



Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

**Financial statements
for the year ended February 28, 2019**

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

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.)
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	19f-Agrigel / rs
Published	_____

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

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 - 13
Tax Computation	14

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

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 International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities 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 29, 2020 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

Geldenhuis LB

Geldenhuis DL

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Delmas
2210

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Delmas
2210



stander
en Vennote 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 13, which comprise the Statement of Financial Position as at February 28, 2019 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 International Financial Reporting Standard for Small and Medium-sized Entities 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

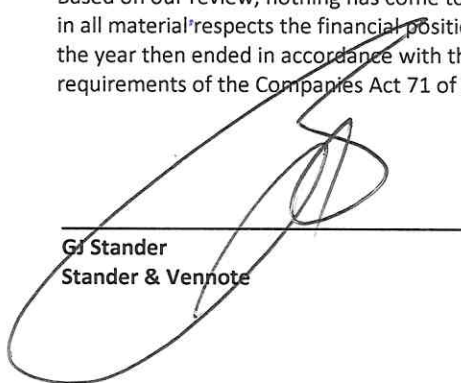
Our responsibility is to express a conclusion on these Financial Statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come 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, 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008.


GJ Stander
Stander & Vennote

09 JUL 2019

37 Third Street
Delmas
2210

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Statement of Financial Position as at February 28, 2019

Figures in Rand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Property, plant and equipment	2	2,164,184	2,143,463
Patents and development cost		1,769,571	1,469,571
		3,933,755	3,613,034
Current Assets			
Inventories	3	352,766	367,177
Trade and other receivables	4	531,262	307,989
Cash and cash equivalents		1,500	1,500
		885,528	676,666
Total Assets		4,819,283	4,289,700
Equity and Liabilities			
Equity			
Share capital		3	3
Retained income		2,350,950	2,151,495
		2,350,953	2,151,498
Liabilities			
Non-Current Liabilities			
Loans from shareholders	5	1,694,730	1,406,704
Finance lease liabilities	7	98,146	129,506
Revolving Credit Plan Loan		(7,393)	31,041
		1,785,483	1,567,251
Current Liabilities			
Trade and other payables	8	292,416	84,153
Other financial liabilities	6	309,435	398,681
Finance lease liabilities	7	31,360	27,067
Bank overdraft		49,636	61,050
		682,847	570,951
Total Liabilities		2,468,330	2,138,202
Total Equity and Liabilities		4,819,283	4,289,700

The notes on pages 11 - 13 form an integral part of the financial statements

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Statement of Comprehensive Income

Figures in Rand	Note(s)	2019	2018
Revenue			
Sale of goods		4,021,400	4,704,094
Cost of sales			
Opening stock		(367,177)	(452,671)
Purchases		(1,125,306)	(1,557,300)
Closing stock		352,766	367,177
		(1,139,717)	(1,642,794)
Gross profit		2,881,683	3,061,300
Other income			
Interest received		1	-
Operating expenses			
Advertising		45,972	23,367
Bad debts		5,671	43,444
Bank charges		34,389	32,631
Computer expenses		20,583	21,082
Consulting and professional fees		10,055	10,589
Delivery expenses		69,075	12,508
Depreciation, amortisation and impairments		42,603	11,035
Discount allowed		16,735	10,800
Directors' remuneration		331,732	272,174
Donations		7,039	9,964
Electricity		60,617	79,927
Employee costs		1,073,904	1,197,988
Fines		-	15,686
Insurance		34,952	67,512
Key man insurance		327,456	296,262
Motor vehicle expenses		11,291	24,000
Petrol and oil		124,189	137,659
Postage		-	450
Printing and stationery		6,113	11,619
Repairs and maintenance		3,130	24,208
Research and development costs		295,402	213,246
Security		13,785	13,757
Subscriptions		1,322	-
Telephone and fax		18,602	22,870
Travel - local		3,828	11,911
		2,558,445	2,564,689
Operating profit		323,239	496,611
Finance costs		(123,784)	(142,593)
Profit for the year		199,455	354,018
Other comprehensive income		-	-
Total comprehensive income for the year		199,455	354,018

The notes on pages 11 - 13 form an integral part of the financial statements

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Statement of Changes in Equity

Figures in Rand	Share capital	Retained income	Total equity
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 March 1, 2018	3	2,151,495	2,151,498
Profit for the year	-	199,455	199,455
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	199,455	199,455
Balance at February 28, 2019	3	2,350,950	2,350,953

Note(s)

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Statement of Cash Flows

Figures in Rand	Note(s)	2019	2018
Cash flows from operating activities			
Cash generated from operations	9	365,242	57,937
Interest income		1	-
Finance costs		(123,784)	(142,593)
Tax received		-	2,751
Net cash from operating activities		241,459	(81,905)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(63,324)	-
Research and development cost capitalised		(300,000)	-
Net cash from investing activities		(363,324)	-
Cash flows from financing activities			
Repayment of other financial liabilities		(89,246)	(77,903)
Movement in revolving credit plan loan		(38,434)	(86,625)
Repayment of shareholders loan		288,026	218,353
Finance lease payments		(27,067)	(24,182)
Net cash from financing activities		133,279	29,643
Total cash movement for the year		11,414	(52,262)
Cash at the beginning of the year		(59,550)	(7,287)
Total cash at end of the year		(48,136)	(59,549)

The notes on pages 11 - 13 form an integral part of the financial statements

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Accounting Policies

1. Presentation of financial statements

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, 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:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	5 years
Motor vehicles	Straight line	5 years
Computer software	Straight line	3 years

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.

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Accounting Policies

1.3 Revenue (continued)

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, 2019

Notes to the Financial Statements

Figures in Rand

2019

2018

2. Property, plant and equipment

	2019			2018		
	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	1,529,961	(1,476,128)	53,833	1,466,636	(1,466,629)	7
Motor vehicles	165,524	(55,175)	110,349	165,524	(22,070)	143,454
Computer software	197,716	(197,714)	2	197,716	(197,714)	2
Total	3,893,201	(1,729,017)	2,164,184	3,829,876	(1,686,413)	2,143,463

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
Land	2,000,000	-	-	2,000,000
Plant and machinery	7	63,324	(9,498)	53,833
Motor vehicles	143,454	-	(33,105)	110,349
Computer software	2	-	-	2
	2,143,463	63,324	(42,603)	2,164,184

Reconciliation of property, plant and equipment - 2018

	Opening balance	Fair value adjustments	Depreciation	Total
Land	248,872	1,751,128	-	2,000,000
Plant and machinery	7	-	-	7
Motor vehicles	154,489	-	(11,035)	143,454
Computer software	2	-	-	2
	403,370	1,751,128	(11,035)	2,143,463

3. Inventories

Materials & Work In Progress	352,766	367,177
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4. Trade and other receivables

Trade receivables	527,427	307,989
VAT	3,835	-
	531,262	307,989

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
5. Loans to (from) shareholders		
DI Geldenhuys	(418,931)	(373,199)
DL Geldenhuys	(587,215)	(540,011)
AN Geldenhuys	(688,584)	(493,494)
	(1,694,730)	(1,406,704)
6. Other financial liabilities		
At amortised cost		
Bank loan	309,435	398,681
<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	309,435	398,681
The fair values of the financial liabilities were determined as follows:		
7. Finance lease liabilities		
Minimum lease payments which fall due		
- within one year	48,472	47,379
- in second to fifth year inclusive	117,404	169,722
	165,876	217,101
Less: future finance charges	(36,370)	(63,412)
Present value of minimum lease payments	129,506	153,689
Non-current liabilities	98,146	129,506
Current liabilities	31,360	27,067
	129,506	156,573
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	292,416	67,019
VAT	-	17,134
	292,416	84,153

Agrigel (Pty) Ltd

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Notes to the Financial Statements

Figures in Rand	2019	2018
9. Cash generated from operations		
Profit before taxation	199,455	354,018
Adjustments for:		
Depreciation and amortisation	42,603	11,035
Interest received	(1)	-
Finance costs	123,784	142,593
Research development	-	(302,500)
Changes in working capital:		
Inventories	14,411	85,494
Trade and other receivables	(223,273)	(6,104)
Trade and other payables	208,263	(226,599)
	365,242	57,937

Agrigel (Pty) Ltd

(Taxpayer reference number 9112349841)

(Registration number 1998/024699/07)

Financial Statements for the year ended February 28, 2019

Tax Computation

Figures in Rand	2019
Net profit per income statement	199,455
Permanent differences (Non-deductible/Non taxable items)	
Donations - other	7,039
Imputed net income from CFC	-
Calculated tax profit for the year	206,494
Assessed loss brought forward	(843,124)
Assessed loss for 2019 - carried forward	(636,630)
Tax thereon @ 28% in the Rand	-