

Agrigel (Pty) Ltd
(Registration number 1998/024699/07)
Financial statements
for the year ended February 28, 2017

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

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	17f-Agrigel - SF
Published	<hr/>

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

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
Notes to the Financial Statements	10 - 11
Tax Computation	12

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

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.

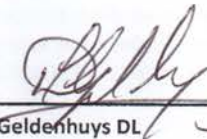
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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 February 28, 2018 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


Geldenhuys DL



Tel: 013 665 2311
Fax: 013 665 3564
e-mail: admin@gstander.co.za
BTW reg no. 4350 171 692
Reg No. 1992/032 990/23

Delmas
Derde Straat 37 / Tr
Posbus 259 / P.O. Bc
Delmas, 2210
Ltd: E Stander

Independent Reviewer's Report

To the shareholder of Agrigel (Pty) Ltd

We 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 February 28, 2017 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 of the Financial Statements in accordance with the 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

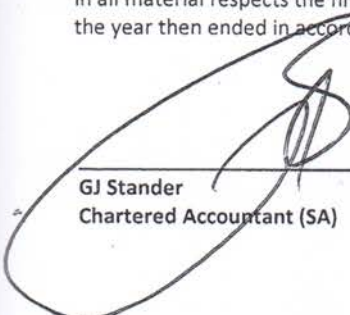
Our responsibility is to express a conclusion on these Financial Statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us 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 us 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, we do not express an audit opinion on these Financial Statements.

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these Financial statements do not present fairly, in all material respects the financial position of Agrigel (Pty) Ltd as at February 28, 2017, 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
Chartered Accountant (SA)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

Statement of Financial Position as at February 28, 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Non-Current Assets			
Property, plant and equipment	2	403,370	319,758
Patents and development cost		1,167,071	868,308
		1,570,441	1,188,066
Current Assets			
Inventories	3	452,671	359,086
Trade and other receivables	4	301,885	322,924
Current tax receivable		2,751	2,751
Cash and cash equivalents		31	29
		757,338	684,790
Total Assets		2,327,779	1,872,856
Equity and Liabilities			
Equity			
Share capital		3	3
Retained income		46,349	226,718
		46,352	226,721
Liabilities			
Non-Current Liabilities			
Loans from shareholders	5	1,188,351	1,142,003
Finance lease liabilities	7	157,394	-
		1,345,745	1,142,003
Current Liabilities			
Trade and other payables	8	310,753	367,984
Other financial liabilities	6	476,584	-
Finance lease liabilities	7	23,361	-
Bank overdraft		124,984	136,148
		935,682	504,132
Total Liabilities		2,281,427	1,646,135
Total Equity and Liabilities		2,327,779	1,872,856

The notes on pages 10 - 11 form an integral part of the financial statements

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

Statement of Comprehensive Income

Figures in Rand	Note(s)	2017	2016
Revenue			
Sale of goods		3,657,289	3,687,971
Cost of sales			
Opening stock		(359,086)	(343,730)
Purchases		(1,337,707)	(1,225,314)
Closing stock		452,671	359,086
		(1,244,122)	(1,209,958)
Gross profit		2,413,167	2,478,013
Operating expenses			
Advertising		32,993	17,254
Bad debts		-	25,778
Bank charges		56,027	29,290
Computer expenses		21,213	17,155
Consulting and professional fees		10,037	16,846
Delivery expenses		39,986	24,295
Depreciation, amortisation and impairments		81,912	175,198
Discount received		16,600	13,379
Directors' remuneration		293,827	473,545
Donations		12,512	12,641
Electricity		118,555	140,889
Employee costs		1,278,528	1,041,234
Insurance		53,925	46,585
Key man insurance		282,253	256,947
Motor vehicle expenses		30,264	18,284
Patent expenses		-	4,714
Petrol and oil		107,274	155,748
Postage		787	18,347
Printing and stationery		8,387	-
Repairs and maintenance		6,569	37,697
Research and development costs		351	-
Security		12,243	10,932
Telephone and fax		24,760	33,709
Travel - local		14,503	24,216
		2,503,506	2,594,683
Operating loss		(90,339)	(116,670)
Finance costs		(90,030)	(68,672)
Loss for the year		(180,369)	(185,342)
Other comprehensive income		-	-
Total comprehensive loss for the year		(180,369)	(185,342)

The notes on pages 10 - 11 form an integral part of the financial statements

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at March 1, 2015	3	412,060	412,063
Loss for the year	-	(185,342)	(185,342)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(185,342)	(185,342)
Balance at March 1, 2016	3	226,718	226,721
Loss for the year	-	(180,369)	(180,369)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(180,369)	(180,369)
Balance at February 28, 2017	3	46,349	46,352

Note(s)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

Statement of Cash Flows

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Cash (used in) generated from operations	9	(138,204)	210,577
Finance costs		(90,030)	(68,672)
Net cash from operating activities		(228,234)	141,905
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(165,524)	-
Cash flows from financing activities			
Repayment of other financial liabilities		476,584	-
Repayment of shareholders loan		46,348	320,793
Finance lease payments		180,755	-
Net cash from financing activities		703,687	320,793
Total cash movement for the year		309,929	462,698
Cash at the beginning of the year		(136,119)	(266,599)
Total cash at end of the year		173,810	196,099

The notes on pages 10 - 11 form an integral part of the financial statements

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

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 February 28, 2017

Notes to the Financial Statements

Figures in Rand

2017

2016

2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	248,872	-	248,872	248,872	-	248,872
Plant and machinery	1,466,636	(1,466,629)	7	1,466,636	(1,395,752)	70,884
Motor vehicles	265,524	(111,035)	154,489	100,000	(100,000)	-
Computer software	197,716	(197,714)	2	197,716	(197,714)	2
Total	2,178,748	(1,775,378)	403,370	2,013,224	(1,693,466)	319,758

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Depreciation	Total
Land	248,872	-	-	248,872
Plant and machinery	70,884	-	(70,877)	7
Motor vehicles	-	165,524	(11,035)	154,489
Computer software	2	-	-	2
	319,758	165,524	(81,912)	403,370

Reconciliation of property, plant and equipment - 2016

	Opening balance		Depreciation	Total
Land	2,000,000	(1,751,128)	-	248,872
Plant and machinery	246,082	-	(175,198)	70,884
Computer software	2	-	-	2
	2,246,084	(1,751,128)	(175,198)	319,758

3. Inventories

Materials & Work In Progress	452,671	359,086
------------------------------	---------	---------

4. Trade and other receivables

Trade receivables	301,885	322,924
-------------------	---------	---------

5. Loans to (from) shareholders

DD Geldenhuis	(57,603)	(59,000)
DI Geldenhuis	(452,549)	(464,691)
DL Geldenhuis	(483,589)	(473,994)
AN Geldenhuis	(194,610)	(144,318)
	(1,188,351)	(1,142,003)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

Notes to the Financial Statements

Figures in Rand

	2017	2016
6. Other financial liabilities		
At amortised cost		
Bank loan	476,584	-
<i>The loan bears interest at 12,75% per annum and is repayable on a monthly instalment of R 11 112.</i>		
Current liabilities		
At amortised cost	476,584	-
The fair values of the financial liabilities were determined as follows:		
7. Finance lease liabilities		
Minimum lease payments which fall due		
- within one year	47,651	-
- in second to fifth year inclusive	215,990	-
	263,641	-
Less: future finance charges	(82,886)	-
Present value of minimum lease payments	180,755	-
Non-current liabilities	157,394	-
Current liabilities	23,361	-
	180,755	-
It is company policy to lease certain motor vehicles and equipment under finance leases.		
Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for renewal clauses, purchase options, escalation clauses, contingent rent or subleases. There are no restrictions imposed by the leases.		
8. Trade and other payables		
Trade payables	260,338	311,764
VAT	50,415	56,220
	310,753	367,984
9. Cash (used in) generated from operations		
Loss before taxation	(180,369)	(185,342)
Adjustments for:		
Depreciation and amortisation	81,912	175,198
Finance costs	90,030	68,672
Changes in working capital:		
Inventories	(93,585)	(15,356)
Trade and other receivables	21,039	91,148
Trade and other payables	(57,231)	76,257
	(138,204)	210,577

Agrigel (Pty) Ltd

(Taxpayer reference number 9112349841)

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2017

Tax Computation

Figures in Rand	2017
Net loss per income statement	(180,369)
Permanent differences (Non-deductible/Non taxable items)	
Donations - other	12,512
Imputed net income from CFC	-
Calculated tax loss for the year	(167,857)
Assessed loss brought forward	(1,054,935)
Assessed loss for 2017 - carried forward	(1,222,792)
Tax thereon @ 28% in the Rand	-
Reconciliation of tax balance	
Amount owing/(prepaid) at the beginning of year	(2,751)
Prior year adjustment	-
Amount refunded/(paid) in respect of prior year	-
Tax owing/(prepaid) for the current year:	
Amount owing/(prepaid) at the end of year	(2,751)