Triveni Turbines Africa (Pty) Ltd
(Registration number 2017/288407/7)
Audited Annual Financial Statements
for the year ended 31 March 2019

Triveni Turbines Africa (Pty) Ltd
(Registration number 2017/288407/07)
Annual Financial Statements for the year ended March 31, 2019

General Information

Country of Incorporation and Domicile	South Africa
Nature of business and principal activities	Trading and providing services in power generating equipment and solutions
Director	Dhruv Manmohan Sawhney
Registered Office	AMR Building 3 Concorde East Road Bedfordview Gauteng 2008
Business address	AMR Building 3 Concorde East Road Bedfordview Gauteng 2008
Postal Address	AMR Building 3 Concorde East Road Bedfordview Gauteng 2008
Holding Company	Triveni Turbines DMCC incorporated in United Arab Emirates
Ultimate holding company	Triveni Turbine Limited incorporated in India
Auditors	PHF Incorporated Chartered Accountants (SA) Registered Auditors
Company registration number	2017/288407/07
Tax reference number	9996370160
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008
Preparer	The annual financial statements were internally compiled by: Sandeep Kumar Newatia Chartered Accountant
Issued	03 May 2019

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Director's Responsibilities and Approval

The director is required in terms of the Companies Act 71 of 2008 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 fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual 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 period to 31 March 2020 and, in light of this review and the current financial position, he is satisfied that the company has or had 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 pages 8 to 9.

The annual financial statements set out on pages 10 to 37, which have been prepared on the going concern basis, were approved by the director on 03 May 2019 and were signed by him:

Approval of financial statements

Director

Director's Report

The director has pleasure in submitting his report on the annual financial statements of Triveni Turbines Africa (Pty) Ltd for the period ended 31 March 2019.

1. Incorporation

The Company was incorporated on 13 July 2017 and obtained its certificate to commence business on the same day.

The company is domiciled in South Africa where it is incorporated as a private company limited by shares under the Companies Act 71 of 2008. The address of the registered office is set out on page 1

2. Nature of business

Triveni Turbines Africa (Pty) Ltd was incorporated in South Africa with interests in the manufacturing industry. The company operates in principally South Africa.

The main business of the entity is trading in steam turbines and parts thereof and providing services.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior period.

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

4. Share capital

			2019	2018
Authorised			Number of shares	
Ordinary no par value shares			1 000 000	1 000 000
	2019	2018	2019	2018
Issued	R	R	Number of shares	
Ordinary Shares	614 740	614 740	614 740	614 740

5. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the director in terms of section 38 of the Companies Act 71 of 2008. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 39% of the company's issued share capital, under the control of the director until the next AGM.

6. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial period. At its discretion, the director may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the director may pass on the payment of dividends.

Given the current state of the global economic environment, the director believes 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 director has resolved not to declare a dividend for the financial period ended 31 March 2019.

The director does not recommend the declaration of a dividend for the period

7. Directorate

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

Director	Office	Designation	Nationality	Changes
Dhruv Manmohan Sawhney	Chief	Executive	Indian	Appointed Thursday, 13 July 2017

8. Holding company

The company's holding company is Triveni Turbines DMCC which holds 100% (2018: 100%) of the company's equity. Triveni Turbines DMCC is incorporated in United Arab Emirates.

9. Ultimate holding company

The company's ultimate holding company is Triveni Turbines Limited which is incorporated in India.

10. Events after the reporting period

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

11. Going concern

The director believes 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 director has satisfied himself 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 director is not aware of any new material changes that may adversely impact the company. The director is 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.

12. Auditors

PHF Incorporated was appointed in office as auditors for the company for 2019.

13. Secretary

The company had appointed Mackridge & Associates, Chartered Accountants, for all secretarial work.

14. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

15. Terms of appointment of the auditors

PHF Incorporated were appointed as the company's auditors at the general meeting held on Wednesday, 22 August 2018. Included in profit for the period is the agreed auditors' remuneration of R69 995. Shareholders wishing to inspect a copy of the terms on which the company's auditors is appointed and remunerated may do so by contacting the company.

16. Date of authorisation for issue of financial statements

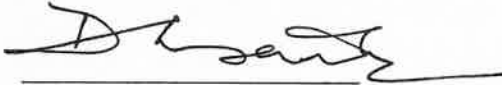
The annual financial statements have been authorised for issue by the director on Friday, 03 May 2019. No authority was given to anyone to amend the annual financial statements after the date of issue.

17. Acknowledgements

Thanks and appreciation are extended to all of our shareholders, staff, suppliers and consumers for their continued support of the company.

The annual financial statements set out on pages 10 to 37, which have been prepared on the going concern basis, were approved by the director on 03 May 2019, and were signed by him:

Approval of annual financial statements



Director

Unit A3, Ruimsig Country Office Park,
Hole-in-One Road, Ruimsig, 1732
P.O. Box 916, Paardekraal, 1752
Tel 087 550 0625 | info@phfi.co.za | www.phfi.co.za

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Independent Auditors' Report

To the shareholder of Triveni Turbines Africa (Pty) Ltd

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Triveni Turbines Africa (Pty) Ltd set out on pages 9 to 33, which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the then ended, and 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 Triveni Turbines Africa (Pty) Ltd as at 31 March 2019, and its financial performance and cash flows for the then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

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 International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The director is responsible for the other information. The other information comprises the Director's Report as required by the Companies Act 71 of 2008 of South Africa, which we obtained prior to the date of this report. 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 director for the Annual Financial Statements

The director is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008, and for such internal control as the director 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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Independent Auditors' Report

Auditors' 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 director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PHF Incorporated has been the auditor of Triveni Turbines Africa (Pty) Ltd for 2 years.

pp __________________
PHF Incorporated Chartered Accountants (SA)
Director: Prof M.G.H. Bester CA(SA)
Registered Auditors
03 May 2019
Ruimsig

Statement of Financial Position as at 31 March 2019

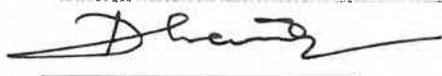
Figures in Rand	Notes	31 March 2019	31 March 2018
Assets			
Non-Current Assets			
Property, plant and equipment	3	36 645	20 758
Current Assets			
Inventories		114 707	-
Trade and other receivables	4	8 468 287	930 936
Cash and cash equivalents	5	1 694 651	2 101 799
Income Tax assets		21 736	-
		10 299 381	**3 032 735**
Total Assets		**10 336 026**	**3 053 493**
Equity and Liabilities			
Equity			
Share capital	6	614 740	614 740
Retained income		909 957	652 187
		1 524 697	**1 266 927**
Liabilities			
Current Liabilities			
Trade and other payables	7	8 811 329	1 521 216
Current tax payable		-	265 350
		8 811 329	**1 786 566**
Total Equity and Liabilities		**10 336 026**	**3 053 493**

Director

Triveni Turbines Africa (Pty) Ltd
(Registration number 2017/288407/07)
Annual Financial Statements for the year ended March 31, 2019

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	12 month ended 31 March 2019	9 Months ended March 31, 2018
Revenue			
Sale of goods	8	12 313 089	1 072 408
Rendering of services	8	9 671 411	2 943 966
Incentive income	8	410 592	
		22 395 092	**4 016 374**
Cost of sales			
Purchases		(19 246 854)	(1 940 562)
Increase/ (decrease) in Inventories		114 707	-
		(19 132 147)	**(1 940 562)**
Gross profit		**3 262 945**	**2 075 812**
Other operating gain			
Net gain on foreign exchange fluctuations	9	-	80 214
Marketing Income		431 313	-
		431 313	**80 214**
Other operating expenses			
Auditors remuneration - external	9	70 000	45 900
Bank charges		9 719	4 387
Consulting and professional fees - accounting	9	204 932	50 701
Consulting and professional fees - legal fees	9	180 811	48 400
Consumables and office expenses		23 013	32 310
Depreciation	9	11 384	1 439
Employee costs	9	1 920 198	599 918
Fines and penalties (SARS)		10 335	30 143
Lease rentals	9	109 121	60 950
Staff welfare		5 443	2 293
Travel - local		765 647	362 215
Miscellaneous expenses		79 726	-
Net loss on foreign exchange fluctuations		9 675	-
		3 400 005	**1 238 656**
Operating profit	9	**294 253**	**917 370**
Investment income (FNB)		67 781	168
Finance costs (FNB)		-	(1)
Profit before taxation		**362 034**	**917 537**
Taxation	10	104 264	(265 350)
Profit for the period		**257 770**	**652 187**
Other comprehensive income		-	-
Total comprehensive income for the period		**257 770**	**652 187**



Director

Triveni Turbines Africa (Pty) Ltd
(Registration number 2017/288407/07)
Annual Financial Statements for the year ended March 31, 2019

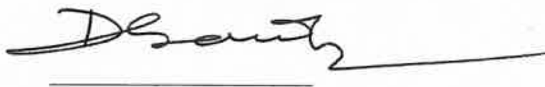
Statement of Changes in Equity

Figure in Rand	Share capital	Retained Income	Total Equity
Profit for the period	-	652 187	652 187
Other comprehensive income		-	-
Total comprehensive income for the period	**-**	**652 187**	**652 187**
Issue of shares	614 740	-	**614 740**
Total contributions by and distributions to owners of company recognised directly in equity	**614 740**	**-**	**614 740**
Balance at 31 March 2018	**614 740**	**652 187**	**1 266 927**
Profit for the period	-	257 770	**257 770**
Other comprehensive income		-	-
Total comprehensive income for the period	**-**	**257 770**	**257 770**
Issue of shares	-	-	-
Total contributions by and distributions to owners of company	**-**	**-**	**-**
Balance at 31 March 2019	**614 740**	**909 957**	**1 524 697**
Note	6		

Director

Statement of Cash Flows

Figures in Rand	Notes	12 months ended 31 March 2019	9 months ended 31 March 2018
Cash flows from operating activities			
Cash receipts from customers		15 289 054	3 118 068
Cash paid to suppliers and employees		(15 345 362)	(1 608 979)
Cash (used in)/generated from operations	11	(56 308)	1 509 089
Income Tax Paid	12	(391 350)	-
Interest income		67 781	168
Finance costs (FNB)		-	(1)
Net cash (used in)/ from operating activities		**(379 877)**	**1 509 256**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(27 271)	(22 197)
Cash flows from financing activities			
Proceeds on share issue	6	-	614 740
Total cash movement for the period		**(407 148)**	**2 101 799**
Total cash at the beginning of the period		2 101 799	-
Total cash at end of the period	5	**1 694 651**	**2 101 799**



Director

Accounting Policy

Corporate information

Triveni Turbines Africa (Pty) Ltd is a private company incorporated and domiciled in South Africa.

The annual financial statements for the period ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on Friday, 03 May 2019.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1. Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act 71 of 2008 of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed separately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

Information about the specific techniques and inputs of the various assets and liabilities is disclosed in note 4 and note 7.

Impairment testing

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

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on company replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters. The useful life of manufacturing equipment is assessed annually based on factors including wear and tear, technological obsolescence and usage requirements.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 7.

1.3. 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.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

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. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
IT equipment	Straight line	3 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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

1.4. Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.5. Tax

Current tax assets and liabilities

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

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

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

1.7. Inventory

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.8. Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9. Share capital and equity

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

Ordinary shares are classified as 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 period in which they are declared.

1.10. Employee benefits

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.11. Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

1.12. Revenue

The Company has applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18. The details of accounting policies under IAS 18

are disclosed separately if they are different from those under IFRS 15. Under this transition method, the Company is required to apply IFRS 15 retrospectively only to contracts that are not completed contracts at the date of initial application (i.e. 1 March 2017) and due to Company having only been incorporated on 13 July 2017, no such changes (to accounting polices and disclosure related there-to) are required.

IAS 18

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

IFRS 15

Revenue From Contracts With Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of Goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods, because the customer then receives and is able to consume (and restrict others' to) the benefits provided by the entity.

The entity considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods (usually the stand-alone selling price), the entity considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Rendering of Services

The entity recognises revenue from services over time in case of operation and maintenance contract, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes (and restrict others' to) the benefits provided by the entity. Revenue from the sale of refurbishing/ repair activities is recognised at a point in time, generally upon completion of services, because the customer is only then able to consume (and restrict others' to) the benefits provided by the entity.

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

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.13. Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.14. Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Notes to the Annual Financials Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current period

In the current period, the company has adopted the following standards and interpretations that are effective for the current financial period and that are relevant to its operations:

IFRIC 22: Foreign Currency Transactions and Advance Consideration

The interpretation applies to circumstances when an entity has either paid or received an amount of consideration in advance and in a foreign currency, resulting in a non-monetary asset or liability being recognised. The specific issue addressed by the interpretation is how to determine the date of the transaction for the purposes of determining the exchange rate to use on the initial recognition of the related asset, expense or income when the non-monetary asset or liability is derecognised. The interpretation specifies that the date of the transaction, for purposes of determining the exchange rate to apply, is the date on which the entity initially recognises the non-monetary asset or liability.

The effective date of the interpretation is for years beginning on or after 01 January 2018.

The company has adopted the amendment for the first time in the 2019 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to

changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the interpretation is for years beginning on or after 01 January 2018.

The company has adopted the amendment for the first time in the 2019 annual financial statements.

The adoption of this amendment has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the annual financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The company has adopted the amendment for the first time in the 2019 annual financial statements.

The adoption of this amendment has had a material impact on the results of the company, and has resulted in more disclosure than would have previously been provided in the annual financial statements.

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2019 or later periods and are relevant to its operations:

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Company as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

The effective date of the standard is for years beginning on or after 01 January 2019.

The company does not envisage the adoption of the standard until such time as it becomes applicable to the company's operations.

The impact of this standard is currently being assessed.

3. Property, plant and equipment

	2019			2018		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
IT equipment	49 469	(12 823)	36 645	22 197	(1 439)	20 758

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Total
IT equipment	20 758	27 271	(11 384)	36 645

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Depreciation	Total
IT equipment	-	22 197	(1 439)	20 758

4. Trade and other receivables

	2019	2018
Deposits	14 840	660
Employee costs in advance	40 000	18 500
Prepayments	33 490	13 470
Trade receivables	7 454 850	898 306
Unbilled revenue	925 107	-

	8 468 287	**930 936**

Credit quality of trade and other receivables

Management rates the quality of trade and other receivables periodically against its internal credit rating parameters. The quality of these trade receivables is such that management believes no additional allowance for credit losses is necessary. No significant risk has been identified within the trade accounts receivables not past due but not impaired.

Fair value of trade and other receivables

	2019	2018
Trade and other receivables	8 468 287	930 936

Trade and other receivables are predominantly non-interest bearing and are not considered past due nor impaired. Due to the short maturities of trade and other receivables, the carrying amount of these trade and other receivables approximate their fair values.

Currencies

The carrying amount of trade and other receivables are denominated in the following currencies

	2019	2018
Rand (inside South Africa)	8 268 911	643 848
US Dollar (outside South Africa)	199 376	287 088

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2019	2018
Bank balances	1 694 651	2 101 799

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (S&P):

Credit rating

	2019	2018
B	1 694 651	2 101 799

Currencies

The carrying amount of cash and cash equivalents are denominated in the following currencies

	2019	2018
Rand (inside South Africa)	1,278,437	1,886,846
US Dollar (outside South Africa)	416,214	214,953

6. Share capital

	2019	2018
Authorised		
1,000,000 Ordinary no par value shares	1 000 000	1 000 000

385 260 unissued ordinary shares are under the control of the director in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

	2019	2018
Issued		
614 740 Ordinary no par value shares	614 740	614 740

7. Trade and other payables

	2019	2018
Accrued audit fees	70 000	45 900
Accrued travelling expenses	40 000	-
Employee taxes owing	-	45 095
Trade payables	7 217 816	1 146 337
VAT	360 076	283 884
Deferred revenue	1 123 437	-
	8 811 329	**1 521 216**

Fair value of trade and other payables

	2019	2018
Trade Payable	8 811 329	1 521 216

Trade and other payables are predominantly non-interest bearing and are not considered past due nor impaired. Due to the short maturities of trade and other payables, the carrying amount of these trade and other payables approximate their fair values.

Currencies

The carrying amounts of trade and other payables are denominated in the following currencies:

	2019	2018
Rand (inside South Africa)	2 506 229	430 450
US Dollar (outside South Africa)	6 305 100	1 090 707

8. Revenue

Significant accounting policy

Please refer to Note 1: Accounting Policies, sub-note 1.11 Revenue.

Nature of goods and services

The following is a description of the principal activities – within its' single reportable segment (primary geographical market: Southern Africa) – from which the Company generates its revenue:

Major product/service lines:	Nature, Timing of satisfaction of performance obligations and Significant payment terms
Sale of Goods	Sale of Spares, including Refurbishment In case of domestic sales, when goods are despatched from the factory and handed over to transporter. Normally, the Company enters contract with the customers based on ex-factory inco terms and control is passed as soon as goods move out from the factory and performance obligation is completed. In case of international sales, control is passed when goods are loaded in to vessels and the Company obtains bill of lading and in case, freight forwarder is nominated by the customers, as soon as goods are handed over to nominated freight forwarder, then it is presumed that control has been passed to the customers and performance obligation is completed. Normal payment terms (usually on despatch; always within 12 months (no financing component))
Rendering of Services	Erection and Commissioning; Incentive income In case of refurbishing and erection and commissioning activities provided by the Company, performance obligation is completed when these activities as mentioned in the contract is fulfilled and revenue is recognised at point in time. In case of operation & maintenance contract contracts, since customer simultaneously receives and consumes the benefits provided by the Company, the performance obligation is hence completed and revenue is recognised over time basis. In case of incentive income, performance obligation is completed when associated activities as mentioned in the contract is fulfilled and revenue is recognised at point in time. Normal payment terms (usually on invoice; always within 12 months (no financing component))

Disaggregation of revenue

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

	2019
Major product/service lines:	
Sale of Goods	
Spares	12 313 088
Rendering of Services	
Erection and Commissioning	2 606 140
Incentive income	410 592
Refurbishments	3 059 568
Services	4 005 704
	22 395 092
Timing of revenue recognition	
Product and services transferred at point in time	17 445 076
Product and services transferred over time	4 950 016
	22 395 092

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers (which were only entered into during the current year):

	2019
Contract assets (included in Trade and other receivables)	925 107
Contract liabilities (included in Trade and other payables)	(1 123 437)

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date on Sappi Saiccor (Operation & Maintenance) contract. The contract assets are transferred to receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customers for other services or spare parts, for which revenue is recognised on completion of services.

Transaction price allocated to the remaining performance obligations

The company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Contract costs

Applying the practical expedient in paragraph 94 of IFRS 15, the company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the company otherwise would have recognised is one year or less. There were, however, no such costs.

9. Operating profit (loss)

Operating profit for the period is stated after charging (crediting) the following, amongst others:

	2019	2018
Auditors' remuneration - external		
Audit fees	70 000	45 900
Consulting and professional services		
Accounting fees	204 932	65 401
Legal fees	180 811	33 700
	385 743	**99 101**
Employee costs		
Salaries, statutory charges and COIDA/WCA contributions	1 949 176	599 918
Average number of persons employed during the year		
Administration	2	2

The table shows the number of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

	2019	2018
Less than R150,000	1	
R150,001 - R235,000	1	1
R235,001 - R325,000		1
More than R325,000	1	

Operating lease charges		
Premises	109 121	60 950

Depreciation and amortisation		
Depreciation of property, plant and equipment	11 384	1 439

Other operating (losses)/gains		
Net loss/(gain) on foreign exchange fluctuations	9 675	(80 214)

10. Taxation

Major components of the tax expense

Current		
Local income tax - current period	104 264	265 350

Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	362 034	917 537
Tax at the applicable tax rate of 28%	101 370	256 910
Tax effect of adjustments on taxable income		
Non-deductible expenses	2 895	8 440
	104 264	**265 350**

11. Cash generated from operations

Profit before taxation	362 034	917 537
Adjustments for:		
Depreciation and amortisation	11 384	1 439
Finance costs (FNB)	-	1
Interest income	(67 781)	(168)
Net (gain)/loss on foreign exchange fluctuations		(80 214)
Changes in working capital:		
Inventory	(114 707)	
Trade and other receivables	(7 537 351)	(794 669)
Trade and other payables	7 290 113	1 465 163
	(56 308)	**1509 089**

12. Income tax paid

Balance at the beginning of the period	-265 350	0
Current tax for the period recognised in profit or loss	-104 264	-265 350
Balance at the end of the period	-21 736	265 350
	-391 350	**0**

13. Related Parties

Relationships

Ultimate holding company	Triveni Turbines Limited
Holding company	Triveni Turbines DMCC

Related party balances		
Amounts included in Trade Receivable (Trade Payable) regarding related parties		
Triveni Turbines Limited	(6 305 776)	(1 090 707)
Triveni Turbine DMCC	72 059	-
Related party transactions		
Triveni Turbine DMCC		
Incentive Income	410 592	-
Marketing Income	431 313	-
Triveni Turbines Limited		
Purchases from (sales to) related parties Triveni Turbines Limited	14 217 004	1 169 454

14. Earnings per share

Basic earnings per share		
Profit attributable to owners of the company	257 770	652 246
Weighted average number of ordinary shares in issue	614 740	439 581
	R 0.42	**R 1.48**

As there are no (dilutive) potential ordinary shares, there will be no difference between diluted and basic earnings per share.

As there are no (applicable) accounting remeasurements, there will be no difference between headline and basic earnings per share.

15. Contingencies

Except the ongoing business commitments, which are in the normal course of business, there has been no known contingent liability or capital commitments on the Company as at the end of the reporting period.

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

17. Comparative figures

The prior reporting period is longer/shorter than a year, therefore comparative amounts are not comparable to the current balances.

18. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings, including trade and other receivables and payables as disclosed in notes 4 & 7 (excluding derivative financial liabilities), cash and cash equivalents disclosed in note 5, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

The gearing ratio is not calculated as net debt is negative (with cash and cash equivalents being more than total borrowings). This indicates that the company's ability to continue as a going concern has been adequately safeguarded.

Financial risk management

The company's activities expose it to a variety of financial risks: liquidity risk, market risk (including interest rate risk, foreign exchange risk, price risk), and credit risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its short term financial liabilities at maturity date.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions: The company manages the liquidity risk through risk management framework for the company's short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.

The liquidity ratio is positive as current assets exceed current liabilities. This indicates that the company's ability to continue as a going concern has been adequately safeguarded.

The table below analyses the company's remaining contractual maturity for its short term financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the company may be required to pay:

As at March 31, 2019		Less than 1 year
Accrued expenses		110 000
Statutory charges due		360 076
Trade payables		7 217 816
Deferred revenue		1 123 437
As at March 31, 2018		Less than 1 year
Accrued expenses		45 900
Statutory charges due		328 921
Trade payables		1 146 336
Deferred revenue		-

Interest rate risk

As the company has no significant interest-bearing assets (with both trade and other receivables and payables are predominantly non-interest bearing), the company's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

The company's exposure to credit risk at the end of the reporting period is indicated by the carrying amounts of its financial assets, net of any applicable allowance for losses.

The company only deposits cash with major banks with high quality credit standing

Trade receivables comprise a widespread customer base. The company usually undertakes transactions with reputable customers and has established credit limits for its customers on periodic reviews it carries out for this purpose. The company provides an allowance for impairment at the end of each reporting period that represents its estimate of incurred losses in respect of trade receivables. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets exposed to credit risk at period end were as follows:

Financial instrument	**2019**	**2018**
Bank	1 694 651	2 101 799
Deposits	14 840	660
Trade Receivable	7 454 850	898 306
Unbilled Receivable	925 107	-

The quality of these trade receivables is such that management believes no additional allowance for credit losses is necessary. No significant risk has been identified within the trade accounts receivables not past due but not impaired.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises mainly from recognised assets and liabilities.

The company does not hedge foreign exchange fluctuations.

Foreign currency exposure at the end of the reporting period		
Current assets		
Trade receivables (x USD)	199 376	287 088
Current liabilities		
Trade payables (x USD)	6 305 100	1 090 707
Exchange rates used for conversion of foreign items were:		
USD	14.47	11.81

It does appear as if the company is significantly exposed to foreign exchange risk, however, the company expects its foreign exchange sales to, in future, hedge its' foreign exchange purchases.

19. Categories of financial instruments

Categories of financial instruments – 2019	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Assets						
Non-Current Assets						
Property, plant and equipment	3				36 645	36 645
Current Assets						
Inventories					114 707	114 707
Trade and other receivables	4	8 379 967			88 330	8 468 287
Cash and cash equivalents	5	1 694 651				1 694 651
Income Tax Assets					21 736	21 736
Total Current Assets		**10 074 618**			**224 773**	**10 299 391**
Total Assets		**10 074 618**			**261 418**	**10 336 026**
Equity and Liabilities	-					
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	6				614 740	614 740
Retained income					909 957	909 957
Total Equity					**1 524 697**	**1 524 697**
Liabilities						
Current liabilities						
Trade and other payables	7		8 451 253		360 076	8 811 329
Current tax payable					-	
Total Liabilities			**8 451 253**		**360 076**	**8 811 329**
Total Equity and Liabilities			**8 451 253**		**1 884 773**	**10 336 026**

Categories of financial instruments - 2018	Notes	Debt instruments at amortised cost	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Assets						
Non-Current Assets						
Property, plant and equipment	3				20 758	20 758
Current Assets						
Trade and other receivables	4	898 966			31 970	930 936
Cash and cash equivalents	5	2 101 799				2 101 799
		3 000 765			**31 970**	**3 032 735**
Total Assets		3 000 765			**52 728**	**3 053 493**
Equity and Liabilities						
Equity						
Equity Attributable to Equity Holders of Parent:						
Share capital	6				614 740	614 740
Retained income					652 187	652 187
Total Equity					**1 266 927**	**1 266 927**
Liabilities						
Current liabilities						
Trade and other payables	7		1 237 333		283 884	1 521 216
Current tax payable			-		265 350	265 350
Total Liabilities			**1 237 333**		**549 234**	**1 786 566**
Total Equity and Liabilities			**1 237 333**		**1 816 161**	**3 053 493**