

WTW Plant (Pty) Ltd
(Registration number 2016/293560/07)
Financial statements
for the year ended 29 February 2020

WTW Plant (Pty) Ltd

(Registration number: 2016/293560/07)

Financial Statements for the year ended 29 February 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Renting of plant and machinery
Director	AW Coetzee
Registered office	1A Venter Avenue Bainsvlei Bloemfontein 9301
Bankers	ABSA
Company registration number	2016/293560/07
Tax reference number	9754 583 160
VAT reference number	4360 274 833
PAYE reference number	7930 794 427
Level of assurance	These financial statements have not been audited or independently reviewed.
Preparer	The financial statements were independently compiled by: CC Dednam Professional Accountant (SA)

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Director's Responsibilities and Approval

The director is required by the Companies Act of South Africa, 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 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.

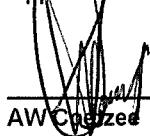
The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the sets standards for internal control 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 2021 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 financial statements set out on page 5 to 13, which have been prepared on the going concern basis, were approved by the director on 13 November 2020 and were signed:

Approval of financial statements


AW Chazee

Compilation report**To WTW Plant (Pty) Ltd**

Based on information provided by the director I have compiled, in accordance with the statement of International Standard on Related Services applicable to compilation engagements, the financial statements of the company for the period ended 29 February 2020. The director is responsible for these financial statements. I have not audited or reviewed these financial statements and accordingly express no assurance thereon.

The supplementary schedule on page 14 does not form part of the financial statements and is presented as additional information.

Readers are cautioned that the accompanying financial statements do not necessarily include all measurement and disclosure requirements to comply with *"International Financial Reporting Standards for Small and Medium-sized Entities"* and may not be appropriate for this purpose.

Yours faithfully



Chris Dednam
Professional Accountant (SA)

13 November 2020

WTW Plant (Pty) Ltd

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Statement of Financial Position as at 29 February 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Non-Current Assets			
Property, plant and equipment	2	12 089 073	17 554 732
Other financial assets	3	-	883 487
		12 089 073	18 438 219
Current Assets			
Trade and other receivables	4	5 881 241	5 114 731
Total Assets		17 970 314	23 552 950
Equity and Liabilities			
Equity			
Share capital	6	100	100
Accumulated loss		(8 544 861)	(4 916 994)
		(8 544 761)	(4 916 894)
Liabilities			
Non-Current Liabilities			
Other financial liabilities	8	16 911 455	23 351 231
Current Liabilities			
Trade and other payables	7	7 904 624	4 119 276
Bank overdraft	5	1 698 996	999 337
		9 603 620	5 118 613
Total Liabilities		26 515 075	28 469 844
Total Equity and Liabilities		17 970 314	23 552 950

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Statement of Comprehensive Income

Figures in Rand	Note(s)	2020	2019
Revenue		27 862 660	21 188 978
Operating expenses		(30 212 092)	(25 552 430)
Operating loss		(2 349 432)	(4 363 452)
Investment revenue		137	-
Finance costs	9	(1 278 572)	(1 891 797)
Loss for the year		(3 627 867)	(6 255 249)
Other comprehensive income		-	-
Total comprehensive loss for the year		(3 627 867)	(6 255 249)

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Statement of Changes in Equity

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 March 2018	100	1 338 670	1 338 770
Loss for the year	-	(6 255 249)	(6 255 249)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(6 255 249)	(6 255 249)
Capital adjustment	-	(415)	(415)
Total changes	-	(415)	(415)
Balance at 01 March 2019	100	(4 916 994)	(4 916 894)
Loss for the year	-	(3 627 867)	(3 627 867)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(3 627 867)	(3 627 867)
Balance at 29 February 2020	100	(8 544 861)	(8 544 761)

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Statement of Cash Flows

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Cash receipts from customers		27 862 660	24 179 892
Cash paid to suppliers and employees		(21 097 057)	(19 862 453)
Cash generated from operations	10	6 765 603	4 317 439
Interest income		137	-
Finance costs		(1 278 572)	(1 891 797)
Tax paid		-	(3 467)
Net cash from operating activities		5 487 168	2 422 175
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5 809 657)	(1 821 123)
Sale of property, plant and equipment	2	5 179 120	-
Sale of financial assets		883 487	(743 302)
Net cash from investing activities		252 950	(2 564 425)
Cash flows from financing activities			
Repayment of other financial liabilities		(6 439 776)	(1 263 831)
Net cash from financing activities		(6 439 776)	(1 263 831)
Total cash movement for the year		(699 658)	(1 406 081)
Cash at the beginning of the year		(999 337)	406 744
Total cash at end of the year	5	(1 698 995)	(999 337)

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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. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, 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 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.

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.

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	5 years
Furniture and fixtures	Straight line	6 years
IT equipment	Straight line	3 years

1.2 Financial instruments

Initial measurement

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

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

1.3 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.

1.4 Borrowing costs

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

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Financial Statements for the year ended 29 February 2020

Notes to the Financial Statements

Figures in Rand	2020	2019
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2. Property, plant and equipment

	2020			2019		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Plant and machinery	29 111 032	(18 045 265)	11 065 767	33 991 362	(17 725 144)	16 266 218
Furniture and fixtures	97 777	(16 458)	81 319	1 378	(162)	1 216
Motor vehicles	1 288 477	(346 490)	941 987	1 396 651	(109 353)	1 287 298
Total	30 497 286	(18 408 213)	12 089 073	35 389 391	(17 834 659)	17 554 732

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	16 266 219	5 713 259	(5 091 504)	(5 822 207)	11 065 767
Furniture and fixtures	1 216	96 398	-	(16 295)	81 319
Motor vehicles	1 287 298	-	(87 616)	(257 695)	941 987
	17 554 733	5 809 657	(5 179 120)	(6 096 197)	12 089 073

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Closing balance
Plant and machinery	24 271 566	464 500	(8 469 848)	16 266 218
Furniture and fixtures	-	1 378	(162)	1 216
Motor vehicles	29 857	1 356 651	(99 210)	1 287 298
	24 301 423	1 822 529	(8 569 220)	17 554 732

3. Other financial assets**Unsecured loans**

AC Earth Moving (Pty) Ltd	-	593 302
Satas (Pty) Ltd	-	140 185
AW Coetzee	-	150 000
	-	883 487

The loans are unsecured, bears interest from time to time and no repayment terms exists.

Non-current assets

Unsecured loans	-	883 487
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4. Trade and other receivables

Trade receivables	5 805 602	5 039 092
SARS IT	75 639	75 639
	5 881 241	5 114 731

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Notes to the Financial Statements

Figures in Rand	2020	2019
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank overdraft	<u>(1 698 996)</u>	<u>(999 337)</u>
6. Share capital		
Authorised		
100 Ordinary shares of R1 each	<u>100</u>	<u>100</u>
Issued		
Ordinary	<u>100</u>	<u>100</u>
7. Trade and other payables		
Trade payables	2 950 650	1 856 070
SARS PAYE	1 049 635	72 504
SARS VAT	3 904 339	2 190 702
	<u>7 904 624</u>	<u>4 119 276</u>
8. Other financial liabilities		
Unsecured loans		
Supa Asphalt	37 937	-
W Wasserman	-	100 000
ARA Loan	-	395 630
Africa Resurfacing Asphalt (5%)	-	3 276 489
WTW RRM	125 000	-
Wasserman Teerwerke (Pty) Ltd	2 145 353	2 497 536
WTW Civil (5%)	1 586 640	1 586 640
Didimo Maintenance	50 000	-
	<u>3 944 930</u>	<u>7 856 295</u>
Secured loans		
Vehicle finance agreements	12 966 525	15 494 936
	<u>16 911 455</u>	<u>23 351 231</u>
Non-current liabilities		
Unsecured loans	3 944 930	7 856 295
Secured loans	12 966 525	15 494 936
	<u>16 911 455</u>	<u>23 351 231</u>
9. Finance costs		
Bank	<u>1 278 572</u>	<u>1 891 797</u>

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Notes to the Financial Statements

Figures in Rand	2020	2019
10. Cash generated from operations		
Loss before taxation	(3 627 867)	(6 255 249)
Adjustments for:		
Depreciation and amortisation	6 096 197	8 569 220
Interest received	(137)	-
Finance costs	1 278 572	1 891 797
Changes in working capital:		
Trade and other receivables	(766 510)	2 990 913
Trade and other payables	3 785 348	(2 879 242)
	6 765 603	4 317 439

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Detailed Income Statement

Figures in Rand	Note(s)	2020	2019
Revenue			
Plant hire income		27 862 660	21 188 978
Operating expenses			
Accounting fees		(58 299)	(145 400)
Advertising		-	(8 518)
Bad debts		(21 909)	-
Bank charges		(282 860)	(121 471)
Cleaning		(12 465)	(50 936)
Computer expenses		(53 109)	(11 673)
Depreciation		(6 096 197)	(8 569 220)
Donations		(18 883)	(5 168)
Employee costs		(9 370 019)	(6 648 280)
Entertainment		(49 973)	(85 609)
Equipment Hire		(824 640)	(1 182 465)
Fines and penalties		(2 098)	(5 534)
Insurance		(946 825)	(658 762)
Motor vehicle expenses		(9 773 580)	(6 328 143)
Municipal expenses		(20 812)	(435)
Postage		(1 323)	(2 743)
Printing and stationery		(56 764)	(31 986)
Professional fees		(2 025 487)	(1 046 063)
Protective clothing		(4 845)	(824)
Rent paid		(159 980)	(94 804)
Repairs and maintenance		(171 690)	(361 359)
Security		(21 481)	(33 550)
Small tools		(17 410)	(50 719)
Staff welfare		(649)	(797)
Subscriptions		(4 168)	(3 200)
Telephone and fax		(78 893)	(38 745)
Travel - local		(137 733)	(66 026)
		(30 212 092)	(25 552 430)
Operating loss		(2 349 432)	(4 363 452)
Investment income		137	-
Finance costs	9	(1 278 572)	(1 891 797)
		(1 278 435)	(1 891 797)
Loss for the year		(3 627 867)	(6 255 249)

WTW Plant (Pty) Ltd

(Taxpayer reference number 9754 583 160)

(Registration number: 2016/293560/07)

Financial Statements for the year ended 29 February 2020

Tax Computation

Figures in Rand	2020
Net loss per income statement	(3 627 867)
Permanent differences (Non-deductible/Non taxable items)	
Donations - other	18 883
Other non-deductible amounts debited to the income statement	2 098
	<u>20 981</u>
Imputed net income from CFC	-
Calculated tax loss for the year	<u>(3 606 886)</u>
Assessed loss brought forward	(6 244 517)
Assessed loss for 2020 - carried forward	<u>(9 851 403)</u>
 Tax thereon @ 28% in the Rand	 <u>-</u>