

LEMA PLANT HIRE (PTY) LTD
(Registration number: 2014/052484/07)
Trading as Lema Civils

AUDITED FINANCIAL STATEMENTS
for the year ended 29 February 2024

Lema Plant Hire (Pty) Ltd

(Registration number: 2014/052484/07)

Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Civil construction and plant hire in all aspects, as well as the supplying of sand and stone
Director	B Lederer
Registered office	24 Prima Drive STRAND 7140
Business address	24 Prima Drive STRAND 7140
Postal address	PO Box 5594 HELDERBERG 7135
Banker	First National Bank
Auditors	Aucamp Scholtz Lubbe Incorporated Registered Auditors
Company registration number	2014/052484/07
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008.
Compiler	The financial statements were independently compiled by: Jaco Francois van Straaten Chartered Accountant (SA)

Lema Plant Hire (Pty) Ltd

(Registration number: 2014/052484/07)

Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

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Lema Plant Hire (Pty) Ltd

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Financial Statements for the year ended 29 February 2024

Director's Responsibilities and Approval

The director is required by the Companies Act of South Africa, 71 of 2008, to maintain adequate accounting records and is responsible for the content and integrity of the financial statements and related financial information included in this report. It is his 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 external auditors are engaged to express an independent opinion on the financial statements.

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 director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director 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 director is 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 director has reviewed the company's cash flow forecast for the year to 28 February 2025 and, in the light of this review and the current financial position, he is satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The financial statements set out on pages 8 to 32, which have been prepared on the going concern basis, were approved and signed by the director on 19 September 2024.

B Lederer



Independent Auditor's Report

To the shareholder of Lema Plant Hire (Pty) Ltd

Opinion

We have audited the financial statements of Lema Plant Hire (Pty) Ltd set out on pages 10 to 29, which comprise the statement of financial position as at 29 February 2024, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lema Plant Hire (Pty) Ltd as at 29 February 2024, 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 of South Africa, 71 of 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the company in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 22 to the financial statements, which indicates that the company incurred a net loss of R1 624 240 during the year ended 29 February 2024 and, as of that date, the company's current liabilities exceeded its total assets by R1 887 375. The note states that these events or conditions, along with other matters as set forth in Note 22 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Aucamp Scholtz Lubbe Geïnkorporeer | Incorporated
ASL Trustdienste (Edms) Bpk | (Pty) Ltd*
ASL (Edms) Bpk | (Pty) Ltd*
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Direkteure | Directors

P Aucamp • C Swart • JF van Straaten • JHR Sieberhagen • J Potgieter *

Assosiate | Associates

J Potgieter • A de Geus

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Other information

The director is responsible for the other information. The other information comprises of the directors' report as required by the Companies Act of South Africa, 71 of 2008, which we obtained prior to the date of this report. Other information includes the supplementary information as set out on pages 30 to 32, and both the other information and supplementary information do not form part of the financial statements and our independent auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

The director is responsible for the preparation and fair presentation 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 of South Africa, 71 of 2008, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

Independent Auditor's Report

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Pieter Aucamp
Director
Registered Auditor
AUCAMP SCHOLTZ LUBBE INCORPORATED

Somerset West
19 September 2024

Compilation Report

To the director of Lema Plant Hire (Pty) Ltd

We have compiled the financial statements of Lema Plant Hire (Pty) Ltd, as set out on pages 10 to 33, based on information you have provided. These financial statements comprise the statement of financial position of Lema Plant Hire (Pty) Ltd as at 29 February 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.


We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities.

Our compilation report is intended solely for the parties specified in the engagement letter and should not be distributed to other parties.



Jaco Francois van Straaten
Director
Chartered Accountant (SA)
AUCAMP SCHOLTZ LUBBE INCORPORATED

Somerset West
19 September 2024

Director's Report

The director hereby submits his report on the financial statements of Lema Plant Hire (Pty) Ltd for the year ended 29 February 2024.

1. Nature of business

Lema Plant Hire (Pty) Ltd was incorporated in South Africa and is engaged in civil construction and plant hire in all aspects, as well as the supplying of sand and stone. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

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

The company recorded a loss after tax for the year ended 29 February 2024 of R1 624 240 (2023: R1 292 640).

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

No dividends were paid or declared to the shareholders during the year.

5. Director

The director in office at the date of this report is as follows:

Name	Nationality
B Lederer	South African

There have been no changes to the directors for the period under review.

6. Secretary

The company had no secretary during the year.

7. Auditors

Aucamp Scholtz Lubbe Incorporated will continue in office in accordance with section 30(2)(b)(ii)(aa) of the Companies Act of South Africa, 71 of 2008.

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Director's Report

8. Going concern

We draw attention to note 22 to the financial statements, which indicates that at 29 February 2024, the company had accumulated losses of R3 418 503 and that the company's total liabilities exceeds its assets by R142 118.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Furthermore, the ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the director continues to procure funding for the ongoing operations for the company. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

9. Events after the reporting period

The director of the company is not aware of any material event which occurred after the reporting date and up to the date of this report.

10. Issue of financial statements

The director of the company takes note of the fact that the annual financial statements were not prepared within 6 months after year end as required by the Companies Act of South Africa, 71 of 2008.

This has however not hindered business operations in any way.

Lema Plant Hire (Pty) Ltd

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Financial Statements for the year ended 29 February 2024

Statement of Financial Position as at 29 February 2024

	Notes	2024 R	2023 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	3 395 163	4 383 261
Current Assets			
Loans to related parties	4	-	102 606
Trade and other receivables	5	374 797	1 348 438
Cash and cash equivalents	6	1 828	7 131
		376 625	1 458 175
Total Assets		3 771 788	5 841 436
Equity and Liabilities			
Equity			
Share capital	7	1 000	1 000
Revaluation reserve		3 275 385	3 912 667
Accumulated loss		(3 418 503)	(1 794 263)
		(142 118)	2 119 404
Liabilities			
Non-Current Liabilities			
Loan from director	8	1 950 253	1 113 365
Finance lease obligation	9	79 240	140 225
		2 029 493	1 253 590
Current Liabilities			
Bank overdraft	6	1 229 651	1 283 285
Finance lease obligation	9	52 160	83 505
Loan from related party	4	49 539	44 343
Trade and other payables	10	553 063	1 057 309
		1 884 413	2 468 442
Total Liabilities		3 913 906	3 722 032
Total Equity and Liabilities		3 771 788	5 841 436

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Statement of Comprehensive Income

	Notes	2024 R	2023 R
Revenue	11	5 382 218	13 507 003
Cost of sales	12	(3 238 534)	(7 545 088)
Gross profit		2 143 684	5 961 915
Other income	13	2 039 140	298 759
Operating expenses		(5 559 338)	(7 414 839)
Operating loss	14	(1 376 514)	(1 154 165)
Investment revenue	15	68 618	7 468
Finance costs	16	(316 344)	(145 943)
Loss before taxation		(1 624 240)	(1 292 640)
Taxation	17	-	-
Loss for the year		(1 624 240)	(1 292 640)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1 624 240)	(1 292 640)

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Statement of Changes in Equity

	Share capital R	Revaluation reserve R	Accumulated loss R	Total equity R
Balance at 01 March 2022	1 000	-	(501 623)	(500 623)
Loss for the year	-	-	(1 292 640)	(1 292 640)
Other comprehensive income	-	3 912 667	-	3 912 667
Balance at 01 March 2023	1 000	3 912 667	(1 794 263)	2 119 404
Loss for the year	-	-	(1 624 240)	(1 624 240)
Other comprehensive income	-	(637 282)	-	(637 282)
Balance at 29 February 2024	1 000	3 275 385	(3 418 503)	(142 118)
Note	7			

Lema Plant Hire (Pty) Ltd

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Statement of Cash Flows

	Notes	2024 R	2023 R
Cash flows from operating activities			
Cash receipts from customers		6 292 115	12 484 589
Cash paid to suppliers and employees		(7 135 343)	(14 190 693)
Cash used in operations	18	(843 228)	(1 706 104)
Interest income		3 462	7 468
Finance costs		(336 464)	(145 943)
Net cash from operating activities		(1 176 230)	(1 844 579)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	-	(16 956)
Sale of property, plant and equipment	2	978 634	308 716
Net cash from investing activities		978 634	291 760
Cash flows from financing activities			
Repayment of loans from related parties		-	(7 315)
Finance lease payments		(112 450)	(106 404)
Proceeds from loan from director		2 462 005	1 889 505
Repayment of loan from director		(2 113 822)	(456 973)
Proceeds from loans to group companies		10 194	-
Net cash from financing activities		245 927	1 318 813
Total cash movement for the year		48 331	(234 006)
Cash at the beginning of the year		(1 276 154)	(1 042 148)
Total cash at end of the year	6	(1 227 823)	(1 276 154)

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The 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 of South Africa, 71 of 2008. The 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.

These accounting policies are consistent with the previous period.

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 financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes 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.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Subsequent to initial recognition, property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses, except for plant and machinery and motor vehicles which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Accounting Policies

1.2 Property, plant and equipment (continued)

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, the gross carrying amount is adjusted consistently with the carrying amount. The accumulated depreciation at that date is adjusted to equal the difference between the gross carrying amount and the net revalued carrying amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income and accumulated in the revaluation surplus in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Any remaining decrease in excess of such credit is recognised in profit or loss in the current year.

The revaluation surplus related to a specific item of property, plant and equipment is transferred directly to retained income when the asset is derecognised.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Computer equipment	Straight line	3 years
Computer software	Straight line	3 years
Furniture and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
Other property, plant and equipment	Straight line	5 years
Plant and machinery	Straight line	5 - 10 years
Tools	Straight line	3 years

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss, equal to the excess of the carrying amount over the recoverable amount, is recognised immediately in profit or loss for assets which are not revalued. In the case of revalued assets, the impairment loss is recognised in other comprehensive income and accumulated in the revaluation surplus in equity against any existing credit relating to the same asset. Any remaining impairment loss is recognised in profit or loss.

Accounting Policies

1.2 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.3 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 are 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 without undue cost or effort are measured at cost less impairment.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities / (assets) for the current and prior periods are measured at the amount expected to be paid to / (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Accounting Policies

1.4 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Accounting Policies

1.5 Leases (continued)

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its 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.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.9 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.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The Stage of completion is determined by surveys of work performed. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Accounting Policies

1.9 Revenue (continued)

Interest is recognised, in profit or loss, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements

	2024 R			2023 R		
2. Property, plant and equipment						
	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Computer equipment	31 969	(22 087)	9 882	122 600	(107 052)	15 548
Computer software	2 829	(2 827)	2	8 949	(8 944)	5
Furniture and fixtures	47 478	(46 602)	876	97 729	(95 243)	2 486
Motor vehicles	1 554 754	(886 565)	668 189	2 111 101	(1 097 601)	1 013 500
Office equipment	16 869	(16 866)	3	54 651	(54 634)	17
Other property, plant and equipment	12 874	(12 872)	2	18 137	(18 134)	3
Plant and machinery	5 643 777	(2 927 569)	2 716 208	7 146 595	(3 794 895)	3 351 700
Tools	400	(399)	1	3 031	(3 029)	2
Total	7 310 950	(3 915 787)	3 395 163	9 562 793	(5 179 532)	4 383 261

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Closing balance
Computer equipment	15 548	-	(14)	-	(5 652)	9 882
Computer software	5	-	(3)	-	-	2
Furniture and fixtures	2 486	-	(7)	-	(1 604)	876
Motor vehicles	1 013 500	-	(171 462)	22 318	(196 167)	668 189
Office equipment	17	-	(14)	-	-	3
Other property, plant and equipment	3	-	(1)	-	-	2
Plant and machinery	3 351 700	-	(444 467)	-	(191 025)	2 716 208
Tools	2	-	(1)	-	-	1
	4 383 261	-	(615 969)	22 318	(394 448)	3 395 163

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Closing balance
Computer equipment	16	16 956	-	-	(1 424)	15 548
Computer software	5	-	-	-	-	5
Furniture and fittings	7 797	-	-	-	(5 311)	2 486
Motor vehicles	480 259	-	-	672 552	(139 311)	1 013 500
Office equipment	86	-	-	-	(69)	17
Other property, plant and equipment	3	-	-	-	-	3
Plant and machinery	415 817	-	(50 123)	3 240 117	(254 110)	3 351 700
Tools	2	-	-	-	-	2
	903 985	16 956	(50 123)	3 912 669	(400 225)	4 383 261

Notes to the Financial Statements

	2024 R	2023 R
2. Property, plant and equipment (continued)		
Property, plant and equipment encumbered as security		
The following assets have been encumbered as security for the secured long-term borrowings referred to in note 9:		
Motor vehicles	2 111 101	1 035 788
3. Deferred tax		
The major components of the deferred tax balance are as follows:		
Deferred tax asset		
Arising as a result of temporary differences on:		
Property, plant and equipment	(856 275)	(1 089 473)
Tax losses available for set off against future taxable income	2 273 881	1 829 637
Deferred tax asset not recognised due to nett loss position	(1 417 606)	(740 164)
Total deferred tax asset	-	-
Reconciliation of deferred tax asset		
Recognised in profit or loss:		
Increase in tax loss available for set off against future taxable income	444 244	82 134
Movement in temporary differences on property, plant and equipment	233 198	76 556
Deferred tax asset / (liability) not recognised	(677 442)	(158 690)
At end of year	-	-

The deferred tax has been provided at a rate of 27%, being the corporate tax rate enacted at the date of signing this financial statements.

The deferred tax asset of R1 417 606 (2023: R740 164) was not recognised in the current year.

Future taxable gains are not sufficient to utilise the deferred tax asset. This will be reassessed in the future.

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Notes to the Financial Statements

	2024 R	2023 R
4. Loans to / (from) related parties		
Lederer Family Trust	-	102 606
The loan was settled during the year.		
Milvibrite (Pty) Ltd	(49 539)	(44 343)
The loan is unsecured, bears interest at a rate as decided upon from time to time (currently 11.75%) (2023: 10.75%) and no formal terms for repayment have been set out. The loan will probably be repaid within the next 12 months.		
	(49 539)	58 263
5. Trade and other receivables		
Deposits	-	29 514
Employee costs in advance	12 716	18 158
Trade receivables	362 081	1 300 766
	374 797	1 348 438
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balance	113	5 417
Bank overdraft	(1 229 651)	(1 283 285)
Cash on hand	1 715	1 714
	(1 227 823)	(1 276 154)
Current assets	1 828	7 131
Current liabilities	(1 229 651)	(1 283 285)
	(1 227 823)	(1 276 154)
B Lederer has provided limited suretyship, amounting to R480 000, in favour of Lema Plant Hire (Pty) Ltd.		
Overdraft limit of R1 450 000, to be reviewed on 1 September 2024.		
7. Share capital		
Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Issued		
1 000 Ordinary shares of R1 each	1 000	1 000

Notes to the Financial Statements

	2024 R	2023 R
8. Loan from director		
B Lederer	1 950 253	1 113 365
The loan is unsecured, bears interest at a rate as decided upon from time to time (currently 0%) and no formal terms for repayment have been set out. The loan will probably not be repaid within the next 12 months.		
9. Finance lease obligation		
Minimum lease payments which fall due		
- within one year	66 378	106 046
- in second to fifth year	79 239	136 858
	145 617	242 904
Less: future finance charges	(14 217)	(19 174)
Present value of minimum lease payments	131 400	223 730
Non-current liabilities	79 240	140 225
Current liabilities	52 160	83 505
	131 400	223 730
The instalment sale agreements are repayable in total monthly instalments of R5 532 (2023: R11 186).		
The average lease term is 4 to 5 years (2023: 4 to 5 years) and the average effective borrowing rate is 11.75% (2023: 10.75%).		
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.		
The company's obligations under finance leases are secured by the leased assets. Refer note 2.		
10. Trade and other payables		
Deposits received	17 050	17 050
South African Revenue Service: PAYE, UIF and SDL	17 380	17 378
South African Revenue Service: VAT	123 759	156 382
Trade payables	394 874	866 499
	553 063	1 057 309
11. Revenue		
Services and goods delivered	5 382 218	13 507 003

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Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements

	2024 R	2023 R
12. Cost of sales		
Cost of services and goods delivered	3 238 534	7 545 088
13. Other income		
Discount received	949	21 266
Distribution - Profit on sale of property	1 012 334	-
Distribution - Rental income	9 811	-
Gains on disposal of assets	978 634	258 593
Insurance claim received	37 412	18 900
	2 039 140	298 759
14. Operating loss		
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	99 391	198 783
Equipment		
• Contractual amounts	95 151	470 650
	194 542	669 433
Property, plant and equipment - profit	978 634	258 593
Depreciation on property, plant and equipment	394 448	400 225
Employee costs	4 277 618	5 362 939
15. Investment revenue		
Interest revenue		
Bank	1 605	1 176
Distribution - Interest	65 156	-
Interest on loans to related parties	-	6 292
Interest - other	1 857	-
	68 618	7 468
16. Finance costs		
Bank	182 843	113 815
Interest on loans to related parties	73 518	5 534
Interest - other	39 863	1 389
Non-current borrowings	20 120	25 205
	316 344	145 943

Notes to the Financial Statements

	2024 R	2023 R
17. Taxation		
Reconciliation of the tax expense		
Reconciliation between accounting loss and tax expense.		
Accounting loss	(1 624 240)	(1 292 640)
Tax at the applicable tax rate of 27%	(438 545)	(361 939)
Other		
Accounting entries: Distribution income	(274 140)	-
Accounting entries: Profit on sale of assets	(264 243)	-
Accounting entries: Revaluation surplus realised	178 092	-
Capital gains loss utilised	101 250	-
Deferred tax not recognised on assessed loss	678 914	357 034
Donations - other	8 100	1 008
Non-deductible expenses	10 572	3 897
	-	-
No provision has been made for 2024 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R1 645 347 (2023: R6 776 433).		
18. Cash (used in) / generated from operations		
Loss before taxation	(1 624 240)	(1 292 640)
Adjustments for:		
Depreciation	394 448	400 225
Profit on sale of assets	(978 634)	(258 593)
Interest received	(68 618)	(7 468)
Finance costs	316 344	145 943
Loss on write-off of bad debts	64 744	-
Movement in related party loans	-	(146 969)
Movement in director's loan	604 239	(319 167)
Movement in revaluation surplus	(22 318)	-
Non-cash interest received	65 157	-
Changes in working capital:		
Trade and other receivables	909 896	(1 022 415)
Trade and other payables	(504 246)	794 980
	(843 228)	(1 706 104)
19. Auditor's remuneration		
Accounting services	5 130	3 000
Audit services	60 190	56 507
Tax and secretarial services	7 638	13 138
	72 958	72 645

Lema Plant Hire (Pty) Ltd

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Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements

	2024 R	2023 R
20. Director's remuneration		
Executive		
2024		
B Lederer	Remuneration 148 000	Total 148 000
2023		
B Lederer	Remuneration 735 764	Total 735 764
21. Related parties		
Relationships		
Shareholder	B Lederer	
Entity under mutual control	Lederer Family Trust	
Member of key management	B Lederer	
Family members of key management	D Lederer	
	NM Lederer	
Entity under control of close family member of key management	Milvibrite (Pty) Ltd	
Related party balances		
Loan accounts - Owing (to) / by related parties		
B Lederer	(1 950 253)	(1 113 365)
Lederer Family Trust	-	102 606
Milvibrite (Pty) Ltd	(49 539)	(44 343)
Related party transactions		
Interest paid to / (received from) related parties		
Lederer Family Trust	68 321	(6 292)
Milvibrite (Pty) Ltd	5 196	5 534
Rent paid to related party		
Lederer Family Trust	99 391	198 783
Salary paid to related party		
NM Lederer	15 900	194 616
B Lederer	148 000	735 764
Donations paid to related party		
D Lederer	30 000	-
Distributions from related party		
Lederer Family Trust	1 087 301	-

Lema Plant Hire (Pty) Ltd

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Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements

	2024	2023
	R	R

22. Going concern

We draw attention to the fact that at 29 February 2024, the company had accumulated losses of R3 418 503 and that the company's total liabilities exceed its assets by R142 118.

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the director continues to procure funding for the ongoing operations for the company.

23. Issue of financial statements

The director of the company takes note of the fact that the annual financial statements were not prepared within 6 months as required by the Companies Act of South Africa, 71 of 2008.

This has however not hindered business operations in any way.

24. Events after the reporting period

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

Notes to the Financial Statements

25. Categories of financial instruments

	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2024					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	3 395 163	3 395 163
Current Assets					
Trade and other receivables	5	362 081	-	12 716	374 797
Cash and cash equivalents	6	1 828	-	-	1 828
		363 909	-	12 716	376 625
Total Assets		363 909	-	3 407 879	3 771 788
Equity and Liabilities					
Equity					
Share capital	7	-	-	1 000	1 000
Revaluation reserve		-	-	3 275 385	3 275 385
Accumulated loss		-	-	(3 418 503)	(3 418 503)
		-	-	(142 118)	(142 118)
Total Equity		-	-	(142 118)	(142 118)
Liabilities					
Non-Current Liabilities					
Loan from director	8	-	1 950 253	-	1 950 253
Finance lease obligation	9	-	79 240	-	79 240
		-	2 029 493	-	2 029 493
Current Liabilities					
Loans from related parties	4	-	49 539	-	49 539
Bank overdraft	6	-	1 229 651	-	1 229 651
Finance lease obligation	9	-	52 160	-	52 160
Trade and other payables	10	-	553 063	-	553 063
		-	1 884 413	-	1 884 413
Total Liabilities		-	3 913 906	-	3 913 906
Total Equity and Liabilities		-	3 913 906	(142 118)	3 771 788

Lema Plant Hire (Pty) Ltd

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Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

Notes to the Financial Statements**25. Categories of financial instruments (continued)**

	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Equity and non financial assets and liabilities	Total
Categories of financial instruments - 2023					
Assets					
Non-Current Assets					
Property, plant and equipment	2	-	-	4 383 261	4 383 261
Current Assets					
Loans to related parties	4	102 606	-	-	102 606
Trade and other receivables	5	1 330 280	-	18 158	1 348 438
Cash and cash equivalents	6	7 131	-	-	7 131
		1 440 017	-	18 158	1 458 175
Total Assets		1 440 017	-	4 401 419	5 841 436
Equity and Liabilities					
Equity					
Share capital	7	-	-	1 000	1 000
Revaluation reserve		-	-	3 912 667	3 912 667
Accumulated loss		-	-	(1 794 263)	(1 794 263)
		-	-	2 119 404	2 119 404
Total Equity		-	-	2 119 404	2 119 404
Liabilities					
Non-Current Liabilities					
Loan from director	8	-	1 113 365	-	1 113 365
Finance lease obligation	9	-	222 241	-	140 225
		-	1 335 606	-	1 253 590
Current Liabilities					
Loans from related parties	4	-	44 343	-	44 343
Bank overdraft	6	-	1 283 285	-	1 283 285
Finance lease obligation	9	-	83 505	-	83 505
Trade and other payables	10	-	1 057 309	-	1 057 309
		-	2 468 442	-	2 468 442
Total Liabilities		-	3 804 048	-	3 722 032
Total Equity and Liabilities		-	3 804 048	2 119 404	5 841 436

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Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

Detailed Statement of Comprehensive Income

	Notes	2024 R	2023 R
Revenue			
Services and goods delivered	11	5 382 218	13 507 003
Cost of sales			
Cost of services and goods delivered	12	(3 238 534)	(7 545 088)
Gross profit		2 143 684	5 961 915
Other income			
Discount received		949	21 266
Gains on disposal of assets		978 634	258 593
Insurance claim received		37 412	18 900
Income distribution received		1 012 334	-
Other income		9 811	-
Interest received	15	68 618	7 468
		2 107 758	306 227
Expenses (Refer to page 31)		(5 559 338)	(7 414 839)
Operating loss	14	(1 307 896)	(1 146 697)
Finance costs	16	(316 344)	(145 943)
Loss for the year		(1 624 240)	(1 292 640)

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Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

Detailed Statement of Comprehensive Income

	Notes	2024 R	2023 R
Operating expenses			
Advertising		-	3 238
Auditor's remuneration	19	72 958	72 645
Bank charges		53 004	66 406
CIPC levy		2 000	2 000
Cleaning		1 349	6 004
Commission paid		10 000	-
Computer expenses		3 003	13 253
Depreciation		394 448	400 225
Discount allowed		5 713	39 339
Donations		30 000	3 600
Employee costs		4 277 618	5 362 939
Entertainment		9 586	23 275
Fines and penalties		39 156	13 916
General expenses		-	5 816
Insurance		73 788	104 847
Lease rentals on operating lease		194 542	669 433
Loss on write-off of assets		-	4 368
Loss on write-off of bad debts		64 744	-
Motor vehicle expenses		102 770	121 830
Printing and stationery		25 677	16 016
Repairs and maintenance		-	5 599
Security		7 223	7 982
Staff welfare		12 368	49 425
Subscriptions		125 104	113 290
Telephone and fax		36 279	36 149
Training		-	1 259
Travel - local		4 563	266 982
Utilities		13 445	5 003
		5 559 338	7 414 839

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Trading as Lema Civils

Financial Statements for the year ended 29 February 2024

Tax Calculation**2024**
R

Net loss per statement of comprehensive income	(1 624 240)
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Permanent differences

Accounting profit on disposal of assets	(978 678)
Accounting loss on write off of assets	44
Adjustments to comply with IFRS: Income distribution	(1 015 334)
Adjustments to comply with IFRS: Revaluation surplus realised	659 600
Donations - other	30 000
Deductions not allowable in determination of taxable income (s23)	39 156

(1 265 212)**Temporary differences**

Accounting entries: Bad debt written off	64 744
Wear and tear allowance (s11(e))	(124 426)
Doubtful debt allowance - IFRS not applied (s11(j)(ii)) - Current year allowance	(64 744)
Depreciation according to financial statements	394 448
Recoupments	431 585

701 607**Capital gains**

Proceeds	1 015 334
Capital gain	1 015 334
Capital loss brought forward	(337 212)
Net capital gain	678 122

Taxable capital gain included @ 80.0%**542 498****Calculated tax loss for the year****(1 645 347)**

Assessed loss utilised

-

Assessed loss for 2024 - carried forward**(1 645 347)****Summary of assessed loss**

Calculated tax loss for the year	(1 645 347)
Assessed loss brought forward from previous year:	(6 776 433)

Total assessed loss carried forward**(8 421 780)****Tax thereon at 27 cents in the Rand**

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