

Harry Gwala Agri NPC

(Registration number 2016/140997/08)

Annual Financial Statements
for the year ended 28 February 2019

Handwritten signature

Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

General Information

Company registration number	2016/140997/08
Country of incorporation and domicile	South Africa
Nature of business and principal activities	To assist with the education and development of emerging farmers.
Directors	R J L Bryden R G Stapylton-Smith J A H Bredin P C Button P D Christianson L L Hauff P Z Mkhize H B Roode R Dandala
Registered office	Myhill Farm Ixopo KwaZulu Natal 3276
Business address	Myhill Farm Ixopo KwaZulu Natal 3276
Postal address	P O Box 88 Ixopo 3276
Bankers	Standard Bank Limited
Tax reference number	9944041160
Reviewers	Colenbrander Incorporated Chartered Accountants (S.A) Registered Auditors
Preparer	The annual financial statements were independently compiled by: I S Colenbrander Chartered Accountant (S.A.)
Level of assurance	These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act 71 of 2008.



Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Reviewer's Report	6 - 7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Cash Flows	10
Accounting Policies	11
Notes to the Annual Financial Statements	12 - 13

Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual 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 annual 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 directors 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.

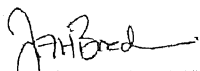
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 29 February 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.

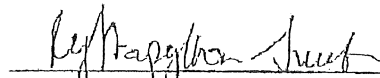
The independent reviewer is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewer and their report is presented on pages 6 to 7.

The annual financial statements set out on pages 8 to 13, which have been prepared on the going concern basis,

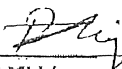
and the directors' report on pages 4 to 5 were approved by the directors on 20 August 2019 and were signed by:



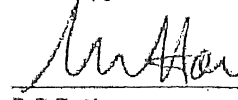
J A H Bredin



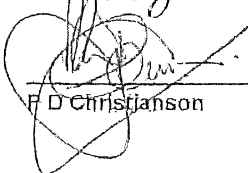
R G Stapylton-Smith



P Z Mkhize



P C Button



F D Christjanson



L L Hauff

Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Harry Gwala Agri NPC for the year ended 28 February 2019.

1. Incorporation

The company was incorporated on 11 April 2016 and obtained its certificate to commence business on the same day.

2. Nature of business

Harry Gwala Agri NPC was incorporated in South Africa. The company operates in South Africa.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

4. Directors

The directors in office at the date of this report are as follows:

Directors

R J L Bryden
R G Stapylton-Smith
J A H Bredin
P C Button
P D Christianson
L L Hauff
P Z Mkhize
H B Roode
R Dandala

5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

6. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. Review

The financial statements are subject to an independent review and have been reviewed by Colenbrander Incorporated.

Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Directors' Report

8. Independent Accounting Professional

Colenbrander Incorporated will continue in office as the Independent Accounting Professional.

Independent Reviewer's Report

To the shareholders of Harry Gwala Agri NPC

We have reviewed the annual financial statements of Harry Gwala Agri NPC, set out on pages 8 to 13, which comprise the statement of financial position as at 28 February 2019 and the statement of comprehensive income 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 Annual Financial Statements

The company's directors are responsible for the preparation of the annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewers Responsibility

Our responsibility is to express a conclusion on these annual financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), Engagements to Review annual financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the annual 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 annual 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 annual financial statements.

Unqualified Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects the financial position of Harry Gwala Agri NPC as at 28 February 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.

Independent Reviewer's Report

Other reports required by the Companies Act

In connection with our independent review of the annual financial statements, we have read the Directors' Report and, in doing so, considered whether the Directors' Report is materially inconsistent with the annual financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we will report that fact. We have nothing to report in this regard.



Colenbrander Incorporated

Per: G L Banfield

Director

Registered Auditors

Chartered Accountants (S.A.)

Hilton

Date: 20/8/2019

Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Statement of Financial Position as at 28 February 2019

	Notes	2019 R	2018 R
Assets			
Current Assets			
Trade and other receivables	2	242 246	368 202
Cash and cash equivalents	3	477 388	54 556
		<u>719 634</u>	<u>422 758</u>
Total Assets		<u>719 634</u>	<u>422 758</u>
Equity and Liabilities			
Equity			
Retained income		<u>705 591</u>	<u>401 376</u>
Liabilities			
Current Liabilities			
Trade and other payables	4	<u>14 043</u>	<u>21 382</u>
Total Equity and Liabilities		<u>719 634</u>	<u>422 758</u>



Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Statement of Comprehensive Income

	Notes	2019 R	2018 R
Turnover			
Donations		1 201 280	208 004
Subscription fees		204 347	461 150
	5	1 405 627	669 154
Operating expenses			
Accounting fees		25 749	20 497
Advertising		-	2 617
Bank charges		5 478	991
Computer expenses		6 872	10 120
Employee costs	6	640 525	207 824
Insurance		19 439	8 848
Legal expenses		12 172	4 530
Motor vehicle expenses		603	-
Project expenses		-	14 504
Printing and stationery		5 711	49
Student stipend		336 000	-
Sundry expenses		1 785	-
Telephone and fax		1 284	548
Travel - local		42 892	21 564
Workmens compensation		2 902	-
		1 101 412	292 092
Profit for the year		304 215	377 062



Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Statement of Cash Flows

	Notes	2019 R	2018 R
Cash flows from operating activities			
Cash generated from operations	8	<u>422 832</u>	<u>30 242</u>
Total cash movement for the year		422 832	30 242
Cash at the beginning of the year		<u>54 556</u>	<u>24 314</u>
Total cash at end of the year	3	<u>477 388</u>	<u>54 556</u>



Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

1.2 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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.

Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
2. Trade and other receivables		
Trade receivables	242 246	368 202
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	477 388	54 556
4. Trade and other payables		
Trade payables	14 043	21 382
Trade payables comprises of:		
Colenbrander Incorporated	1 423	13 048
South African Revenue Service - PAYE	12 620	8 334
	14 043	21 382
5. Turnover		
Donations	1 201 280	208 004
Subscription fees	204 347	461 150
	1 405 627	669 154
Donations comprises of:		
Panaar Seed (Pty) Ltd	467 500	180 000
ZFA contribution	-	6 000
Agrishaw (Pty) Ltd	-	8 000
J Bredin	-	3 626
R Bryden	-	3 626
Stapylton-Smith Farming CC	-	3 626
Malowe CC	-	3 626
Sutherland Seedlings (Pty) Ltd	-	4 000
Eustace and Sons CC	-	500
Underberg Farmers Association (refund) / donation	-	(5 000)
De Heus (Pty) Ltd	117 192	-
Dairy Farmers of South Africa (Pty) Ltd	50 000	-
Astral Operations Ltd t/a Meadow Feeds	56 588	-
Standard Bank SA Ltd	410 000	-
P Trimborn Agency CC	80 000	-
Ixopo Highflats Farmers Association	20 000	-
	1 201 280	208 004

Harry Gwala Agri NPC

(Registration number: 2016/140997/08)

Annual Financial Statements for the year ended 28 February 2019

Notes to the Annual Financial Statements

	2019 R	2018 R
6. Employee cost		
Consulting fees	425 000	62 500
PAYE & UIF	144 245	45 833
Salary - S Firth	71 280	99 491
	<u>640 525</u>	<u>207 824</u>
7. Taxation		
In terms of Section 10(1)(e) of the Income Tax Act, the company is subject to tax on investment income only, less attributable expenses. No provision has been made for the 2019 tax as the company has no taxable income.		
8. Cash generated from operations		
Profit before taxation	304 215	377 062
Changes in working capital:		
Trade and other receivables	125 956	(368 202)
Trade and other payables	(7 339)	21 382
	<u>422 832</u>	<u>30 242</u>
9. Related parties		
Relationships		
R G Stapylton-Smith	Director	
J A H Bredin	Director	
P C Button	Director	
P D Christianson	Director	
L L Hauff	Director	
P Z Mkhize	Director	
H B Roode	Director	
R J L Bryden	Director	
10. Going concern		
The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.		
11. Events after the reporting period		
The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.		