

AGRIGEL (PTY) LTD

98/ 24699/ 07

FINANCIAL STATEMENTS FOR THE YEAR ENDED

28 FEBRUARY 2001

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APPROVAL

*The financial statements were approved by the Directors
and signed on their behalf :*

JOHANNESBURG
30 January 2002

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2001

MAIN BUSINESS

The main business of the company is that of manufacturers and distributors of agricultural equipment.

FINANCIAL RESULTS

The financial results are set out on pages 2 to 5 attached to this report.

DIVIDENDS

No dividends were proposed or declared during the year under review.

SHARE CAPITAL

The share capital remained unchanged during the year.

DIRECTORS

The directors of the company remained unchanged during the year under review.

AUDITORS

Bezuidenhout & Co were re-appointed as auditors during the year in terms of section 270 of the Companies Act.

EVENTS SUBSEQUENT TO YEAR END

No event which is material to the financial affairs of the company, occurred after the year end.

**30 January 2002
JOHANNESBURG**

AGRIGEL (PTY) LTD

BALANCE SHEET AS AT 28 FEBRUARY

	Notes	2001	2000
		R	R
SHARE CAPITAL	2	3	3
RETAINED INCOME		-2,406	-10,421
SHAREHOLDERS' INTEREST		-2,403	-10,418
DIRECTORS' LOANS	3	72435	31101
CAPITAL EMPLOYED		70032	20683
 CURRENT ASSETS		105306	26169
Stock and work on progress	4	90100	26000
Accounts receivable		0	7
Cash at bank/on hand		15206	162
 DEDUCT CURRENT LIABILITIES		35274	5486
Accounts payable		35274	5486
 EMPLOYMENT OF CAPITAL		70032	20683

AGRIGEL (PTY) LTD**INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY**

	Notes	2001	2000
		R	R
Turnover	10	407398	88289
Cost of goods sold		362291	61335
Opening stock		4500	0
Cost to manufacture	11	423291	65835
Less :- Closing stock		65500	4500
Gross profit for the year		45107	26954
Other income		75	23
Interest received		75	23
Deduct expenses		37167	37398
Advertising and promotions		877	1745
Auditors' remuneration		1150	500
Bank charges		1134	944
Computer expenses		2018	0
General expenses		877	0
Interest paid - overdraft		0	4
Legal fees		0	13158
Motor and travelling		11304	14870
Printing, stationery & postage		12666	1642
Telephone		7141	4535
NET INCOME/(LOSS) FOR THE YEAR		8015	-10421
Taxation	9	0	0
RETAINED INCOME/(LOSS)		8015	-10421
ACCUMULATED INCOME/(LOSS) BEGINNING OF YEAR		-10,421	0
ACCUMULATED INCOME/(LOSS) AT END OF YEAR		-2,406	-10,421

AGRIGEL (PTY) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2001

1. ACCOUNTING POLICIES

1.1 The financial statements are prepared on the historical cost basis. The following are the principal accounting policies used by the Company.

1.1.1 FIXED ASSETS

Depreciation is calculated to write off the cost of fixed assets over the expected useful lives of such asset using the straight line method.

1.1.2 STOCK/WORK IN PROGRESS

Stock is valued at the lower of cost, determined on the basis of first-in, first-out, or net realisable value. Finished merchandise has been computed by taking factory overhead expenditure into account.

2. SHARE CAPITAL

	2001 R	2000 R
Authorised 1000 Ordinary shares of R 1,00 each	1000	1000
Issued 3 Ordinary shares of R 1,00 each	3	3

3. DIRECTORS' LOANS

Loans are interest free with no fixed date of repayment.

6. STOCK/WORK IN PROGRESS

Raw materials	24600	21500
Finished goods	65500	4500
	90100	26000

7. ACCOUNTS RECEIVABLE

A portion of the debtors book of the company is ceded to the Standard Bank of South Africa Ltd.

8. BANK OVERDRAFT

The bank overdraft is secured by the personal sureties of the Directors.

9. TAXATION

Net income/(loss) per accounts	8015	-10421
Add : Disallowable expenditure	877	0
TAXABLE INCOME FOR THE YEAR	8892	-10421
Calculated assessed loss brought forward	10421	0
NETT TAXABLE INCOME	-1,529	-10,421
TAXATION @ 30%	0	0
Calculated assessed loss carried forward	-1529	-10421

10. TURNOVER

Turnover, which excludes value added tax, comprises the amounts for goods supplied.

AGRIGEL (PTY) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2001 (CONTINUED)

	2001	2000
	R	R
11. COST TO MANUFACTURE		
Stock on hand 1 March 2000	21500	0
Material purchases	386676	61415
Less: Stock on hand 28 February 2001	24600	21500
Materials consumed	383576	39915
Wages	25796	23844
Overhead expenses incurred	13919	2076
Repairs and maintenance	5358	2076
Rent, water and lights	8561	0
	423291	65835

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY

		2001	2000
	Notes	R	R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	A	8015	-10417
Utilised to increase working capital	B	-34305	-20521
Cash generated by operating activities		<u>-26290</u>	<u>-30938</u>
Interest paid		0	-4
CASH UTILISED IN INVESTING ACTIVITIES		-26290	-30942
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(Decrease) in funds on call and cash		-15044	-162
Shares issued		0	3
Increase in loans		41334	31101
CASH GENERATED		26290	30942
A. CASH GENERATED BY OPERATIONS			
Net income per income statement before interest and taxation		8015	-10417
		8015	-10417
B. UTILISED TO INCREASE WORKING CAPITAL			
(Increase)/Decrease in stock		-64100	-26000
(Increase)/Decrease in accounts receivable		7	-7
Increase/(Decrease) in accounts payable		29788	5486
		-34305	-20521

BEZ

& Kie/Co

Bezuidenhout & Kie/Co

Geoktrooieerde Rekenmeesters/Chartered Accountants (SA)

AGRIGEL (PTY) LTD

AUDITORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2001

To the Shareholders

We have audited the financial statements set out on pages 1 to 5. These financial statements are the responsibility of the Directors. Our responsibility is to express an opinion on these statements based on our audit.

Scope

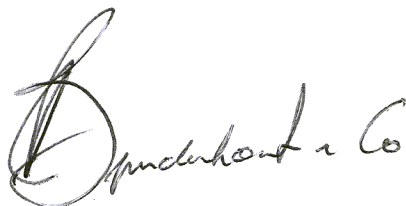
The audit procedures conducted during the audit were done in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes :-

- * examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements;*
- * assessing the accounting principles used and significant estimates made by management ; and*
- * evaluating the overall financial statement presentation.*

We believe that our audit provides reasonable basis for our opinion.

Audit opinion

In our opinion these financial statements fairly present, in all material aspects, the financial position of the Company at 28 February 2001, and the results of its operations and cash flow information for the year then ended in accordance with generally accepted accounting practice, and in the manner required by the Companies Act.



BEZUIDENHOUT & CO

JOHANNESBURG
31 January 2002