

Agrigel (Pty) Ltd
(Registration number 1998/024699/07)
Financial statements
for the year ended 28 February 2013

Stander en Vennote
Chartered Accountant (S.A.)
Registered Auditor
Published 14 November 2013

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2013

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Hydraulic Equipment
Directors	Geldenhuis LB Geldenhuis DL Geldenhuis AN
Registered office	37 Third Street Delmas 2210
Postal address	P.O. Box 259 Delmas 2210
Reviewer	Stander en Vennote Chartered Accountant (S.A.) Registered Auditor
Secretary	Delmas Data (Pty) Ltd
Company registration number	1998/024699/07
Tax reference number	9112349841
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.
VAT reference number	4810183410

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Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008, 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 Standards.

The financial statements are prepared in accordance with the International Financial Reporting Standards 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 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company's cash flow forecast for the year to 28 February 2014 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The financial statements set out on pages 5 to 14, which have been prepared on the going concern basis, were approved by the board on 14 November 2013 and were signed on its behalf by:

Geldenhuis LB

Geldenhuis DL

Delmas

14 November 2013



STANDER EN VENNOTE

GEOKTROOEERDE REKENMEESTERS (SA) / CHARTERED ACCOUNTANTS (SA)

37 DERDE STRAAT
POSBUS 259
DELMAS
2210

TEL 013 665 2311
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Independent Reviewer's Report

To the shareholder of Agrigel (Pty) Ltd

I have reviewed the financial statements of Agrigel (Pty) Ltd, that comprise the statement of financial position as at 28 February 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 5 to 13.

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the directors' determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility is to express a conclusion on the financial statements based on my review. I conducted my review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 requires me to conclude whether anything has come to my attention that causes me to believe that the 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 financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained.

A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.

I believe that the evidence I obtained in my review is sufficient and appropriate to provide a basis for my conclusion.

The procedures performed in a review engagement 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 financial statements.

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects the financial position of Agrigel (Pty) Ltd as at 28 February 2013 and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.


GJ Stander
Registered Auditor

14 November 2013

37 Third Street
Delmas
2210

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Directors' Report

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

1. Review of activities

Main business and operations

The company is engaged in hydraulic equipment and operates principally in South Africa.

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.

Registered office

37 Third Street
Delmas
2210

Postal address

P.O. Box 259
Delmas
2210

2. Events after the reporting period

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

3. Directors

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

Name

Geldenhuis LB
Geldenhuis DL
Geldenhuis AN

4. Secretary

The secretary of the company is Delmas Data (Pty) Ltd of:

Business address

37 Third street
Delmas
2210

Postal address

P.O. Box 259
Delmas
2210

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Financial Statements for the year ended 28 February 2013

Statement of Financial Position

Figures in Rand	Note(s)	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	1 140 351	1 415 000
Goodwill	3	32 916	32 916
Loans to shareholders	4	-	8 923
		1 173 267	1 456 839
Current Assets			
Inventories	5	166 582	203 168
Trade and other receivables	6	257 898	77 015
Cash and cash equivalents	7	43	51 228
		424 523	331 411
Total Assets		1 597 790	1 788 250
Equity and Liabilities			
Equity			
Share capital		3	3
Retained income		449 959	365 592
		449 962	365 595
Liabilities			
Non-Current Liabilities			
Loans from shareholders	4	965 195	1 086 603
SBSA Factory Bond		73 228	156 810
		1 038 423	1 243 413
Current Liabilities			
Trade and other payables	8	107 659	160 340
Bank overdraft	7	1 746	18 902
		109 405	179 242
Total Liabilities		1 147 828	1 422 655
Total Equity and Liabilities		1 597 790	1 788 250

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2013	2012
Revenue			
Sale of goods		3 487 083	1 446 325
Cost of sales			
Opening stock		(203 168)	(203 168)
Purchases		(1 241 342)	(403 211)
Closing stock		166 582	203 168
		(1 277 928)	(403 211)
Gross profit		2 209 155	1 043 114
Operating expenses			
Accounting fees		-	4 071
Advertising		5 625	-
Bad debts		-	95 186
Bank charges		26 075	19 032
Computer expenses		8 166	7 593
Consulting and professional fees		17 405	25 983
Depreciation, amortisation and impairments		274 649	274 649
Directors salary		164 000	-
Discount allowed		23 474	1 561
Donations		30 494	8 018
Electricity		107 724	75 629
Employee costs		570 324	265 095
Fines and penalties		526	-
Insurance		48 078	8 417
Motor vehicle expenses		231 760	11 145
Patent Expense		6 603	18 370
Petrol and oil		97 134	31 289
Postage		1 076	210
Printing and stationery		28 368	480
Protective clothing		-	656
Repairs and maintenance		143 150	33 749
Research and development costs		52 666	-
Security		9 423	-
Staff welfare		46 500	-
Subscriptions		-	8 197
Telephone and fax		35 765	5 917
Training		13 755	2 758
Transport and freight		4 018	7 400
Travel - local		58 216	11 822
		2 004 974	917 227
Operating profit		204 181	125 887
Finance costs		(119 814)	(35 954)
Profit before taxation		84 367	89 933
Tax Paid On Previous Periods		-	20 705
Profit for the year		84 367	69 228
Other comprehensive income		-	-
Total comprehensive income for the year		84 367	69 228
Total comprehensive income attributable to:			
Owners of the parent		84 367	69 228

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Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2011	3	296 364	296 367
Changes in equity			
Total comprehensive income for the year	-	69 228	69 228
Total changes	-	69 228	69 228
Balance at 01 March 2012	3	365 592	365 595
Changes in equity			
Total comprehensive income for the year	-	84 367	84 367
Total changes	-	84 367	84 367
Balance at 28 February 2013	3	449 959	449 962
Note(s)			

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Statement of Cash Flows

Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash generated from operations	9	281 852	627 476
Finance costs		(119 814)	(35 954)
Tax paid		-	(20 705)
Net cash from operating activities		162 038	570 817
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(411 312)
Cash flows from financing activities			
Movement in SBSA factory bond		(83 582)	71 411
Repayment of shareholders loan		(112 485)	(211 049)
Net cash from financing activities		(196 067)	(139 638)
Total cash movement for the year		(34 029)	19 867
Cash at the beginning of the year		32 326	12 459
Total cash at end of the year	7	(1 703)	32 326

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Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards, and the Companies Act 71 of 2008. 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 Standards.

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 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

1.3 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

Figures in Rand

2013

2012

2. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land	248 872	-	248 872	248 872	-	248 872
Plant and machinery	1 466 636	(663 038)	803 598	1 466 636	(454 043)	1 012 593
Motor vehicles	100 000	(100 000)	-	100 000	(85 000)	15 000
Computer software	197 716	(109 835)	87 881	197 716	(59 181)	138 535
Total	2 013 224	(872 873)	1 140 351	2 013 224	(598 224)	1 415 000

Reconciliation of property, plant and equipment - 2013

	Opening balance	Depreciation	Total
Land	248 872	-	248 872
Plant and machinery	1 012 593	(208 995)	803 598
Motor vehicles	15 000	(15 000)	-
Computer software	138 535	(50 654)	87 881
	1 415 000	(274 649)	1 140 351

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Depreciation	Total
Land	248 872	-	-	248 872
Plant and machinery	946 588	275 000	(208 995)	1 012 593
Motor vehicles	30 000	-	(15 000)	15 000
Computer software	52 877	136 312	(50 654)	138 535
	1 278 337	411 312	(274 649)	1 415 000

3. Goodwill

	2013			2012		
	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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Notes to the Financial Statements

Figures in Rand	2013	2012
4. Loans to (from) shareholders		
Danny Geldenhuys	(42 502)	(92 497)
Derrick Geldenhuys	(58 918)	(41 057)
Derrick Geldenhuys	(242 000)	(161 442)
DD Geldenhuys	(549 049)	(791 607)
Allen Geldenhuys	(72 726)	8 923
	(965 195)	(1 077 680)
Non-current assets	-	8 923
Non-current liabilities	(965 195)	(1 086 603)
	(965 195)	(1 077 680)
5. Inventories		
Materials & Work In Progress	166 582	203 168
6. Trade and other receivables		
Trade receivables	257 898	77 015
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	43	51 228
Bank overdraft	(1 746)	(18 902)
	(1 703)	32 326
Current assets	43	51 228
Current liabilities	(1 746)	(18 902)
	(1 703)	32 326
8. Trade and other payables		
Trade payables	92 636	132 407
VAT	15 023	27 933
	107 659	160 340

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Notes to the Financial Statements

Figures in Rand	2013	2012
9. Cash generated from operations		
Profit before taxation	84 367	89 933
Adjustments for:		
Depreciation and amortisation	274 649	274 649
Finance costs	119 814	35 954
Other non-cash items	-	(1)
Changes in working capital:		
Inventories	36 586	-
Trade and other receivables	(180 883)	121 935
Trade and other payables	(52 681)	105 006
	281 852	627 476

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Tax Computation

Figures in Rand

2013

Net profit per income statement	84 367
Permanent differences (Non-deductable/Non taxable items)	
Donations	30 494
Temporary differences	
Depreciation according to financial statements	274 649
Wear and tear allowance (s 11(e))	(274 649)
	-
Calculated tax profit for the year	114 861
Assessed loss brought forward	(41 381)
Taxable income for 2013	73 480

	Lower Limit	Upper Limit	Rates of Tax
Tax bracket 1	-	-	- %
Tax bracket 2	-	-	- %
Tax bracket 3	Amount above	-	- %

Tax thereon @ rate determined in the table above **Nil**

Reconciliation of tax balance

Tax owing/(prepaid) for the current year: