

Agrigel (Pty) Ltd
(Registration number 1998/024699/07)
Financial statements
for the year ended 29 February 2016

Stander en Vennote
Chartered Accountant (S.A.)
Registered Auditor
Issued 30 June 2016

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

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 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	16f-Agrigel - SF

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

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 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
Notes to the Financial Statements	10 - 11
Tax Computation	12

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

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 2017 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.

Approval of financial statements



Geldenhuys LB

30 June 2016



Geldenhuys DL

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Delmas
2210

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Mpy. Nr: 2014/088637/21
GJ Stander & JC Olckers

Posbus 259 / P.O. Box 259
Delmas
2210



Independent Reviewer Report

To the shareholder of Agrigel (Pty) Ltd

I have reviewed the financial statements of Agrigel (Pty) Ltd, set out on pages 5 to 11, which comprise the statement of financial position as at 29 February 2016 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 Responsibility

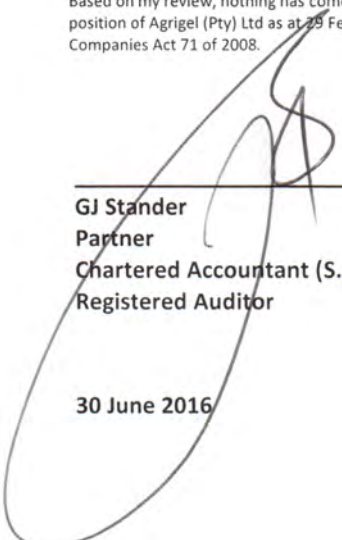
My responsibility is to express a conclusion on the financial statements. I conducted my review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Financial Statements. ISRE 2400 (Revised) requires me to conclude whether anything has come to 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 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review 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.

Unqualified conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects the financial position of Agrigel (Pty) Ltd as at 29 February 2016, 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.



GJ Stander
Partner
Chartered Accountant (S.A.)
Registered Auditor

30 June 2016

37 Third Street
Delmas
2210

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

Statement of Financial Position as at 29 February 2016

Figures in Rand	Note(s)	2016	2015
Assets			
Non-Current Assets			
Property, plant and equipment	2	2 070 886	494 956
Patents and development cost	3	868 308	536 088
		2 939 194	1 031 044
Current Assets			
Inventories	4	359 086	343 730
Trade and other receivables	5	322 924	414 072
Current tax receivable		2 751	2 751
Cash and cash equivalents		57 012	312
		741 773	760 865
Total Assets		3 680 967	1 791 909
Equity and Liabilities			
Equity			
Share capital		3	3
Retained income		1 977 846	412 060
		1 977 849	412 063
Liabilities			
Non-Current Liabilities			
Loans from shareholders	6	1 142 003	821 210
Revolving Credit Plan Loan		193 131	262 513
		1 335 134	1 083 723
Current Liabilities			
Trade and other payables	7	367 984	291 725
Bank overdraft		-	4 398
		367 984	296 123
Total Liabilities		1 703 118	1 379 846
Total Equity and Liabilities		3 680 967	1 791 909

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

Statement of Comprehensive Income

Figures in Rand	Note(s)	2016	2015
Revenue			
Sale of goods		3 687 971	3 434 074
Cost of sales			
Opening stock		(343 730)	(367 038)
Purchases		(1 225 314)	(755 232)
Closing stock		359 086	343 730
		(1 209 958)	(778 540)
		2 478 013	2 655 534
Gross profit			
Other income			
Fair value adjustments		1 751 128	-
Operating expenses			
Advertising		17 254	5 996
Bad debts		25 778	4 896
Bank charges		29 290	28 932
Computer expenses		17 155	12 766
Consulting and professional fees		16 846	12 410
Delivery expenses		24 295	11 949
Depreciation, amortisation and impairments		175 198	286 169
Discount received		13 379	36 605
Directors' remuneration		473 545	487 022
Donations		12 641	18 162
Electricity		140 889	101 554
Employee costs		1 041 234	1 018 114
Insurance		46 585	58 091
Key man insurance		256 947	237 442
Motor vehicle expenses		18 284	78 558
Patent expenses		4 714	30 565
Petrol and oil		155 748	84 134
Postage		18 347	26 710
Repairs and maintenance		37 697	64 342
Security		10 932	10 000
Telephone and fax		33 709	32 723
Travel - local		24 216	17 982
		2 594 683	2 665 122
Operating profit (loss)		1 634 458	(9 588)
Finance costs		(68 672)	(66 335)
Profit (loss) for the year		1 565 786	(75 923)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		1 565 786	(75 923)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at 01 March 2014	3	487 983	487 986
Loss for the year	-	(75 923)	(75 923)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(75 923)	(75 923)
Balance at 01 March 2015	3	412 060	412 063
Profit for the year	-	1 565 786	1 565 786
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1 565 786	1 565 786
Balance at 29 February 2016	3	1 977 846	1 977 849
Note(s)			

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

Statement of Cash Flows

Figures in Rand	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from operations	8	210 579	348 211
Finance costs		(68 672)	(66 335)
Tax paid		-	(2 751)
Net cash from operating activities		141 907	279 125
Cash flows from financing activities			
Movement in revolving credit plan loan		(69 382)	182 966
Repayment of shareholders loan		320 793	18 212
Net cash from financing activities		251 411	201 178
Total cash movement for the year		393 318	480 303
Cash at the beginning of the year		(4 086)	18 785
Total cash at end of the year		389 232	499 088

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

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, except for biological assets at fair value less point of sale costs, 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 is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost 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 as follows:

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

1.2 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 profit or loss.

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.

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, are measured at fair value through profit and loss.

1.3 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

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 29 February 2016

Notes to the Financial Statements

	2016			2015		
2. Property, plant and equipment						
	2016			2015		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2 000 000	-	2 000 000	248 872	-	248 872
Plant and machinery	1 466 636	(1 395 752)	70 884	1 466 636	(1 220 554)	246 082
Motor vehicles	100 000	(100 000)	-	100 000	(100 000)	-
Computer software	197 716	(197 714)	2	197 716	(197 714)	2
Total	3 764 352	(1 693 466)	2 070 886	2 013 224	(1 518 268)	494 956
Reconciliation of property, plant and equipment - 2016						
	Opening balance	Depreciation	Revaluation	Total		
Land	248 872	-	1 751 128	2 000 000		
Plant and machinery	246 082	(175 198)	-	70 884		
Computer software	2	-	-	2		
	494 956	(175 198)	1 751 128	2 070 886		
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 software	21 982	(21 980)	2			
	781 125	(286 169)	494 956			
3. Patents and development cost						
	2016			2015		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Goodwill	868 308	-	868 308	536 088	-	536 088
4. Inventories						
Materials & Work In Progress				359 086	343 730	
5. Trade and other receivables						
Trade receivables				322 924	414 072	

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

Notes to the Financial Statements

Figures in Rand	2016	2015
6. Loans to (from) shareholders		
Danny Geldenhuys	(59 000)	-
DI Geldenhuys	(464 691)	(477 231)
DL Geldenhuys	(473 994)	(286 687)
Allen Geldenhuys	(144 318)	(57 292)
	(1 142 003)	(821 210)
7. Trade and other payables		
Trade payables	311 764	280 228
VAT	56 220	11 497
	367 984	291 725
8. Cash generated from operations		
Profit (loss) before taxation	1 565 786	(75 923)
Adjustments for:		
Depreciation and amortisation	175 198	286 169
Finance costs	68 672	66 335
Fair value adjustments	(1 751 128)	-
Changes in working capital:		
Inventories	(15 356)	23 308
Trade and other receivables	91 148	(97 267)
Trade and other payables	76 259	145 589
	210 579	348 211

Agrigel (Pty) Ltd

(Tax registration number 9112349841)

(Registration number 1998/024699/07)

Financial Statements for the year ended 29 February 2016

Tax Computation

Figures in Rand	2016
Net profit per income statement	1 565 786
Non-deductible and non-taxable items	
Donations - Other	12 641
Temporary differences	
Adjustments to comply with IFRS for SMEs: Fair value (credit)	(1 751 128)
Calculated tax loss for the year	(172 701)
Assessed loss brought forward	(553 499)
Assessed loss for 2016 - carried forward	(726 200)
Tax thereon @ 28% in the Rand	Nil
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	(2 751)
Tax owing/(prepaid) for the current year:	
Amount owing/(prepaid) at the end of year	(2 751)