

KUNENE TRADING (PTY) LTD

(Entity Registration Number: 2001/023182/07)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
28 FEBRUARY 2020

KUNENE TRADING (PTY) LTD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2020.

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KUNENE TRADING (PTY) LTD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2020.

GENERAL INFORMATION

Nature of business Kunene Trading (PTY) Ltd is a privately owned Construction company offering plumbing and welding services to the built environment within the Gauteng area.

Physical Address P.O.Box 12768
The Tramshed
Pretoria
0126

Directors Jonathan Kunene & Marriam Kunene

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 7 to 20 were approved by the company's directors and authorized for issue on the 10 April 2020.

Jonathan Kunene
(Director)

Date

Marriam kunene
(Director)

Date

KUNENE TRADING (PTY) LTD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2020.

DIRECTORS' REPORT

1. Introduction

The directors hereby present the Annual Financial Statements of Kunene Trading (PTY) Ltd for the financial year ended 28 February 2020. The preparation and submission of these financial statements is for the responsibility of the aforementioned company directors.

2. Services rendered by the entity

Kunene Trading (PTY) Ltd is a privately owned construction company offering plumbing and welding services to the built environment within the Gauteng area.

3. Financial results

The total revenue for the financial year ended 28 February 2020 amounted to R25 930 507 (29 February 2019: R27 107 044).

4. Review of financial position

Kunene Trading (PTY) Ltd purchased assets to the value of R304 806 in the current financial year, (2019: R 80 546). Assets purchased mainly included Furniture & Fittings. This represents a drive to replace aged construction equipment to cater for the growing number of construction contract issued within the current financial year.

5. Judicial proceedings

There were no known cases filed against Kunene Trading (PTY) Ltd in the current financial year.

6. Events after the end of the reporting date.

During the period between the balance sheet date and the date when the financial statements were authorized for issue, there were no known events subsequent to the balance sheet date.

KUNENE TRADING (PTY) LTD
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2020

DIRECTORS' REPORT (Continued....)

7. Holding Entity

Kunene Trading (PTY) Ltd is autonomous and it's not under any control of any other holding company nor does it hold any other operating subsidiaries.

8. Going Concern

The financial statements have been prepared on a going concern basis since management has each and every reason to believe that the company will continue to operate in the foreseeable future.

9. Corporate governance arrangements

The company, being under control of its directors and who happen to be the corresponding shareholders, continuously receive inspections from the CIDB as well as the National Home Building Registrations Council to ensure that all units comply with applicable guidelines, policies and procedures. This function is also overseen by the company's directors from time to time.

Jonathan Kunene
(Director)

Date

Marriam Kunene
(Director)

Date



AUDIT, TAX & ADVISORY – REGISTERED CHARTERED ACCOUNTANTS & PUBLIC ACCOUNTING OFFICERS
Tel: 011 568 9784 4610, Cell 072 152 4361, Block F12, No 41 Brand Road, President Park, Midrand, 1685

AUDIT REPORT

UNQUALIFIED AUDIT OPINION

We have audited the annual financial statements of Kunene Trading (PTY) Ltd, which comprise the statement of financial position as at 28 February 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 3 to 20.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standards and for such internal controls as the director determines are necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these annual financial statements based on my audit. I conducted my audit in accordance with the South African Auditing Standards. Those standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the annual financial statements are free from material errors and misstatements.

I believe that the audit evidence obtained was sufficient and appropriate to provide a basis for my unqualified audit opinion.

In my opinion, the annual financial statements present fairly, in all material aspects, the financial position of Kunene Trading (PTY) Ltd as at the 28 February 2020, its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities.

Appreciation

The assistance rendered by the company's directors as well as other staff members is hereby sincerely appreciated.

DATE: 10 APRIL 2020

Simon Magumbo (CA/SA)
Registered Auditor (IRBA NO: 509331, SAICA NO: 20002463)

KUNENE TRADING (PTY) LTD
STATEMENT OF FINANCIAL PERFORMANCE - 28 FEBRUARY 2020.

		2020	2019
	Note		
Revenue	2	R25 930 507	R27 107 044
Other Income		R8 015 437	R6 577 524
Operating expenses	3	(R33 568 218)	(R33 302 925)
Earnings before Finance Costs & Taxes		R377 726	R381 643
Net Profit/Loss before tax		R377 726	R381 643
Taxation (Exempt)	4	-	-
Net Profit (Loss) for the year		R377 726	R381 643
Retained earnings/(losses) at the beginning of the year		R3 821 445	R3 439 802
Retained earnings at the end of the year	5	R4 199 171	R3 821 445

KUNENE TRADING (PTY) LTD
STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2020.

	Notes	2019 R	2018 R
ASSETS			
Non-Current assets			
Property, Plant and Equipment	6	R1 911 511	R2 175 973
Current assets			
Trade and other receivables	7	R2 956 750	R2 979 176
Cash and cash equivalents	8	R45 713	R35 242
Prepayments and deposits		R1 649 443	R1 649 443
TOTAL ASSETS		R6 563 417	R6 839 834
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	9	R1 107 982	R1 107 982
Accumulated Surplus (Deficit)		R4 199 171	R3 821 445
LIABILITIES			
Non-Current liabilities			
Other Long-Term Liabilities	10	-	R256 786
Loan payable to directors		-	R256 786
Current liabilities			
Trade and other payables	11	R998 136	R1 322 943
Provision for bad debts		R258 128	R330 678

KUNENE TRADING (PTY) LTD
STATEMENT OF CHANGES IN NET ASSETS AS AT 28 FEBRUARY 2020.

	Share Capital	Retained Earnings	Total
Balance at 28 FEB 2018	R1 107 982	R3 439 802	R4 547 784
Net profit for the year ended 28 FEB 2019		R381 643	R381 643
Balances at 28 FEB 2019	R1 107 982	R3 821 445	R4 929 427
Net profit for the year ended 28 FEB 2020		R377 726	R377 726
Balance at 28 FEB 2020	R1 107 982	R4 199 171	R5 307 153

KUNENE TRADING (PTY) LTD
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2020.

		2020	2019
		R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		R32 935 707	R33 704 691
Cash paid to suppliers and employees		(R32 363 644)	(R32 953 496)
Net cash flow from operating activities	12	R572 063	R751 195
CASH UTILISED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(R304 806)	(R80 546)
Net cash utilized in investing activities		(R304 806)	(R80 546)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(R256 786)	(R633 428)
Net cash utilized in Financing activities		(R256 786)	(R633 428)
Net movement in cash and cash equivalents		R10 471	R37 221
Cash and cash equivalents at beginning of year		R35 242	(R1 979)
Cash and cash equivalents at end of year		R45 713	R35 242

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020.

Accounting policies and Notes to the Annual Financial Statements

1. Basis of preparation

The 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. They are presented in the currency unit of South Africa.

The following are the principal accounting policies adopted in the preparation of the annual financial statements of KUNENE TRADING (PTY) LTD, that are in all material respects, consistent with those applied in the previous years, except where otherwise indicated.

Property, plant and equipment

Property, plant and equipment are stated at historical cost/fair value less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and that the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Construction Equipment	10 years
Furniture and Fittings	6 years
Office Equipment	5 years
Computer Equipment	6 years

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020

Impairment of non-financial assets

The carrying amounts of the company are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired; its recoverable amount is estimated. Where it is not possible to determine the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

If the recoverable amount of an asset or a cash generating unit is estimated to be less than it's carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are immediately recognized as an expense, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under the other standard. For the year under review, there were no impairment losses or gains recognized.

Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow into the company and these benefits can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Currency

These financial statements are presented in the South African Rand since that is the currency in which all of the company's transactions are denominated.

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash on hand and deposits held at banks.

Financial instruments

Recognition

Financial assets and liabilities are recognized on the balance sheet when the company becomes party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are being recognized at cost at the initial stage and balance sheet date due to the immaterial impact of subsequent measurement at amortized costs using the effective interest method.

Trade payables

Trade payables are also recognized at cost on the initial stage and the reporting stage due to the immaterial impact of subsequent measurement at amortized cost using the effective interest method.

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated.

Comparatives

Where necessary, comparative figures have been adjusted to take effect of changes in presentation as a result of change in accounting policies, change in estimates and correction of errors.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS – 28 FEBRUARY 2020

2 Revenue

Included in revenue are the following comparative items depicted in Rands:
Revenue consists construction revenue collectable from students for
construction services rendered.

Construction Revenue	R25 930 507	R27 107 044
	R25 930 507	R27 107 044

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS – 28 FEBRUARY 2020

3 Net earnings/ (loss) for the year

The following items with comparative information have been charged (Credited) in arriving at net (loss)/earnings for the year.

DESCRIPTION	31 DEC 2019	31 DEC 2018
Accounting Fees	R68 764	R66 424
Advertising	R131 228	R130 032
Concrete Band expenses	R158 176	R161 234
Bank Charges	R231 187	R222 264
Cleaning material	R281 033	R279 186
Depreciation	R569 268	R554 050
Directors remuneration	R411 336	R402 000
Drawings	R158 763	R210 780
Electricity & Water	R638 132	R621 741
Emergency medical expenses	R13 328	R12 802
Entertainment	R328 813	R467 989
Fuel	R241 173	R216 000
General expenses	R268 186	R262 307
Equipment maintenance	R328 168	R359 600
Motor Vehicle Expenses	R138 143	R121 724
Printing & stationery	R1 855 821	R1 723 173
Workers Camp	R71 768	R68 000
Rent	R7 364 178	R9 768 982
Repairs & Maintenance	R832 148	R931 156
Salaries & Wages	R14 150 614	R11 662 107
Penalty Refunds	R382 163	R372 345
Access Cards	R46 173	R48 376
Helmets	R33 838	R42 800
Site Tours	R308 437	R301 200
Site Security	R174 118	R163 457
Protective clothing	R 451 078	R 467 219
Workers Welfare	R87 183	R51 185
Management Uniforms	R88 982	R93 879
Staff Welfare	R62 138	R52 134
Training Aids	R943 887	R540 256
Telephone	R222 883	R256 710
Donations	R16 745	R8 675
Bad debt written	R2 128 132	R2 120 233
Other	R382 234	R543 220
TOTAL EXPENSES	(R33 568 218)	(R33 302 925)

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020

4 Income Tax Expense	2020	2019
Current Taxation	-	-
Deferred Taxation	-	-

The company applied for tax exemption.

5 Retained earnings/ (loss) end of year

Retained Earnings Increase for the current financial year is mainly attributable to positive profits experienced within the current financial year.

6 Property, plant and equipment for the year ended 28 FEB 2020

Description	Plant Equipment	Furniture & Fittings	Office equipment	Computer Equipment	Total
	R			R	R
Net carrying amount at beginning of year	R408 650	R458 207	R1 051 050	R258 066	R2 175 973
Cost	R2 220 702	R1 286 620	R2 338 825	R1 812 314	R7 658 461
Accum depreciation	(R1 812 052)	(R828 413)	(R1 287 775)	(R1 554 248)	(R5 482 488)
Additions	R68 673	R54 599	R27 156	R154 378	R304 806
Depreciation charge	(R106 772)	(R93 156)	(R72 968)	(R296 372)	(R569 268)
Net carrying amount at end of year	R370 551	R419 650	R1 005 238	R116 072	R1 911 511
Cost	R2 289 375	R1 341 219	R2 365 981	R1 966 692	R7 963 267
Accum depreciation	(R1 918 824)	(R921 569)	(R1 360 743)	(R1 850 620)	(R6 051 756)

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020

6 Property, plant and equipment for the year ended 29 FEB 2019

Description	Plant Equipment	Furniture & Fittings	Office equipment	Computer Equipment	Total
	R			R	R
Net carrying amount at beginning of year	R500 786	R474 210	R1 128 244	R546 237	R2 649 477
Cost	R2 220 702	R1 206 074	R2 338 825	R1 812 314	R7 577 915
Accumulated depreciation	(R1 719 916)	(R731 864)	(R1 210 581)	(R1 266 077)	(R4 928 438)
Additions	-	80 546	-	-	R80 546
Depreciation charge	(R92 136)	(R96 549)	(R77 194)	(R288 171)	(R554 050)
Net carrying amount at end of year	R408 650	R458 207	R1 051 050	R258 066	R2 175 973
Cost	R2 220 702	R1 286 620	R2 338 825	R1 812 314	R7 658 461
Accumulated depreciation	(R1 812 052)	(R828 413)	(R1 287 775)	(R1 554 248)	(R5 482 488)

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020

Financial year end **2020** **2019**

7 Trade and other receivables

Trade receivables	R2 956 750	R2 979 176
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Trade receivables consist entirely of construction projects completed.

8 Cash and cash equivalents

Cash and cash equivalents consist of demand deposits held at banks as well as petty cash kept on the business premises for petty transactions.

Bank Balance	R45 713	R35 242
Petty cash	-	-
	R45 713	R35 242

9 Share Capital

The share capital at 28 Feb 2020 comprises of ordinary no par value shares if R1 each

As at 29 Feb 2019	R1 107 982	R1 107 982
Shares Issued during the year	R0	R0
At 28 Feb 2020	R1 107 982	R1 107 982

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020

Financial year end **2020** **2019**

10 Other long-term liabilities

Other long-term liabilities refer to cash injected in by the company's directors to meet cash flow requirements. They have been classified under long term liabilities because it takes time for the company to repay these cash injections back in full.

11 Trade and other payables

Trade creditors	R998 136	R1 322 943
	R998 136	R1 322 943

KUNENE TRADING (PTY) LTD
NOTES TO THE ANNUAL FINANCIAL STATEMENTS - 28 FEBRUARY 2020

12 Cash flow from operating activities	2020	2019
Net profit for the year	R377 726	R381 643
<i>Adjusted for:</i>	R496 718	R684 894
- Depreciation expense	R569 268	R554 050
- Sundry income (loss)	(R72 550)	R130 844
<i>Working capital changes:</i>	(R302 381)	(R315 342)
(increase) in trade and other receivables	R22 426	R159 348
Increase in trade and other payables	(R324 807)	(R474 690)
Net cash flow from operating activities	R572 063	R751 195