



Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

**Financial statements
for the year ended 28 February 2014**

***Stander en Vennote
Chartered Accountant (S.A.)
Registered Auditor
Published 20 August 2014***

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Hydraulic Equipment
Directors	Geldenhuis LB Geldenhuis DL
Registered office	37 Third Street Delmas 2210
Business address	Cnr Road nr 10 & Driedoring Street Leeuwpoot 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
Our reference	14f-Agrigel - SF

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Index

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

Index	Page
Directors' Responsibilities and Approval	3
Independent Reviewer's Report	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Accounting Policies	9 - 10
Notes to the Financial Statements	11 - 12
Tax Computation	13

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

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 .

The financial statements are prepared in accordance with the and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements 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 2015 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.

Geldenhuis LB

Geldenhuis DL

20 August 2014



STANDER EN VENNOTE

GEOKTROOEERDE REKENMEESTERS (SA) / CHARTERED ACCOUNTANTS (SA)

37 DERDE STRAAT
POSBUS 259
DELMAS
2210

TEL 013 665 2311
FAKS 013 665 3564
EPOS giep@gstander.co.za

Independent Reviewer's Report

To the shareholder of Agrigel (Pty) Ltd

I have reviewed the financial statements of Agrigel (Pty) Ltd, set out on pages 5 to 12, that comprise the statement of financial position as at 28 February 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 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.

Independent Reviewer's Responsibility

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.

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.

Conclusion

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 2014 and its financial performance and cash flows for the year then ended, in accordance with the and the requirements of the Companies Act 71 of 2008.

Stander en Vennote
Registered Auditor

20 August 2014
GJ Stander
Chartered Accountant (SA)

37 Third Street
Delmas
2210

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Statement of Financial Position as at 28 February 2014

Figures in Rand	Note(s)	2014	2013
Assets			
Non-Current Assets			
Property, plant and equipment	2	781 125	1 140 351
Goodwill		32 916	32 916
Loans to shareholders	4	12 100	-
		826 141	1 173 267
Current Assets			
Inventories	3	367 038	166 582
Trade and other receivables	5	316 804	257 898
Cash and cash equivalents		18 785	43
		702 627	424 523
Total Assets		1 528 768	1 597 790
Equity and Liabilities			
Equity			
Share capital		3	3
Retained income		487 983	449 959
		487 986	449 962
Liabilities			
Non-Current Liabilities			
Loans from shareholders	4	815 098	965 195
SBSA Factory Bond		-	73 228
Revolving Credit Plan Loan		79 547	-
		894 645	1 038 423
Current Liabilities			
Trade and other payables	6	146 137	107 659
Bank overdraft		-	1 746
		146 137	109 405
Total Liabilities		1 040 782	1 147 828
Total Equity and Liabilities		1 528 768	1 597 790

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Statement of Comprehensive Income

Figures in Rand	Note(s)	2014	2013
Revenue			
Sale of goods		3 568 335	3 487 083
Cost of sales			
Opening stock		(166 582)	(203 168)
Purchases		(1 121 776)	(1 241 342)
Closing stock		367 038	166 582
		(921 320)	(1 277 928)
Gross profit		2 647 015	2 209 155
Operating expenses			
Advertising		779	5 625
Bank charges		26 031	26 075
Computer expenses		10 959	8 166
Consulting and professional fees		15 125	17 405
Delivery expenses		5 332	-
Depreciation, amortisation and impairments		359 226	274 649
Directors' remuneration		300 000	164 000
Discount allowed		195 005	23 474
Donations		21 356	30 494
Electricity		102 168	107 724
Employee costs		661 888	570 324
Entertainment		8 402	-
Fines and penalties		-	526
Insurance		50 782	48 078
Key man insurance		251 605	-
Motor vehicle expenses		86 607	231 760
Patent expenses		-	6 603
Petrol and oil		97 052	97 134
Postage		15 619	1 076
Printing and stationery		-	28 368
Repairs and maintenance		36 792	143 150
Research and development costs		100 453	52 666
Security		9 862	9 423
Staff welfare		145 627	46 500
Telephone and fax		36 049	35 765
Training		2 360	13 755
Transport and freight		-	4 018
Travel - local		26 320	58 216
		2 565 399	2 004 974
Operating profit		81 616	204 181
Finance costs		(43 592)	(119 814)
Profit for the year		38 024	84 367
Total comprehensive income for the year		38 024	84 367

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2012	3	365 592	365 595
Profit for the year	-	84 367	84 367
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	84 367	84 367
Balance at 01 March 2013	3	449 959	449 962
Profit for the year	-	38 024	38 024
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	38 024	38 024
Balance at 28 February 2014	3	487 983	487 986

Note(s)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Statement of Cash Flows

Figures in Rand	Note(s)	2014	2013
Cash flows from operating activities			
Cash generated from operations	7	219 957	281 852
Finance costs		(43 592)	(119 814)
Net cash from operating activities		176 365	162 038
Cash flows from investing activities			
Loans advanced to group companies		404 691	-
Undefined Difference		(404 691)	-
Net cash from investing activities		-	-
Cash flows from financing activities			
Movement in sbsa factory bond		(73 228)	(83 582)
Movement in revolving credit plan loan		79 547	-
Repayment of shareholders loan		(162 197)	(112 485)
Net cash from financing activities		(155 878)	(196 067)
Total cash movement for the year		20 487	(34 029)
Cash at the beginning of the year		(1 703)	32 326
Total cash at end of the year		18 784	(1 703)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Accounting Policies

1. Presentation of Financial Statements

The financial statements have been prepared in accordance with the , 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.

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.

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

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

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 useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

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

Debt instruments, as defined in 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 the end of 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 so, an impairment loss is recognised

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

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 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Accounting Policies

1.3 Revenue (continued)

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.4 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Notes to the Financial Statements

Figures in Rand 2014 2013

2. Property, plant and equipment

	2014			2013		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Land	248 872	-	248 872	248 872	-	248 872
Plant and machinery	1 466 636	(956 365)	510 271	1 466 636	(663 038)	803 598
Motor vehicles	100 000	(100 000)	-	100 000	(100 000)	-
Computer software	197 716	(175 734)	21 982	197 716	(109 835)	87 881
Total	2 013 224	(1 232 099)	781 125	2 013 224	(872 873)	1 140 351

Reconciliation of property, plant and equipment - 2014

	Opening balance	Depreciation	Total
Land	248 872	-	248 872
Plant and machinery	803 598	(293 327)	510 271
Computer software	87 881	(65 899)	21 982
	1 140 351	(359 226)	781 125

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

3. Inventories

Materials & Work In Progress	367 038	166 582
------------------------------	---------	---------

4. Loans to (from) shareholders

DI Geldenhuys	(238 693)	(300 918)
DL Geldenhuys	(139 210)	-
Allen Geldenhuys	(437 195)	(621 775)
Danny Geldenhuys	-	(42 502)
LB Geldenhuys	12 100	-
	(802 998)	(965 195)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Notes to the Financial Statements

Figures in Rand	2014	2013
4. Loans to (from) shareholders (continued)		
Non-current assets	12 100	-
Non-current liabilities	(815 098)	(965 195)
	(802 998)	(965 195)
5. Trade and other receivables		
Trade receivables	316 805	257 898
VAT	(1)	-
	316 804	257 898
6. Trade and other payables		
Trade payables	129 886	92 636
VAT	16 251	15 023
	146 137	107 659
7. Cash generated from operations		
Profit before taxation	38 024	84 367
Adjustments for:		
Depreciation and amortisation	359 226	274 649
Finance costs	43 592	119 814
Changes in working capital:		
Inventories	(200 456)	36 586
Trade and other receivables	(58 907)	(180 883)
Trade and other payables	38 478	(52 681)
	219 957	281 852

Agrigel (Pty) Ltd

(Tax registration number 9112349841)

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2014

Tax Computation

Figures in Rand	2014
Net profit per income statement	38 024
Calculated tax profit for the year	38 024
Assessed loss brought forward	(41 381)
Assessed loss for 2014 - carried forward	(3 357)
Tax thereon @ 28% in the Rand	Nil