

**AGRIGEL (PTY) LTD**

**98/ 24699/ 07**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED**

**28 FEBRUARY 2003**

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#### **APPROVAL**

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

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**JOHANNESBURG**  
*25 March 2003*

**DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2003**

**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	2003	2002
		R	R
<b>SHARE CAPITAL</b>	2	3	3
<b>RETAINED INCOME</b>		3,068	-1,380
<b>SHAREHOLDERS' INTEREST</b>		3,071	-1,377
<b>DIRECTORS' LOANS</b>	3	78,923	72,435
<b>CAPITAL EMPLOYED</b>		81,994	71,058
 <b>CURRENT ASSETS</b>		 <b>98,717</b>	 <b>135,881</b>
Stock and work on progress	4	83,300	132,000
Cash at bank/on hand		15,417	3,881
 <b>DEDUCT CURRENT LIABILITIES</b>		 <b>16,723</b>	 <b>64,823</b>
Accounts payable		13,769	64,823
Provision for taxation		2,954	0
 <b>EMPLOYMENT OF CAPITAL</b>		 <b>81,994</b>	 <b>71,058</b>

**AGRIGEL (PTY) LTD**

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

	Notes	2003	2002
		R	R
<b>Turnover</b>	10	<b>1,302,513</b>	<b>422,077</b>
<b>Cost of goods sold</b>		<b>947,011</b>	<b>379,088</b>
Opening stock		103,500	65,500
Cost to manufacture	11	892,011	417,088
Less :- Closing stock		48,500	103,500
<b>Gross profit for the year</b>		<b>355,502</b>	<b>42,989</b>
<b>Other income</b>		<b>51</b>	<b>76</b>
Interest received		51	76
<b>Deduct expenses</b>		<b>348,151</b>	<b>42,039</b>
Accounting fees		12,950	0
Advertising and promotions		115,639	12,168
Auditors' remuneration		1,895	1,390
Bank charges		3,348	1,288
Computer expenses		0	5,636
Directors emoluments		86,947	0
General expenses		4,946	1,623
Interest paid - overdraft		90	1
Motor and travelling		100,793	11,758
Printing, stationery & postage		4,271	298
Staff refreshments and welfare		3,500	0
Telephone		13,772	7,877
<b>NET INCOME/(LOSS) FOR THE YEAR</b>		<b>7,402</b>	<b>1,026</b>
Taxation	9	2,954	0
<b>RETAINED INCOME/(LOSS)</b>		<b>4,448</b>	<b>1,026</b>
<b>ACCUMULATED INCOME/(LOSS) BEGINNING OF YEAR</b>		<b>-1,380</b>	<b>-2,406</b>
<b>ACCUMULATED INCOME/(LOSS) AT END OF YEAR</b>		<b>3,068</b>	<b>-1,380</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
28 FEBRUARY 2003**

**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**

	2003 R	2002 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	34,800	28,500
Finished goods	48,500	103,500
	<b>83,300</b>	<b>132,000</b>

**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	7,402	1,026
Add : Disallowable expenditure	2,946	0
<b>TAXABLE INCOME FOR THE YEAR</b>	10,348	1,026
Calculated assessed loss brought forward	503	1,529
<b>NETT TAXABLE INCOME</b>	<b>9,845</b>	<b>-503</b>
<b>TAXATION @ 30%</b>	<b>2,954</b>	<b>0</b>
Calculated assessed loss carried forward	0	-503

**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 2003(CONTINUED)

	2003	2002
	R	R
<b>11. COST TO MANUFACTURE</b>		
Stock on hand 1 March 2002	28,500	24,600
Material purchases	462,973	378,356
Less: Stock on hand 28 February 2003	34,800	28,500
Materials consumed	456,673	374,456
Wages	208,436	27,336
Overhead expenses incurred	226,902	15,296
Consumables	35,999	0
Directors emoluments	134,491	0
Repairs and maintenance	20,654	543
Rental charges	5,000	5,000
Rent, water and lights	30,758	9,753
	<b>892,011</b>	<b>417,088</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY

	Notes	2003	2002
		R	R
<b>CASH RETAINED FROM OPERATING ACTIVITIES</b>			
Cash generated by operations	A	7,492	1,027
Utilised to increase working capital	B	-2,354	-12,351
Cash generated by operating activities		5,138	-11,324
Interest paid		-90	-1
<b>CASH UTILISED IN INVESTING ACTIVITIES</b>		<b>5,048</b>	<b>-11,325</b>
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>			
Increase/(Decrease) in funds on call and cash		-11,536	11,325
Increase in loans		6,488	0
<b>CASH GENERATED</b>		<b>-5,048</b>	<b>11,325</b>
<b>A. CASH GENERATED BY OPERATIONS</b>			
Net income per income statement before interest and taxation		7,492	1,027
		<b>7,492</b>	<b>1,027</b>
<b>B. UTILISED TO INCREASE WORKING CAPITAL</b>			
(Increase)/Decrease in stock		48,700	-41,900
Increase/(Decrease) in accounts payable		-51,054	29,549
		<b>-2,354</b>	<b>-12,351</b>

# BEZUIDENHOUT & KIE/CO

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CHARTERED ACCOUNTANTS (SA)

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AGRIGEL (PTY) LTD

## AUDITORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2003

### 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

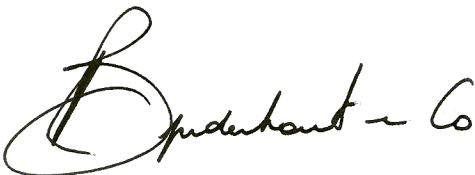
The audit procedures conducted during the audit were done in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes :-

- \* 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 2003, 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)