

Agrigel (Pty) Ltd
(Registration number 1998/024699/07)
Financial statements
for the year ended February 28, 2018

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2018

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Manufacturing and selling of hydraulic equipment
Directors	Geldenhuys LB Geldenhuys 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.)
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	18f-Agrigel / rs
Published	<hr/>

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2018

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Agrigel (Pty) Ltd

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Financial Statements for the year ended February 28, 2018

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 .

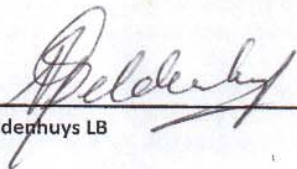
The financial statements are prepared in accordance with the and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

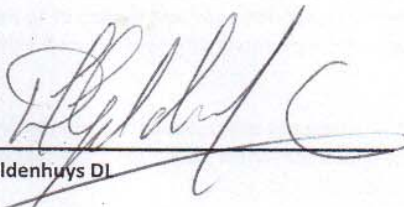
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal 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, 2019 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 DJ

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



Stander
en Verreemde Eng
Geregistreerde Ouditeure

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, 2018 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

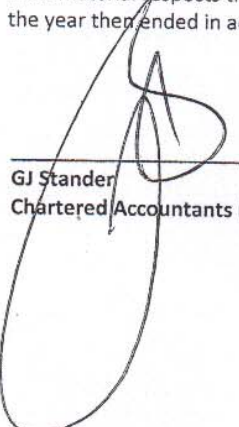
Our responsibility is to express a conclusion on these Financial Statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come 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.

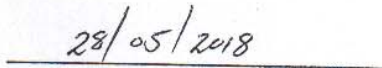
The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these Financial Statements.

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, 2018, 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 Accountants (S.A.)



28/05/2018

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2018

Statement of Financial Position as at February 28, 2018

Figures in Rand	Note(s)	2018	2017
Assets			
Non-Current Assets			
Property, plant and equipment	2	2,143,463	2,154,498
Patents and development cost		1,469,571	1,167,071
		3,613,034	3,321,569
Current Assets			
Inventories	3	367,177	452,671
Trade and other receivables	4	307,989	301,885
Current tax receivable		-	2,751
Cash and cash equivalents		1,500	31
		676,666	757,338
Total Assets		4,289,700	4,078,907
Equity and Liabilities			
Equity			
Share capital		3	3
Retained income		2,151,495	1,797,477
		2,151,498	1,797,480
Liabilities			
Non-Current Liabilities			
Loans from shareholders	5	1,406,704	1,188,351
Finance lease liabilities	7	129,506	157,394
Revolving Credit Plan Loan		31,041	117,666
		1,567,251	1,463,411
Current Liabilities			
Trade and other payables	8	84,153	310,753
Other financial liabilities	6	398,681	476,584
Finance lease liabilities	7	27,067	23,361
Bank overdraft		61,050	7,318
		570,951	818,016
Total Liabilities		2,138,202	2,281,427
Total Equity and Liabilities		4,289,700	4,078,907

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, 2018

Statement of Comprehensive Income

Figures in Rand	Note(s)	2018	2017
Revenue			
Sale of goods		4,704,094	3,657,289
Cost of sales			
Opening stock		(452,671)	(359,086)
Purchases		(1,557,300)	(1,337,707)
Closing stock		367,177	452,671
		(1,642,794)	(1,244,122)
Gross profit		3,061,300	2,413,167
Operating expenses			
Advertising		23,367	32,993
Bad debts		43,444	-
Bank charges		32,631	56,027
Computer expenses		21,082	21,213
Consulting and professional fees		10,589	10,037
Delivery expenses		12,508	39,986
Depreciation, amortisation and impairments		11,035	81,912
Discount received		10,800	16,600
Directors' remuneration		272,174	293,827
Donations		9,964	12,512
Electricity		79,927	118,555
Employee costs		1,197,988	1,278,528
Fines		15,686	-
Insurance		67,512	53,925
Key man insurance		296,262	282,253
Motor vehicle expenses		24,000	30,264
Petrol and oil		137,659	107,274
Postage		450	787
Printing and stationery		11,619	8,387
Repairs and maintenance		24,208	6,569
Research and development costs		213,246	351
Security		13,757	12,243
Telephone and fax		22,870	24,760
Travel - local		11,911	14,503
		2,564,689	2,503,506
Operating profit (loss)		496,611	(90,339)
Finance costs		(142,593)	(90,030)
Profit (loss) for the year		354,018	(180,369)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		354,018	(180,369)

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, 2018

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
Balance at March 1, 2016	3	1,977,846	1,977,849
Loss for the year	-	(180,369)	(180,369)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(180,369)	(180,369)
Balance at March 1, 2017	3	1,797,477	1,797,480
Profit for the year	-	354,018	354,018
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	354,018	354,018
Balance at February 28, 2018	3	2,151,495	2,151,498

Note(s)

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, 2018

Statement of Cash Flows

Figures in Rand	Note(s)	2018	2017
Cash flows from operating activities			
Cash generated from (used in) operations	9	57,936	(436,967)
Finance costs		(142,593)	(90,030)
Tax received		2,751	-
Net cash from operating activities		(81,906)	(526,997)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(165,524)
Cash flows from financing activities			
Repayment of other financial liabilities		(77,903)	476,584
Movement in revolving credit plan loan		(86,625)	(75,465)
Repayment of shareholders loan		218,353	46,348
Finance lease payments		(24,182)	180,755
Net cash from financing activities		29,643	628,222
Total cash movement for the year		(52,263)	(64,299)
Cash at the beginning of the year		(7,287)	57,012
Total cash at end of the year		(59,550)	(7,287)

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, 2018

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 cost, 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, 2018

Notes to the Financial Statements

Figures in Rand

2018

2017

2. Property, plant and equipment

	2018			2017		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	2,000,000	-	2,000,000	2,000,000	-	2,000,000
Plant and machinery	1,466,636	(1,466,629)	7	1,466,636	(1,466,629)	7
Motor vehicles	165,524	(22,070)	143,454	265,524	(111,035)	154,489
Computer software	197,716	(197,714)	2	197,716	(197,714)	2
Total	3,829,876	(1,686,413)	2,143,463	3,929,876	(1,775,378)	2,154,498

Reconciliation of property, plant and equipment - 2018

	Opening balance	Depreciation	Total
Land	2,000,000	-	2,000,000
Plant and machinery	7	-	7
Motor vehicles	154,489	(11,035)	143,454
Computer software	2	-	2
	2,154,498	(11,035)	2,143,463

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Fair value adjustments	Depreciation	Total
Land	248,872	-	1,751,128	-	2,000,000
Plant and machinery	70,884	-	-	(70,877)	7
Motor vehicles	-	165,524	-	(11,035)	154,489
Computer software	2	-	-	-	2
	319,758	165,524	1,751,128	(81,912)	2,154,498

3. Inventories

Materials & Work In Progress	367,177	452,671
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4. Trade and other receivables

Trade receivables	307,989	301,885
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5. Loans to (from) shareholders

DD Geldenhuis	-	(57,603)
DI Geldenhuis	(373,199)	(452,549)
DL Geldenhuis	(540,011)	(483,589)
AN Geldenhuis	(493,494)	(194,610)
	(1,406,704)	(1,188,351)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2018

Notes to the Financial Statements

Figures in Rand	2018	2017
6. Other financial liabilities		
At amortised cost		
Bank loan	398,681	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	398,681	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	47,379	47,651
- in second to fifth year inclusive	169,722	215,990
	217,101	263,641
Less: future finance charges	(63,412)	(82,886)
Present value of minimum lease payments	153,689	180,755
Non-current liabilities	129,506	157,394
Current liabilities	27,067	23,361
	156,573	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 sublease. There are no restrictions imposed by the leases.		
8. Trade and other payables		
Trade payables	67,019	260,338
VAT	17,134	50,415
	84,153	310,753
9. Cash generated from (used in) operations		
Profit (loss) before taxation	354,018	(180,369)
Adjustments for:		
Depreciation and amortisation	11,035	81,912
Finance costs	142,593	90,030
Research development	(302,500)	(298,762)
Changes in working capital:		
Inventories	85,494	(93,585)
Trade and other receivables	(6,104)	21,039
Trade and other payables	(226,600)	(57,232)
	57,936	(436,967)

Agrigel (Pty) Ltd

(Taxpayer reference number 9112349841)

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2018

Tax Computation

Figures in Rand	2018
Net profit per income statement	354,018
Permanent differences (Non-deductible/Non taxable items)	
Donations - other	9,964
Fines	15,686
	<u>25,650</u>
Imputed net income from CFC	-
Calculated tax profit for the year	<u>379,668</u>
Assessed loss brought forward	(1,223,153)
Assessed loss for 2018 - carried forward	<u>(843,485)</u>
Tax thereon @ 28% in the Rand	-