

Agrigel (Pty) Ltd
(Registration number 1998/024699/07)
Financial statements
for the year ended 28 February 2011

Stander en Vennote
Chartered Accountant (S.A.)
Registered Auditor
Issued 10 February 2012

grigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 278 337	756 255
Goodwill	3	32 916	32 916
		1 311 253	789 171
Current Assets			
Inventories	5	203 168	72 320
Trade and other receivables	6	198 950	166 635
Cash and cash equivalents	7	33 664	-
		435 782	238 955
Total Assets		1 747 035	1 028 126
Equity and Liabilities			
Equity			
Share capital	8	3	3
Retained income		296 364	299 329
		296 367	299 332
Liabilities			
Non-Current Liabilities			
Loans from shareholders	4	1 288 729	330 242
SBSA Factory Bond		85 399	163 045
		1 374 128	493 287
Current Liabilities			
Trade and other payables	9	55 334	210 440
Bank overdraft	7	21 205	25 065
		76 539	235 505
Total Liabilities		1 450 667	728 792
Total Equity and Liabilities		1 747 034	1 028 124

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2011	2010
Revenue			
Sale of goods		1 159 647	1 216 988
Cost of sales			
Opening stock		(72 320)	(67 250)
Purchases		(261 540)	(381 260)
Closing stock		203 168	72 320
		(130 692)	(376 190)
Gross profit		1 028 955	840 798
Operating expenses			
Accounting fees		6 355	7 250
Advertising		-	1 974
Bad debts		-	48 543
Bank charges		4 769	2 894
Computer expenses		10 900	3 798
Consulting and professional fees		34 202	-
Depreciation, amortisation and impairments		157 822	77 314
Discount allowed		1 849	1
Donations		1 000	1 570
Electricity		12 753	23 418
Employee costs		601 396	594 544
Insurance		25 566	25 265
Legal expenses		-	3 000
Motor vehicle expenses		36 584	32 034
Patent Expense		6 484	-
Petrol and oil		59 635	-
Printing and stationery		1 275	2 632
Repairs and maintenance		-	2 750
Security		-	3 577
Staff welfare		1 000	-
Telephone and fax		5 133	4 832
Training		6 189	9 318
Transport and freight		972	-
Travel - local		5 119	5 553
		979 003	850 267
Operating profit (loss)		49 952	(9 469)
Finance costs		(33 304)	(5 290)
Profit (loss) before taxation		16 648	(14 759)
Tax Paid On Previous Periods		19 613	-
Loss for the year		(2 965)	(14 759)
Other comprehensive income		-	-
Total comprehensive loss		(2 965)	(14 759)

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Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2009	-	314 088	314 088
Changes in equity			
Total comprehensive loss for the year	-	(14 759)	(14 759)
Issue of shares	3	-	3
Total changes	<u>3</u>	<u>(14 759)</u>	<u>(14 756)</u>
Balance at 01 March 2010	3	299 329	299 332
Changes in equity			
Total comprehensive loss for the year	-	(2 965)	(2 965)
Total changes	<u>-</u>	<u>(2 965)</u>	<u>(2 965)</u>
Balance at 28 February 2011	3	296 364	296 367
Note(s)	8		

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Statement of Cash Flows

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Cash (used in) generated from operations	10	(110 495)	39 330
Finance costs		(33 304)	(5 290)
Tax paid		(19 613)	-
Net cash from operating activities		(163 412)	34 040
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(679 904)	-
Cash flows from financing activities			
Proceeds on share issue	8	-	3
Movement in sbsa factory bond		(77 646)	163 045
Repayment of shareholders loan		958 487	330 242
Net cash from financing activities		880 841	493 290
Total cash movement for the year		37 525	527 330
Cash at the beginning of the year		(25 065)	(11 530)
Total cash at end of the year	7	12 460	515 800

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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. 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 First-time adoption of the International Financial Reporting Standard for Small and Medium-sized Entities.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Costs include 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.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

The residual value, depreciation method and the useful life of each asset are reviewed at each annual reporting period if there are indicators present that there is a change from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and have significantly different patterns of consumption of economical benefits is depreciated separately over its useful life.

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.

1.2 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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Notes to the Financial Statements

Figures in Rand

2011

2010

2. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	248 872	-	248 872	248 872	-	248 872
Plant and machinery	1 191 636	(245 048)	946 588	573 136	(110 753)	462 383
Motor vehicles	100 000	(70 000)	30 000	100 000	(55 000)	45 000
Computer software	61 404	(8 527)	52 877	-	-	-
Total	1 601 912	(323 575)	1 278 337	922 008	(165 753)	756 255

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Depreciation	Total
Land	248 872	-	-	248 872
Plant and machinery	462 383	618 500	(134 295)	946 588
Motor vehicles	45 000	-	(15 000)	30 000
Computer software	-	61 404	(8 527)	52 877
	756 255	679 904	(157 822)	1 278 337

Reconciliation of property, plant and equipment - 2010

	Opening balance	Depreciation	Total
Land	248 872	-	248 872
Plant and machinery	519 697	(57 314)	462 383
Motor vehicles	65 000	(20 000)	45 000
	833 569	(77 314)	756 255

Details of properties

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. Goodwill

	2011			2010		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Goodwill	32 916	-	32 916	32 916	-	32 916

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4. Loans to (from) shareholders

Danny Geldenhuys	(165 680)	(168 800)
Derrick Geldenhuys	(210 000)	-
Leon Geldenhuys	(161 442)	(161 442)
DD Geldenhuys Lona Account	(751 607)	-
Terms and conditions		
	(1 288 729)	(330 242)

5. Inventories

Materials & Work In Progress	203 168	72 320
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6. Trade and other receivables

Trade receivables	198 950	166 635
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7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	33 664	-
Bank overdraft	(21 205)	(25 065)
	12 459	(25 065)

Current assets	33 664	-
Current liabilities	(21 205)	(25 065)
	12 459	(25 065)

8. Share capital

Issued Ordinary	3	3
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9. Trade and other payables

Trade payables	30 258	182 313
VAT	25 076	28 127
	55 334	210 440

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10. Cash (used in) generated from operations

Profit (loss) before taxation	16 648	(14 759)
Adjustments for:		
Depreciation and amortisation	157 822	77 314
Finance costs	33 304	5 290
Changes in working capital:		
Inventories	(130 848)	(72 320)
Trade and other receivables	(32 315)	(166 635)
Trade and other payables	(155 106)	210 440
	(110 495)	39 330

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Tax Computation

Net income per income statement	R 16 648
Non-deductable/Non taxable items	
Donations	1 000
Taxable income for 2011	17 648
Assessed loss brought forward	(11 959)
Taxable income	5 689

	Lower Limit	Upper Limit	Rates of Tax
Tax bracket 1	-	57 000	-
Tax bracket 2	57 001	300 000	10 %
Tax bracket 3	Amount above	300 000	28 %

Tax thereon @ rate determined in the table above

Tax liability