

**AGRIGEL (PTY) LTD**

**98/ 24699/ 07**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**28 FEBRUARY 2002**

<b>INDEX</b>	<b>PAGE</b>
<i>Directors' report</i>	1
<i>Balance Sheet</i>	2
<i>Income Statement</i>	3
<i>Notes to the financial Statements</i>	4 - 5
<i>Cashflow statement</i>	5
<i>Auditors' report</i>	6

#### **APPROVAL**

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

-----  
**JOHANNESBURG**  
*25 March 2003*

**DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2002**

**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.*

**25 March 2003**  
**JOHANNESBURG**

**AGRIGEL (PTY) LTD****BALANCE SHEET AS AT 28 FEBRUARY**

	Notes	2002	2001
		R	R
<b>SHARE CAPITAL</b>	2	3	3
<b>RETAINED INCOME</b>		-1,380	-2,406
<b>SHAREHOLDERS' INTEREST</b>		-1,377	-2,403
<b>DIRECTORS' LOANS</b>	3	72,435	72,435
<b>CAPITAL EMPLOYED</b>		<b>71,058</b>	<b>70,032</b>
<b>CURRENT ASSETS</b>		<b>135,881</b>	<b>105,306</b>
Stock and work on progress	4	132,000	90,100
Cash at bank/on hand		3,881	15,206
<b>DEDUCT CURRENT LIABILITIES</b>		<b>64,823</b>	<b>35,274</b>
Accounts payable		64,823	35,274
<b>EMPLOYMENT OF CAPITAL</b>		<b>71,058</b>	<b>70,032</b>

**AGRIGEL (PTY) LTD**

**INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY**

	Notes	2002	2001
		R	R
<b>Turnover</b>	10	422,077	407,398
<b>Cost of goods sold</b>		<b>379,088</b>	<b>362,291</b>
Opening stock		65,500	4,500
Cost to manufacture	11	417,088	423,291
Less :- Closing stock		103,500	65,500
<b>Gross profit for the year</b>		<b>42,989</b>	<b>45,107</b>
<b>Other income</b>		<b>76</b>	<b>75</b>
Interest received		76	75
<b>Deduct expenses</b>		<b>42,039</b>	<b>37,167</b>
Advertising and promotions		12,168	877
Auditors' remuneration		1,390	1,150
Bank charges		1,288	1,134
Computer expenses		5,636	2,018
General expenses		1,623	877
Interest paid - overdraft		1	0
Motor and travelling		11,758	11,304
Printing, stationery & postage		298	12,666
Telephone		7,877	7,141
<b>NET INCOME/(LOSS) FOR THE YEAR</b>		<b>1,026</b>	<b>8,015</b>
Taxation	9	0	0
<b>RETAINED INCOME/(LOSS)</b>		<b>1,026</b>	<b>8,015</b>
<b>ACCUMULATED INCOME/(LOSS) BEGINNING OF YEAR</b>		<b>-2,406</b>	<b>-10,421</b>
<b>ACCUMULATED INCOME/(LOSS) AT END OF YEAR</b>		<b>-1,380</b>	<b>-2,406</b>

**AGRIGEL (PTY) LTD**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
28 FEBRUARY 2002**

**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**

	2002 R	2001 R
<b>Authorised</b>		
1000 Ordinary shares of R 1,00 each	1,000	1,000
<b>Issued</b>		
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	28,500	24,600
Finished goods	103,500	65,500
	132,000	90,100

**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	1,026	8,015
Add : Disallowable expenditure	0	877
<b>TAXABLE INCOME FOR THE YEAR</b>	1,026	8,892
Calculated assessed loss brought forward	1,529	10,421
<b>NETT TAXABLE INCOME</b>	-503	-1,529
<b>TAXATION @ 30%</b>	0	0
Calculated assessed loss carried forward	-503	-1,529

**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 2002 (CONTINUED)

	2002	2001
	R	R
<b>11. COST TO MANUFACTURE</b>		
Stock on hand 1 March 2001	24,600	21,500
Material purchases	378,356	386,676
Less: Stock on hand 28 February 2002	28,500	24,600
Materials consumed	374,456	383,576
Wages	27,336	25,796
Overhead expenses incurred	15,296	13,919
Repairs and maintenance	543	5,358
Rental charges	5,000	0
Rent, water and lights	9,753	8,561
	<b>417,088</b>	<b>423,291</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY

		2002	2001
	Notes	R	R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>			
Cash generated by operations	A	1,027	8,015
Utilised to increase working capital	B	-12,351	-34,305
Cash generated by operating activities		<u>-11,324</u>	<u>-26,290</u>
Interest paid		0	0
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>		<b>-11,324</b>	<b>-26,290</b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/(Decrease) in funds on call and cash		11,324	-15,044
Increase in loans		0	41,334
<b>CASH GENERATED</b>		<b>11,324</b>	<b>26,290</b>
<b>A. CASH GENERATED BY OPERATIONS</b>			
Net income per income statement before interest and taxation		1,027	8,015
		<b>1,027</b>	<b>8,015</b>
<b>B. UTILISED TO INCREASE WORKING CAPITAL</b>			
(Increase)/Decrease in stock		-41,900	-64,100
(Increase)/Decrease in accounts receivable		0	7
Increase/(Decrease) in accounts payable		29,549	29,788
		<b>-12,351</b>	<b>-34,305</b>

# BEZUIDENHOUT & KIE/CO

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Page 6

AGRIGEL (PTY) LTD

AUDITORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2002

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

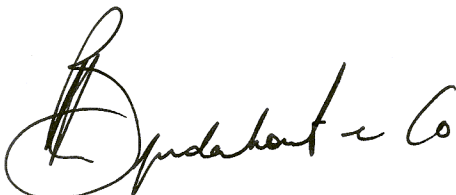
The audit procedures conducted during the audit were done in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes :-

- \* 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 2002, 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  
26 March 2003

JH BEZUIDENHOUT  
B COM (HONS) GR/CA (SA)