354)
Surplus (deficit) for the year		1,491,181	(1,665,616)