

Agrigel (Pty) Ltd
(Registration number 1998/024699/07)
Financial statements
for the year ended 28 February 2015

Stander en Vennote
Chartered Accountant (S.A.)
Registered Auditor
Published 26 August 2015

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 28 February 2015

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacturing and selling of hydraulic equipment
Directors	Geldenhuis LB Geldenhuis DL
Registered office	37 Third Street Delmas 2210
Business address	Cnr Road nr 10 & Driedoring Street Leeuwpoort 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	15f-Agrigel - SF

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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 .

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 29 February 2016 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.

Geldenhuys LB

Geldenhuys DL

26 August 2015



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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, set out on pages 5 to 12, that comprise the statement of financial position as at 28 February 2015, 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 2015 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

26 August 2015
GJ Stander
Chartered Accountant (SA)

37 Third Street
Delmas
2210

Agrigel (Pty) Ltd

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Statement of Financial Position as at 28 February 2015

Figures in Rand	Note(s)	2015	2014
Assets			
Non-Current Assets			
Property, plant and equipment	2	494 956	781 125
Goodwill		32 916	32 916
		527 872	814 041
Current Assets			
Inventories	3	343 730	367 038
Current tax receivable		2 751	-
Trade and other receivables	4	414 073	316 804
Cash and cash equivalents		312	18 785
		760 866	702 627
Total Assets		1 288 738	1 516 668
Equity and Liabilities			
Equity			
Share capital		3	3
Accumulated loss		(91 112)	487 983
		(91 109)	487 986
Liabilities			
Non-Current Liabilities			
Loans from shareholders	5	821 210	802 998
Revolving Credit Plan Loan		262 513	79 547
		1 083 723	882 545
Current Liabilities			
Trade and other payables	6	291 726	146 137
Bank overdraft		4 398	-
		296 124	146 137
Total Liabilities		1 379 847	1 028 682
Total Equity and Liabilities		1 288 738	1 516 668

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Financial Statements for the year ended 28 February 2015

Statement of Comprehensive Income

Figures in Rand	Note(s)	2015	2014
Revenue			
Sale of goods		3 434 074	3 568 335
Cost of sales			
Opening stock		(367 038)	(166 582)
Purchases		(755 232)	(1 121 776)
Closing stock		343 730	367 038
		(778 540)	(921 320)
Gross profit		2 655 534	2 647 015
Operating expenses			
Advertising		5 996	779
Bad debts		4 896	-
Bank charges		28 932	26 031
Computer expenses		12 766	10 959
Consulting and professional fees		12 410	15 125
Delivery expenses		11 949	5 332
Depreciation, amortisation and impairments		286 169	359 226
Directors' remuneration		288 309	300 000
Discount allowed		36 605	195 005
Donations		18 162	21 356
Electricity		101 554	102 168
Employee costs		1 018 114	738 117
Entertainment		7 726	8 402
Fines and penalties		7 434	-
Insurance		58 091	50 782
Key man insurance		237 442	251 605
Motor vehicle expenses		78 558	86 607
Patent expenses		30 565	-
Petrol and oil		84 134	97 052
Postage		26 710	15 619
Repairs and maintenance		64 342	36 792
Research and development costs		503 172	100 453
Security		10 000	9 862
Staff welfare		183 553	69 398
Telephone and fax		32 723	36 049
Training		-	2 360
Travel - local		17 982	26 320
		3 168 294	2 565 399
Operating (loss) profit		(512 760)	81 616
Finance costs		(66 335)	(43 592)
(Loss) profit for the year		(579 095)	38 024
Total comprehensive (loss) income for the year		(579 095)	38 024

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Financial Statements for the year ended 28 February 2015

Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
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 01 March 2014	3	487 983	487 986
Loss for the year	-	(579 095)	(579 095)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(579 095)	(579 095)
Balance at 28 February 2015	3	(91 112)	(91 109)

Note(s)

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Statement of Cash Flows

Figures in Rand	Note(s)	2015	2014
Cash flows from operating activities			
Cash (used in) generated from operations	7	(154 961)	219 957
Finance costs		(66 335)	(43 592)
Tax paid		(2 751)	-
Net cash from operating activities		(224 047)	176 365
Cash flows from financing activities			
Movement in sbsa factory bond		-	(73 228)
Movement in revolving credit plan loan		182 966	79 547
Repayment of shareholders loan		18 212	(162 197)
Net cash from financing activities		201 178	(155 878)
Total cash movement for the year		(22 869)	20 487
Cash at the beginning of the year		18 785	(1 703)
Total cash at end of the year		(4 084)	18 784

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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:

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.

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

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Accounting Policies

1.3 Revenue (continued)

- 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.

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Notes to the Financial Statements

Figures in Rand

2015

2014

2. Property, plant and equipment

	2015			2014		
	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	(1 220 554)	246 082	1 466 636	(956 365)	510 271
Motor vehicles	100 000	(100 000)	-	100 000	(100 000)	-
Computer equipment	197 716	(197 714)	2	197 716	(175 734)	21 982
Total	2 013 224	(1 518 268)	494 956	2 013 224	(1 232 099)	781 125

Reconciliation of property, plant and equipment - 2015

	Opening balance	Depreciation	Total
Land	248 872	-	248 872
Plant and machinery	510 271	(264 189)	246 082
Computer equipment	21 982	(21 980)	2
	781 125	(286 169)	494 956

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 equipment	87 881	(65 899)	21 982
	1 140 351	(359 226)	781 125

3. Inventories

Materials & Work In Progress	343 730	367 038
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4. Trade and other receivables

Trade receivables	414 072	316 805
VAT	1	(1)
	414 073	316 804

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Notes to the Financial Statements

Figures in Rand	2015	2014
5. Loans to (from) shareholders		
DI Geldenhuys	(477 231)	(238 693)
DL Geldenhuys	(286 687)	(139 210)
Allen Geldenhuys	(57 292)	(425 095)
	(821 210)	(802 998)
6. Trade and other payables		
Trade payables	280 229	129 886
VAT	11 497	16 251
	291 726	146 137
7. Cash (used in) generated from operations		
(Loss) profit before taxation	(579 095)	38 024
Adjustments for:		
Depreciation and amortisation	286 169	359 226
Finance costs	66 335	43 592
Changes in working capital:		
Inventories	23 308	(200 456)
Trade and other receivables	(97 267)	(58 907)
Trade and other payables	145 589	38 478
	(154 961)	219 957

Agrigel (Pty) Ltd

(Tax registration number 9112349841)

(Registration number 1998/024699/07)

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Tax Computation

Figures in Rand	2015
Net loss per income statement	(579 095)
Permanent differences (Non-deductable/Non taxable items)	
Fines	7 434
Assessed loss brought forward	-
Assessed loss for 2015 - carried forward	(571 661)
Tax thereon @ 28% in the Rand	Nil
Reconciliation of tax balance	
Tax owing/(prepaid) for the current year:	
Normal tax	
1st provisional payment	(116)
2nd provisional payment	(2 635)
	(2 751)
Amount owing/(prepaid) at the end of year	(2 751)