

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Annual Financial Statements

for the year ended 29 February 2024

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Annual Financial Statements for the year ended 29 February 2024

INDEX

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

General Information	1
Director's Responsibilities and Approval	2
Director's Report	3
Report of the Professional Accountant	4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Accounting Policies	9 - 10
Notes to the Annual Financial Statements	11 - 12
Supplementary information:	
Detailed Income Statement	13

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Annual Financial Statements for the year ended 29 February 2024

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Engineering
DIRECTOR	Jacob Mazibuko
BUSINESS ADDRESS	Unit B1 Robertville Mini Factories 255 Nadine Street Gauteng 1709
BANKERS	Standard Bank
COMPILERS	NMK Chartered Accountants H santos Building 30 Arena Close Bruma 2026

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Annual Financial Statements for the year ended 29 February 2024

DIRECTOR'S RESPONSIBILITIES AND APPROVAL

The director is required by the South African Companies Act to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content and present fairly the statement of financial position, results of operations and business of the company, and explain the transactions and financial position of the business of the company at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the company 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, he 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 annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going-concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources the director has no reason to believe that the company will not be a going concern in the foreseeable future. The annual financial statements support the viability of the company.

The compilers are responsible for reporting on the company's annual financial statements. The compilation report is presented on page 4.

The annual financial statements as set out on pages 5 to 12 were approved by the director on 22 April 2024 and were signed by him.


Jacob Mazibuko

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Annual Financial Statements for the year ended 29 February 2024

DIRECTOR'S REPORT

The director presents his report for the year ended 29 February 2024.

1. Review of activities

Main business and operations

The principal activity of the company is engineering and there were no major changes herein during the year.

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in my opinion require any further comment.

2. 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.

3. Events after reporting date

All events subsequent to the date of the annual financial statements and for which the applicable financial reporting framework require adjustment or disclosure have been adjusted or disclosed.

The director is not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

4. Director

The director of the company during the year and to the date of this report is as follows:

Name

Jacob Mazibuko

5. Compilers

NMK Chartered Accountants were the compilers for the year under review.



REPORT OF THE COMPILER

To the Director of PEJ Engineering (PTY) LTD

We have compiled the accompanying annual financial statements of PEJ Engineering (PTY) LTD based on information you have provided. These annual financial statements comprise the statement of financial position of PEJ Engineering (PTY) LTD as at 29 February 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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.

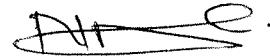
We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. 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 and the requirements of the Companies Act of South Africa.

NMK Chartered Accountants

22 April 2024



MN Mkiva
Director
Chartered Accountant (SA)

H santos Building
30 Arena Close
Bruma
2026

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

STATEMENT OF FINANCIAL POSITION

Figures in R	Notes	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	294,912	327,706
Deferred tax assets	8	312,621	318,016
		<u>607,533</u>	<u>645,722</u>
Current Assets			
Trade and other receivables	4	1,108,230	245,982
Cash and cash equivalents	5	-	1,112
		<u>1,108,230</u>	<u>247,094</u>
Total Assets		1,715,763	892,816
Equity and Liabilities			
Equity			
Issued capital	6	7,259	7,259
Accumulated loss		(193,335)	(399,743)
		<u>(186,076)</u>	<u>(392,484)</u>
Non-Current Liabilities			
Loan from shareholder		211,029	147,457
Borrowings	7	444,986	581,918
		<u>656,015</u>	<u>729,375</u>
Current Liabilities			
Trade and other payables	9	1,017,893	178,084
Borrowings		96,448	175,525
Bank overdraft	5	131,483	202,316
		<u>1,245,824</u>	<u>555,925</u>
Total Equity and Liabilities		1,715,763	892,816

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

STATEMENT OF COMPREHENSIVE INCOME

Figures in R	2024	2023
Revenue	4,067,874	4,151,204
Cost of sales	(2,580,583)	(2,726,510)
Gross profit	<u>1,487,291</u>	<u>1,424,694</u>
Operating costs	(1,232,363)	(1,707,302)
Operating profit / (loss)	<u>254,928</u>	<u>(282,608)</u>
Finance costs	(82,112)	(168,011)
Profit / (loss) before tax	<u>172,816</u>	<u>(450,619)</u>
Tax expense	33,592	38,987
Profit / (loss) for the year	<u>206,408</u>	<u>(411,632)</u>
Accumulated loss at 1 March 2023	(399,743)	11,889
Profit / (loss) for the year	206,408	(411,632)
Accumulated loss at 29 February 2024	<u>(193,335)</u>	<u>(399,743)</u>

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

STATEMENT OF CHANGES IN EQUITY

Figures in R	Share capital	Accumulated loss	Total
Balance at 1 March 2022	7,259	11,889	19,148
Total comprehensive income for the year			
Loss for the year		(411,632)	(411,632)
Total comprehensive income for the year	-	(411,632)	(411,632)
Balance at 28 February 2023	7,259	(399,743)	(392,484)
Balance at 1 March 2023	7,259	(399,743)	(392,484)
Total comprehensive income for the year			
Profit for the year		206,408	206,408
Total comprehensive income for the year	-	206,408	206,408
Balance at 29 February 2024	7,259	(193,335)	(186,076)

Note

6

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

STATEMENT OF CASH FLOWS

Figures in R	Note(s)	2024	2023
Cash flows from / (used in) operating activities			
Profit / (loss) for the year		206,408	(411,632)
<i>Adjustments for:</i>			
Finance costs		82,112	168,011
Income tax		(33,592)	(38,987)
Depreciation of property, plant and equipment		32,794	259,820
Operating cash flow before working capital changes		<u>287,722</u>	<u>(22,788)</u>
<i>Working capital changes</i>			
(Increase) / decrease in trade and other receivables		(862,248)	42,474
Increase in short term loans		(79,077)	(7,025)
Increase in trade and other payables		839,809	59,990
Net cash flows from operations		<u>186,206</u>	<u>72,651</u>
Finance costs		(82,112)	(168,011)
Tax refunded		38,987	-
Net cash flows from / (used in) operating activities		<u>143,081</u>	<u>(95,360)</u>
Cash flows used in investing activities			
Property, plant and equipment acquired	3	-	(39,077)
Net cash flows used in investing activities		<u>-</u>	<u>(39,077)</u>
Cash flows (used in) / from financing activities			
Loans repaid		(136,932)	(88,474)
Shareholder's loan raised		63,572	141,121
Net cash flows (used in) / from financing activities		<u>(73,360)</u>	<u>52,647</u>
Net increase / (decrease) in cash and cash equivalents		69,721	(81,790)
Cash and cash equivalents at beginning of the year		(201,204)	(119,414)
Cash and cash equivalents at end of the year	5	<u>(131,483)</u>	<u>(201,204)</u>

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

ACCOUNTING POLICIES

1. General information

PEJ Engineering (PTY) LTD is a private company incorporated in South Africa.

2. Summary of significant accounting policies

These annual financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention and are presented in South African Rands.

2.1 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and / or services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, and discounts.

The company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities, as described below:

2.2 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs include 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.

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been significant change from the previous estimates.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Buildings	5.00%
Plant and equipment	33.33%
Motor vehicles	20.00%
Furniture and fittings	16.67%
Office equipment	16.67%

2.3 Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

ACCOUNTING POLICIES

Summary of significant accounting policies continued...

2.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown under current liabilities on the statement of financial position.

2.5 Share capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.6 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in R	2024	2023
--------------	------	------

3. Property, plant and equipment

	Cost	Accumulated depreciation	2024 Carrying value	Cost	Accumulated depreciation	2023 Carrying value
<i>Owned assets</i>						
Land and buildings	260,000	(63,120)	196,880	260,000	(52,758)	207,242
Motor vehicles	927,284	(870,696)	56,588	927,284	(856,549)	70,735
Furniture and fittings	4,280	(3,064)	1,216	4,280	(2,821)	1,459
Machinery	363,605	(346,418)	17,187	363,605	(342,982)	20,623
Office equipment	50,400	(27,359)	23,041	50,400	(22,753)	27,647
	1,619,051	(1,324,139)	294,912	1,619,051	(1,291,345)	327,706

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year		2024 Carrying value at end of year	
	Additions	Disposals	Depreciation	
<i>Owned assets</i>				
Land and buildings	207,242	-	(10,362)	196,880
Motor vehicles	70,735	-	(14,147)	56,588
Furniture and fittings	1,459	-	(243)	1,216
Machinery	20,623	-	(3,436)	17,187
Office equipment	27,647	-	(4,606)	23,041
	327,706	-	(32,794)	294,912

	Carrying value at beginning of year		2023 Carrying value at end of year	
	Additions	Disposals	Depreciation	
<i>Owned assets</i>				
Land and buildings	220,242	-	-	(13,000)
Motor vehicles	256,192	-	-	(185,457)
Furniture and fittings	2,172	-	-	(713)
Machinery	42,429	33,864	-	(55,670)
Office equipment	31,699	5,213	-	(9,265)
	548,449	39,077	-	(259,820)
				327,706

4. Trade and other receivables

Trade debtors	1,025,363	182,915
Rental Deposits	82,867	63,057
	1,108,230	245,982

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2024	2023
5. Cash and cash equivalents		
Investment account	-	223
Petty cash	-	889
	<hr/>	<hr/>
Overdraft		
Bank overdraft	131,483	202,316
	<hr/>	<hr/>
Current assets	-	1,112
Current liabilities	(131,483)	(202,316)
	<hr/>	<hr/>
6. Share capital		
Issued		
100 Ordinary shares at no par value	7,259	7,259
	<hr/>	<hr/>
7. Borrowings		
Vehicle finance 2	18,650	86,168
Standard bank business loan	426,336	495,750
	<hr/>	<hr/>
	444,986	581,918
	<hr/>	<hr/>
8. Deferred tax		
Balance at beginning of year	318,016	279,029
Increase in tax losses available for set off against future taxable income	-	38,987
	<hr/>	<hr/>
Balance at end of year	318,016	318,016
	<hr/>	<hr/>
9. Trade and other payables		
Trade creditors	794,922	172,849
Value Added Tax	222,971	5,235
	<hr/>	<hr/>
	1,017,893	178,084
	<hr/>	<hr/>

PEJ ENGINEERING (PTY) LTD

(Registration Number 2012/115269/07)

Financial Statements for the year ended 29 February 2024

DETAILED INCOME STATEMENT

Figures in R	2024	2023
Gross Revenue		
Sales	4,067,874	4,151,204
Cost of Sales		
Purchases	2,580,583	2,726,510
Gross Profit	<u>1,487,291</u>	<u>1,424,694</u>
Expenditure		
Accounting fees	26,535	23,901
Administration fees	-	450
Bank charges	16,660	17,536
Computer expenses	-	217
Depreciation - Tangible assets	32,794	259,820
Electricity and water	20,178	52,673
Emoluments - Directors	220,593	249,182
Finance costs	82,112	168,011
General expenses	-	16,253
Insurance	36,565	52,128
Lease rental on operating lease	156,094	187,718
Legal expense	500	5,000
Municipal expenses	13,006	13,101
Motor vehicle expense	22,236	10,074
Staff uniform	-	3,993
Petrol and oil	34,164	48,952
Courier & Postage	6,495	83,896
Printing and stationery	1,280	702
Repairs and maintenance	7,611	2,073
Salaries	580,704	643,473
Security	1,815	-
Staff welfare	3,969	12,038
Subscriptions	3,057	4,740
Telephone and fax	19,200	17,886
Transport	28,907	-
Travel - local	-	1,496
	<u>1,314,475</u>	<u>1,875,313</u>
Profit / (loss) before tax	<u>172,816</u>	<u>(450,619)</u>
Taxation - Deferred charge	33,592	38,987
Profit / (loss) for the year	<u>206,408</u>	<u>(411,632)</u>