



TALBERT PIVOTS (PTY) LTD
(Registration number 2001/012420/07)
Trading as Talbert Irrigation
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
Issued 01 March 2024

Talbert Pivots (Pty) Ltd

Formerly Steyl Bemarking (Pty) Ltd

(Registration number: 2001/012420/07)

Trading as Talbert Irrigation

Annual Financial Statements for the year ended 31 December 2022

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Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

Marais Crowther CA(SA) Inc.

Published

01 March 2024

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa, 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 external auditors are engaged to express an independent opinion on the annual financial statements.

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 set 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 31 December 2023 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 external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 5 - 7.

The annual financial statements set out on pages 8 to 21, which have been prepared on the going concern basis, were approved by the directors on 01 March 2024:

Approval of annual financial statements

J.F. Steyl

D.L. Steyl

Talbert Pivots (Pty) Ltd

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DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Talbert Pivots (Pty) Ltd for the year ended 31 December 2022.

1. Review of financial results and activities

The annual 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. The accounting policies have been applied consistently compared to the prior year, except for the adoption of new or revised accounting standards as set out in note 1.

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

2. Share capital

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

3. Dividends

Given the current state of the global economic environment, the directors believe that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the directors have resolved not to declare a dividend for the financial year ended 31 December 2022.

The directors do not recommend the declaration of a dividend for the year.

4. Directors

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

Directors	Nationality	Changes
J.F. Steyl	R.S.A	
K.E. Addoweesh	S.A.	Resigned 21 November 2022
K.S. Al Malahy	S.A.	Resigned 21 November 2022
S.S. Al Rajhi	S.A	Resigned 21 November 2022
D.L. Steyl	R.S.A.	Appointed 17 January 2023
H. Bisschoff	R.S.A.	Appointed 17 January 2023, resigned 14 December 2023

5. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

6. 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.

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DIRECTORS' REPORT

7. Going concern

The annual 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 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.

We draw attention to the fact that at 31 December 2022, the company had accumulated losses of R 11 424 647 and that the company's total liabilities exceed its total assets by R 11 424 547.

8. Auditors

Marais Crowther CA(SA) Inc. continued in office as auditors for the company for 2022.

At the AGM, the shareholders will be requested to reappoint Marais Crowther CA(SA) Inc. as the independent external auditors of the company and to confirm Mr K. Hulse as the designated lead audit partner for the 2023 financial year.

9. Secretary

The company did not appoint a company secretary during the year under review.

10. Date of authorisation for issue of annual financial statements

The annual financial statements have been authorised for issue by the directors on 01 March 2024. No authority was given to anyone to amend the annual financial statements after the date of issue.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Talbert Pivots (Pty) Ltd

Opinion

We have audited the annual financial statements of Talbert Pivots (Pty) Ltd (the company) set out on pages 8 to 21, which comprise the statement of financial position as at 31 December 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Talbert Pivots (Pty) Ltd as at 31 December 2022, 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities 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). 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 20 to the annual financial statements, which indicates that the company incurred a net loss of R(1 437 492) during the year ended 31 December 2022 and, as of that date, the company's current liabilities exceeded its total assets by R11 424 647. The note states that these events or conditions, along with other matters as set forth in Note 20 to the annual 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.

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Talbert Pivots (Pty) Ltd annual financial statements for the year ended 31 December 2022", which includes the Directors' Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 22 to 25. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual 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 annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

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

In preparing the annual financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 annual 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 annual 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 directors.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of the directors' 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 annual 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Marais Crowther CA(SA) Inc.
K. Hulse
Director
Chartered Accountants (SA)
Registered Auditors

01 March 2024
Bloemfontein

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	2022 R	2021 R
Assets		
Non-Current Assets		
Property, plant and equipment	3 218 066	4 778 499
Deferred tax	6 447 652	5 968 898
	9 665 718	10 747 397
Current Assets		
Inventories	4 066 799	6 842 671
Trade and other receivables	852 432	360 034
Other financial assets	595 772	-
Current tax receivable	-	185 448
Cash and cash equivalents	89 033	318 850
	5 604 036	7 707 003
Total Assets	15 269 754	18 454 400
Equity and Liabilities		
Equity		
Share capital	100	100
Accumulated loss	(11 424 647)	(9 987 155)
	(11 424 547)	(9 987 055)
Liabilities		
Non-Current Liabilities		
Loans from group companies	-	8 456 000
Loans from shareholders	19 784 706	11 928 172
	19 784 706	20 384 172
Current Liabilities		
Trade and other payables	6 905 037	7 992 361
Finance lease liabilities	-	61 330
Current tax payable	4 558	3 592
	6 909 595	8 057 283
Total Liabilities	26 694 301	28 441 455
Total Equity and Liabilities	15 269 754	18 454 400

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STATEMENT OF COMPREHENSIVE INCOME

	2022 R	2021 R
Revenue	23 156 492	29 191 650
Cost of sales	(20 711 036)	(26 953 193)
Gross profit	2 445 456	2 238 457
Other income	68 102	17 664
Operating expenses	(4 155 216)	(10 070 835)
Operating loss	(1 641 658)	(7 814 714)
Investment revenue	-	3 226
Finance costs	(273 622)	(284 449)
Loss before taxation	(1 915 280)	(8 095 937)
Taxation	477 788	2 203 903
Loss for the year	(1 437 492)	(5 892 034)

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated loss	Total equity
	R	R	R
Opening balance as previously reported	100	(4 590 481)	(4 590 381)
Adjustments			
Prior year adjustments	-	495 360	495 360
Balance at 01 January 2021 as restated	100	(4 095 121)	(4 095 021)
Loss for the year	-	(5 892 034)	(5 892 034)
Balance at 01 January 2022	100	(9 987 155)	(9 987 055)
Loss for the year	-	(1 437 492)	(1 437 492)
Balance at 31 December 2022	100	(11 424 647)	(11 424 547)

Note(s)

Talbert Pivots (Pty) Ltd

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STATEMENT OF CASH FLOWS

	2022 R	2021 R
Cash flows from operating activities		
Cash receipts from customers	20 588 132	23 505 701
Cash paid to suppliers and employees	(20 365 596)	(28 993 225)
Cash generated from (used in) operations	222 536	(5 487 524)
Interest income	-	3 226
Finance costs	(272 563)	(269 620)
Tax received (paid)	185 448	(3 227)
Net cash from operating activities	135 421	(5 757 145)
Cash flows from investing activities		
Purchase of property, plant and equipment	(147 826)	(18 886)
Sale of property, plant and equipment	1 040 215	-
Repayment of loans from group companies	(8 456 000)	-
Sale of financial assets	(595 772)	-
Net cash from investing activities	(8 159 383)	(18 886)
Cash flows from financing activities		
Proceeds from shareholders loan	7 856 534	6 280 000
Finance lease payments	(62 389)	1 022 363
Net cash from financing activities	7 794 145	7 302 363
Total cash movement for the year	(229 817)	1 526 332
Cash at the beginning of the year	318 850	(1 207 482)
Total cash at end of the year	89 033	318 850

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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 of South Africa. 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.

These accounting policies are consistent with the previous period, except for the changes set out in note 18 First-time adoption of the International Financial Reporting Standard for Small and Medium-sized Entities.

1.1 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.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

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
Plant and machinery	Straight line	15 Years
Motor vehicles	Straight line	10 Years
Office equipment	Straight line	10 Years
IT equipment	Straight line	3 Years

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.

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ACCOUNTING POLICIES

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. They 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.

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.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort, then the fair value at the last date that such a reliable measure was available is treated as the cost of the instrument. The instrument is then measured at cost less impairment until management are able to measure fair value without undue cost or effort.

1.3 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.

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

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ACCOUNTING POLICIES

1.3 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 to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

1.4 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

1.5 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.6 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.

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R
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2. PROPERTY, PLANT AND EQUIPMENT

	2022			2021		
	Cost or revaluation	Accumulated depreciation and impairment	Carrying value	Cost or revaluation	Accumulated depreciation and impairment	Carrying value
Plant and machinery	5 067 800	(2 915 906)	2 151 894	5 067 800	(2 710 608)	2 357 192
Motor vehicles	1 776 588	(756 906)	1 019 682	3 545 369	(1 184 503)	2 360 866
Office equipment	178 374	(153 540)	24 834	178 374	(147 313)	31 061
IT equipment	230 954	(209 298)	21 656	230 955	(201 575)	29 380
Total	7 253 716	(4 035 650)	3 218 066	9 022 498	(4 243 999)	4 778 499

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	2 357 192	-	-	(205 298)	2 151 894
Motor vehicles	2 360 866	147 826	(1 388 250)	(100 760)	1 019 682
Office equipment	31 061	-	-	(6 227)	24 834
IT equipment	29 380	-	-	(7 724)	21 656
	4 778 499	147 826	(1 388 250)	(320 009)	3 218 066

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Transfers	Depreciation	Closing balance
Plant and machinery	2 430 649	-	145 354	(218 811)	2 357 192
Motor vehicles	1 472 237	-	1 030 708	(142 079)	2 360 866
Office equipment	37 286	-	-	(6 225)	31 061
IT equipment	21 497	18 886	-	(11 003)	29 380
	3 961 669	18 886	1 176 062	(378 118)	4 778 499

Property, plant and equipment pledged as security

The following assets have been pledged as security for the secured long-term borrowings :

Motor vehicles	-	57 134
Plant and machinery	-	4 197

3. LOANS TO (FROM) GROUP COMPANIES

Holding company

Good Hope Agricultural Investment Enterprise (Pty) Ltd	-	(8 456 000)
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	2022 R	2021 R
4. LOANS TO (FROM) SHAREHOLDERS		
J.F. Steyl	(19 784 706)	(11 928 172)
The loan is unsecured and bears no interest. There are no fixed terms of repayment. R 11 424 647 of the loan is subordinated in favor of other creditors until such time as assets of the company exceeds its liabilities.		
5. OTHER FINANCIAL ASSETS		
At amortised cost		
Steyl Beleggingstrust	243 072	-
The loan is unsecured and bears no interest. There are no fixed terms of repayments.		
Talbert Services (Pty) Ltd	352 700	-
The loan is unsecured and bears no interest. There are no fixed terms of repayments.		
	595 772	-
Current assets		
At amortised cost	595 772	-

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	2022 R	2021 R
6. DEFERRED TAX		
The major components of the deferred tax balance are as follows:		
Deferred tax asset		
Arising as a result of temporary differences on:		
Amounts received in advance	12 347	902 858
Deferred tax balance from temporary differences other than unused tax losses	12 347	902 858
Tax losses available for set off against future taxable income	7 241 313	6 079 838
Total deferred tax asset	7 253 660	6 982 696
Deferred tax liability		
Arising as a result of temporary differences on:		
Property, plant and equipment	(806 008)	(1 013 798)
Deferred tax asset	7 253 660	6 982 696
Deferred tax liability	(806 008)	(1 013 798)
Total net deferred tax asset	6 447 652	5 968 898
Reconciliation of deferred tax asset/(liability)		
At beginning of year	5 968 898	3 764 995
Recognised in profit or loss:		
Increases (decrease) in tax loss available for set off against future taxable income	1 161 475	1 823 551
Movement in temporary differences on property, plant and equipment	207 790	(210 944)
Movement in temporary differences on amounts received in advance	(890 511)	454 239
Movement in temporary differences from leasing activities	-	137 057
At end of year	6 447 652	5 968 898
7. INVENTORIES		
Raw materials, components	134 910	357 590
Finished goods	3 931 889	6 485 081
	4 066 799	6 842 671
8. TRADE AND OTHER RECEIVABLES		
Trade receivables	852 332	359 934
Employee costs in advance	100	100
	852 432	360 034
9. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		

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	2022 R	2021 R
9. CASH AND CASH EQUIVALENTS (continued)		
Cash on hand	13 792	3 744
Bank balances	75 241	315 106
	89 033	318 850
10. SHARE CAPITAL		
Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Issued		
Ordinary	100	100
11. TRADE AND OTHER PAYABLES		
Trade payables	5 698 897	3 241 587
Amounts received in advance	49 535	3 554 194
VAT	581 327	213 229
Accrued expense	575 278	983 351
	6 905 037	7 992 361
12. OPERATING EXPENSES		
Operating expenses include the following expenses:		
Operating lease charges		
Premises		
• Contractual amounts	1 055 664	1 805 869
Loss on sale of assets and liabilities	348 035	-
Depreciation and amortisation	114 710	389 563
Employee costs	2 354 405	7 635 927
13. AUDITOR'S REMUNERATION		
Fees	155 891	136 795
14. INVESTMENT REVENUE		
Interest revenue		
Other financial assets	-	3 226

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R
15. FINANCE COSTS		
Trade and other payables	58 999	14 916
Finance leases	1 059	14 829
Bank	8 119	29 838
Late payment of tax	205 445	224 866
	273 622	284 449
16. TAXATION		
Major components of the tax income		
Current taxation		
Withholding tax	966	-
Deferred taxation		
South African deferred tax - current year	(478 754)	(2 203 903)
	(477 788)	(2 203 903)
Reconciliation of the tax expense		
Accounting loss	(1 915 280)	(8 095 937)
Tax at the applicable tax rate of 28% (2021: 28%)	(536 278)	(2 266 862)
Non-deductible expenses		
SARS Interest and penalties	57 524	62 959
	57 524	62 959
Other		
Withholding tax	966	-
	966	-
	(477 788)	(2 203 903)
17. CASH GENERATED FROM (USED IN) OPERATIONS		
Loss before taxation	(1 915 280)	(8 095 937)
Adjustments for:		
Depreciation and amortisation	320 009	481 749
Loss on sale of assets	348 035	-
Interest received	-	(3 226)
Finance costs	273 622	284 449
Adjustment on right of use asset and liabilities	-	(1 279 690)
Changes in working capital:		
Inventories	2 775 872	2 275 053
Trade and other receivables	(492 398)	460 475
Trade and other payables	(1 087 324)	389 603
	222 536	(5 487 524)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R
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18. FIRST-TIME ADOPTION OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR SMALL AND MEDIUM-SIZED ENTITIES.

The company has applied the International Financial Reporting Standard for Small and Medium-sized Entities, for the first time for the 2022 year end. On principle this standard has been applied retrospectively and the 2021 comparatives contained in these annual financial statements differ from those published in the annual financial statements published for the year ended 31 December 2021. The standard gives certain mandatory exemptions from this principle, and certain optional exemptions which have been detailed below. All adjustments were made to the opening comparative statement of financial position.

The date of transition was 01 January 2021 and the effect of the transition was as follows.

Company

Reconciliation of equity at 01 January 2021 (Date of transition to the new standard)

	As reported under IFRS	Effects of transition to IFRS for SME	IFRS for SME
Property, plant and equipment	3 602 439	1 176 060	4 778 499
Deferred tax asset	6 496 298	(527 400)	5 968 898
Total non-current assets	10 098 737	648 660	10 747 397
Inventories	6 805 165	37 506	6 842 671
Lease liabilities	2 165 955	(2 104 625)	61 330
Deferred tax liability	6	-	6
Total liabilities	2 165 961	(2 104 625)	61 336
Total assets less total liabilities	14 737 941	2 790 791	17 528 732

Reconciliation of profit or loss for 2021

	As reported under IFRS	Effects of transition to IFRS for SME	IFRS for SME
Depreciation	1 516 715	(1 516 715)	-
Rental paid	-	1 873 851	1 873 851
Net profit	1 516 715	357 136	1 873 851

Notes

Explain the differences between the previous GAAP and the new International Financial Reporting Standard for Small and Medium-sized Entities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2022 R	2021 R
19. RELATED PARTIES		
Relationships		
Director	J.F. Steyl	
Entities with the same directors/trustees	Steyl Beleggings Trust Talbert Services and sales (Pty) Ltd	
Related party balances and transactions with other related parties		
Related party balances		
Loan accounts - Owing (to) by related parties		
J.F. Steyl	(19 784 706)	(11 928 172)
Steyl Beleggings Trust	243 072	-
Talbert Services and Sales (Pty) Ltd	352 700	-
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Steyl Beleggings Trust	(114 699)	112 002
Related party transactions		
Purchases from (sales to) related parties		
Talbert Services and Sales (Pty) Ltd	(368 396)	-
Rent paid to (received from) related parties		
Steyl Beleggings Trust	993 980	1 873 851

20. GOING CONCERN

The annual 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.

We draw attention to the fact that at 31 December 2022, the company had accumulated losses of R 11 424 647 and that the company's total liabilities exceed its total assets by R 11 424 547.

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 directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 4 of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

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STATEMENT OF FINANCIAL PERFORMANCE

		2022 R	2021 R
Revenue			
Sale of goods		23 156 492	29 191 650
Cost of sales			
Opening stock		(6 485 081)	(8 892 096)
Purchases		2 553 192	2 050 315
Cost of manufactured goods		(20 711 036)	(26 596 493)
Closing stock		3 931 889	6 485 081
		(20 711 036)	(26 953 193)
Gross profit		2 445 456	2 238 457
Other income			
Insurance claim		-	17 664
Metal sales		10 089	-
Unclaimed debtor overpayments		58 013	-
		68 102	17 664
Expenses (Refer to page 23)		(4 155 216)	(10 070 835)
Operating loss		(1 641 658)	(7 814 714)
Investment income	14	-	3 226
Finance costs		(273 622)	(284 449)
		(273 622)	(281 223)
Loss before taxation		(1 915 280)	(8 095 937)
Taxation	16	477 788	2 203 903
Loss for the year		(1 437 492)	(5 892 034)

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STATEMENT OF FINANCIAL PERFORMANCE

		2022 R	2021 R
Operating expenses			
Advertising		(61 333)	(143 726)
Auditors remuneration	13	(155 891)	(136 795)
Bad debts		(57 622)	(4 481)
Bank charges		(23 045)	(36 366)
Cleaning		(2 253)	(2 544)
Commission paid		(196 777)	(356 643)
Computer expenses		-	(2 520)
Depreciation, amortisation and impairments		(114 710)	(389 563)
Employee costs		(2 354 405)	(7 635 927)
Entertainment		(9 836)	(6 915)
Insurance		(72 486)	(93 432)
Lease rentals on operating lease		(109 952)	(100 196)
Legal expenses		(29 004)	(8 145)
Levies		122 840	-
Motor vehicle expenses		(451 286)	(548 467)
Office expenses		(9 923)	(58 118)
Postage		(36 181)	(14 159)
Printing and stationery		(8 321)	(7 730)
Profit and loss on sale of assets and liabilities		(348 035)	-
Protective clothing		(12 747)	(4 353)
Rent paid admin		-	(168 177)
Repairs and maintenance		(31 507)	(89 361)
Security		(12 013)	(17 128)
Telephone and fax		(161 306)	(180 149)
Training		-	(3 450)
Transport and freight		(757)	-
Travel - overseas		(18 666)	(62 490)
		(4 155 216)	(10 070 835)

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MANUFACTURING STATEMENT

	2022 R	2021 R
Raw materials consumed		
Opening stock	357 590	225 628
Purchases	16 317 748	21 289 948
Closing stock	(134 910)	(357 590)
	16 540 428	21 157 986
Employee cost		
Employee costs - wages - permanent staff	1 888 578	1 828 086
	1 888 578	1 828 086
Manufacturing expenses		
Consumables	-	6 143
Delivery expenses	-	88 503
Depreciation	205 299	92 186
Erecting of pivots	709 349	1 127 279
Finance costs on finance leases	-	5 355
Insurance	72 486	93 432
Lease rentals on operating lease	945 712	1 705 673
Utilities	349 184	491 850
	2 282 030	3 610 421
Manufacturing costs for the year	20 711 036	26 596 493

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TAX COMPUTATION

	2022 R	2021 R
Net loss per income statement	(1 915 280)	(8 095 937)
Permanent differences (Non-deductible/Non taxable items)		
Interest and penalties paid in respect of taxes (s23(d))	205 445	224 866
Temporary differences		
Amounts previously taxed as received in advance	(3 554 194)	(1 960 573)
Accounting loss on disposal of fixed and / or other assets	348 035	-
Wear and tear allowance (s11(e))	(333 683)	(745 642)
Taxable amount of amounts recieved in advance - Prior year	329 701	358 364
Taxable amount of amounts recieved in advance - Current year	(5 439)	(329 701)
Depreciation according to financial statements	320 008	481 749
Amounts received in advance - current year	49 535	3 554 194
Wear and tear recouped (s8(4))	407 747	-
	(2 438 290)	1 358 391
Imputed net income from CFC	-	-
Calculated tax loss for the year	(4 148 125)	(6 512 680)
Assessed loss brought forward	(21 713 706)	(15 201 025)
Assessed loss for 2022 - carried forward	(25 861 831)	(21 713 705)
Tax thereon @ 28% in the Rand	-	
Reconciliation of tax balance		
Amount owing/(prepaid) at the beginning of year	(185 448)	
Prior year adjustment	3 006	
Amount refunded/(paid) in respect of prior year	182 442	
Amount owing/(prepaid) in respect of prior year	-	
Tax owing/(prepaid) for the current year:		
Withholding Tax		
Charge	4 558	
Payment	-	
Amount owing/(prepaid) at the end of year	4 558	